

MEENAKSHI STEEL INDUSTRIES LIMITED

Board of Directors

DIN

| | |
|--|----------|
| Ms. Shivangi Girish Murarka Managing Director | 08370325 |
| Mrs. Sudha P. Jajodia | 00376571 |
| Mr. Arvind Kumar Newar | 00469492 |
| Mr. Rajgopal Dhoot | 00043844 |

Company Secretary:

Ms. Binita Shard Gosalia
Company Secretary & Compliance Officer

Auditor :

M/s B. Maheshwari & Co.
Chartered Accountants
B-302, Citi Point,
Near Hotel Kohinoor,
J.B. Nagar, Andheri-Kurla Road,
Andheri East
Mumbai 400 059

Registered Office :

K-27, Jiya Sarai,
First Floor, Near IIT Gate,
New Delhi 110 016
CIN – L52110DL1985PLC020240

Registrar & Share Transfer Agent

Adroit Corporate Services Private Limited
19, Jaferbhoy Industrial Estate, 1st Floor
Makwana Road, Marol Naka, Andheri (East),
Mumbai 400 059

MEENAKSHI STEEL INDUSTRIES LIMITED

CIN NO: L52110DL1985PLC020240

Regd. Office: k-27, Jiya Sarai, 1st Floor, Near IIT Gate, New Delhi 110016,

Email : meenakshisteelindustries@gmail.com

Website : www.meenakshisteel.in

NOTICE

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the members of **Meenakshi Steel Industries Limited** will be held on Tuesday, the 29th day of September, 2020 at 2.00 pm at the registered office of the Company at K-27, Jiya Sarai, First Floor, Near IIT Gate, New Delhi 110 016 to transact the following business :

Ordinary Business:

1. consider and adopt the Audited Financial Statements including audited consolidated financial statements of the Company for the financial year ended March 31, 2020, together with the reports of the Board of Directors and the Auditors thereon.
2. To re-appoint a Director in place of Mrs. Sudha P. Jajodia (DIN No: 00376571) who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business :

3. To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution

RESOLVED THAT pursuant to the provisions of Section 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“**the Act**”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 17 and other applicable provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended from time to time, Shri Rajgopal Dhoot (DIN: 00043844), Non-Executive Independent Director of the Company whose present terms of office as Independent Directors expires at ensuing Annual General Meeting and is eligible for re-appointment and who meets the criteria of Independence as provided in section 149(6) of the Act along with rules framed thereunder and regulation 16(1)(b) of Listing Regulations and who had submitted the declaration to that effect be and is hereby re-appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendation of Nomination and Remuneration Committee to hold office from second terms of Five years with effect from conclusion of this meeting upto 29th September, 2025

4. To consider and if thought fit, to pass, with or without modification to pass the following Resolution as Special Resolution

RESOLVED THAT pursuant to the provisions of Section 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 17 and other applicable provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time, Shri Arvind Kumar Newar (DIN:00469492), Non-Executive Independent Director of the Company whose present terms of office as Independent Directors expires at ensuing Annual General Meeting and is eligible for re-appointment and who meets the criteria of Independence as provided in section 149(6) of the Act along with rules framed thereunder and regulation 16(1)(b) of Listing Regulations and who had submitted the declaration to that effect be and is hereby re-appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendation of Nomination and Remuneration Committee to hold office from second terms of Five years with effect from conclusion of this meeting upto 29th September, 2025

5. To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution

RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sum of moneys from time to time notwithstanding that the money or moneys, to be borrowed together with money already borrowed by the Company, may exceed aggregate of its paid up capital and free reserve, apart from temporary loan obtained from the Company’s Banker in ordinary course of business, provided however, the total amount so borrowed shall not exceed Rs. 300.00 Cr (Rupees Three Hundred Crore only)

RESOLVED FURTHER THAT any Director of the Company be and are hereby authorized to file necessary e-forms with Registrar of Companies, Mumbai and to do or cause to do such other acts, deeds, things and execute all such documents, undertakings as may be considered necessary in connection with or incidental to the above

**By order of the Board of Directors of Directors of
Meenakshi Steel Industries Limited**

**Binita Sharad Gosalia
Company Secretary**

Place: Mumbai

Date : 4th September, 2020

NOTES:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to certain ordinary business and the special business to be transacted at the 35th Annual General Meeting is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Registrar of Directors, Key Managerial Personnel and their shareholdings and other requisite documents shall be available for inspection electronically.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint proxy to attend and vote on his / her behalf and the proxy need not be the members of the Company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Annual Report including Notice of AGM has been uploaded on the website of the Company www.meenakshisteel.in and the same is attached to the email sent to you for the AGM. The same can be accessed and download from the website of Stock Exchange – The BSE Limited at www.bseindia.com and from the website of National Securities Depository Limited at e-voting@nsdl.co.in.
4. The proxy form duly completed and signed should be deposited at the Registered office of the Company not less than 48 hours before the time fixed for the Meeting.
5. The Register of Members and Share Transfer Register of the Company will remain closed from Tuesday, 22nd September, 2020 to Monday, 28th September, 2020, (both days inclusive) for the purpose of AGM.

6. EVOTING:

- i) Pursuant to Section 108 of the Companies Act, 2013 and in compliance with the provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to announce that all the business mentioned in the notice may be transacted through electronic voting system and the Company is providing facility by electronic means.
- ii) For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Shareholders of the Company to cast their votes electronically.
- iii) The Board of Directors of the Company has appointed Mr. Girish Murarka, Proprietor of GIRISH MURARKA & CO. practicing Company Secretaries, Mumbai to conduct and scrutinize the e-voting process in a fair and transparent manner.

7. The instruction for shareholder for remote e-voting are as under

The way to vote electronically on NSDL e-voting system consist of Two Steps which are mentioned below:

Step 1 : Login to NSDL e-voting system at <http://www.evoting.nsdl.com>

- a) Visit the e-voting website of NSDL. Open web browser by typing the following URL : <http://www.evoting.nsdl.com> either on your Personal Computer or on a mobile
- b) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder section
- c) A new screen will be open. You will have to enter your User ID, your Password and verification code as shown on the screen

Step 2 : Casting your vote electronically

d) User ID details are given below:

| Manner of holding shares ie Demat (NDSL or CDSL) Or Physical | Your User ID is : |
|---|---|
| a) For Members holds the share in Demate Account with NDSL | 8 character DP ID followed by 8 digit client ID for example your DP ID is IN300*** and your Client ID is 12***** then your User ID is IN300***12***** |
| b) For Members holds the share in Demate Account with CDSL | 16 digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your User ID is 12***** |

e) Your Password details are given below:

- i) If you are already registered for e-voting, then you can use your existing password to login and cast your vote
- ii) If you are using NSDL e-voting system for the first time, your will need to retrieve the 'initial password', your need enter the initial password and the system will force you to change your password
- iii) How to retrieve initial password?
 - a) If your email id is registered in your Demat Account or with the Company, the initial password is communication to you on your email id. Trace the email sent to you from NSDL from your email box. Open the email and open the attachment which is in PDF. Open the pdf file. The password to open the pdf file is your 8 digit Client ID for NSDL Account, last 8 digit of your Client ID for CDSL Account
 - b) If your email id is not registered, your initial password will be communicated to you on your postal address
- f) If you are unable to retrieve or have not received your initial password or have forgotten the password - Click on 'Forgot user detail / password' (if you are holding the share in demat account with NSDL / CDSL) option available on www.evoting.nsdl.com .
- g) After entering your password, Tick on Agree to " Terms and conditions" by selecting on the check box.
- h) Now you have to click on "Login" button
- i) After you click on Login button, home page of e-voting will open

Step 2: Cast your vote electronically on NSDL e-voting system

- a) After successful login at Step 1, you will be able to see Home Page of e-voting. Then click on Active voting cycle.
- b) After click on Active voting cycle, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle is in active status
- c) Select "EVEN" of the Company for which you wish to cast your vote
- d) Now you are ready for e-voting as the voting page opens
- e) Cast your vote by selecting appropriate option ie. Assent or Dissent, verify / modify Number of shares for which you cast your vote and click on submit and confirm when prompted
- f) After confirmation, Vote casted successfully will be displayed
- g) You can also take the print out of your votes casted by you, by clicking on the print out option on the confirmation page
- h) Once you confirm your vote on the resolution

8. GENERAL INFORMATION FOR THE SHAREHOLDERS

- a) The Voting rights of the members shall be in proportion to their shares fully paid equity capital as on the cut off date 22nd September, 2020
- b) The e-voting period commences on Saturday, 26th September, 2020 commences at 9.00 am and ends on Monday, 28th September, 2020 at 5.00 pm. At the end of the voting period, the portal where votes are cast shall forthwith be blocked. The cut off date for Remote e-voting is 22nd September, 2020
- c) Mr. Girish Murarka, Practicing Company Secretary having COP-4576, Proprietor of GIRISH MURARKA & CO., Mumbai, the scrutinizer will, on 1st October, 2020 i.e. within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any and submit to the Chairman of the Annual General Meeting of the Company.
- d) The results declared along with the scrutinizer's report shall be placed on the website of the company and on the website of the RTA or NSDL within two days of passing of the resolution.
- e) Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of Annual General Meeting.

9. Name, designation, address, email id and phone no. of the person responsible to address the grievances connected with facility for voting by electronic means.

Name:- Ms. Binita Sharad Gosalia

Designation:- Company Secretary and Compliance Officer

Address: 407, Kalbadevi Road, 3rd Floor, Daulat Bhavan, Mumbai 400 002

Email : meenakshisteelindustries@gmail.com

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013
ANNEXURE TO THE NOTICE

Item No. 3 and 4

Shri Arvind Kumar Newar (DIN 00469492) and Rajgopal Dhoot (DIN 00043844) were appointed as an Independent Director on the Board of the Company pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement by the members. In accordance with Section 149(10) of the Act, an Independent Director shall hold office for a term upto five years on the Board and shall be eligible for re-appointment on passing a Special Resolution Section 149(11) of the Act provides that an Independent Director may hold office for two consecutive terms of five years each. Taking into consideration their skills, experience, knowledge and their valuable contribution to the Company and based on their performance evaluation, it is desirable to continue to avail their services and reappoint them for a second term of five years to hold office with effect from 31st March, 2020.

Accordingly, the Board of Directors have at the Meeting held on 4th September, 2020, based on the recommendation of the Nomination and remuneration Committee, recommended the reappointment Shri Arvind Kumar Newar (DIN: 00469492) and Rajgopal Dhoot (DIN:00043844) as Independent Director of the Company for second term, as aforesaid. Independent Directors, are not liable to retire by rotation. They also have given declaration that they are not disqualified from being reappointed as Independent Director in terms of Section 164 of the Act and have given their consent to act as an Independent Directors. The Company has also received declaration from them that they meet the criteria of independence as prescribed under the Act and the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Shri Arvind Kumar Newar (DIN: 00469492) and Shri Rajgopal Dhoot (DIN:00043844) have also given declaration that they are not debarred from holding office of director by virtue of any order passed by Securities and Exchange Board of India or any other such authority. The terms and conditions of reappointment of independent Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day of the Company and will also be kept open at the venue of the AGM till the conclusion of the AGM.

None of the Director, other than the Directors proposed to be appointed (in their respective resolutions of appointment), Key Managerial Personnel or their relatives, are directly / indirectly concerned or interested, financial or otherwise in this resolution.

Item No. 5

Keeping in view of the Company's existing and future financial requirements to support the business operations, the Company needs the additional funds. For this purpose, there is desirous of raising finance which together with moneys already borrowed by the Company (apart from temporary loan obtained from the Company's Banker in ordinary course of business) may exceed in aggregate of the Paid up capital and free reserve of the Company. Hence it is proposed to increase the maximum borrowing limit up to Rs. 300.00 Crore (Rupee Three Hundred Crore only). Pursuant to section 180(1)(c) of the Companies Act, 2013, The Board of Directors can not borrow more than the aggregate of Paid up Capital and Free Reserve of the Company at any point of time except with the consent of the Members of the Company in General Meeting accorded by passing Special Resolution.

Hence the Board recommends the resolution in item no. 5 for the approval of the Members as Special Resolution

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the above resolution.

**By order of the Board of Directors of Directors of
Meenakshi Steel Industries Limited**

**Binita Sharad Gosalia
Company Secretary**

Place: Mumbai

Date : 4th September, 2020

Annexure "A"

Information on Director being appointed / re-appointed as required under regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provisions of Secretarial Standard on General Meeting (SS-2)

| | | | |
|--|--|--|---|
| Name of Director | Sudha P. Jajodia | Rajgopal Dhoot | Arvind Kumar Newar |
| DIN | 00376571 | 00043844 | 00469492 |
| Date of Birth | 06.01.1950 | 13.08.1944 | 06.04.1945 |
| Relationship with other Director inter- se | Nil | Nil | Nil |
| Date of Appointment | 30.03.2015 | 07.09.1993 | 07.09.1993 |
| Expertise in specialized area | Resource Management | Business | Finance & Accounts |
| Qualification | Diploma in Social Science | MBA | B.A. |
| No. of Equity Shares held in the Company | Nil | Nil | Nil |
| Directorship in other public Limited Company | 1.Jatayu Textiles & Industries Ltd. 2.Five-Star Trading & Investment Company Limited | 1.Dhoot Industrial Finance Ltd. 2.The Hindustan Minerals Products Company Ltd | 1.HGI Industries Ltd 2.Dhaneswari Wood Products Ltd. 3.Arvind Press Caps Ltd. 4.Kool Kidz Products Ltd |
| Chairman/Membership of the Committee of other Company | Nil | Nil | Nil |

MEENAKSHI STEEL INDUSTRIES LIMITED

CIN NO: L52110DL1985PLC020240

Regd. Office: k-27, Jiya Sarai, 1st Floor, Near IIT Gate, New Delhi 110016,

Email : meenakshisteelindustries@gmail.com

Website : www.meenakshisteel.in

BOARD'S REPORT

To,
The Members
Meenakshi Steel Industries Limited

The Directors of your Company are pleased to present their Thirty Fifth Annual Report and the Audited Financial Statements for the financial year ended 31st March, 2020.

FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended 31st March, 2020 is summarized below:

| Particulars | Rs. in Lakhs | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Standalone | Consolidated | | |
| | Financial Year 2019-20 | Financial Year 2018-19 | Financial Year 2019-20 | Financial Year 2018-19 |
| Revenue from Operations | 57.33 | 4.30 | 57.33 | 4.30 |
| Other Income | - | .02 | - | 0.02 |
| Total Income | 57.33 | 4.32 | 57.33 | 4.32 |
| Expenditure | 446.98 | 8.14 | 446.98 | 8.14 |
| Profit/(Loss) before tax | (389.65) | (3.82) | (389.65) | (3.82) |
| Share in Profit/(Loss) of Associates | - | - | (4,070.65) | 1,233.96 |
| Tax Expenses | (1,670.00) | - | (1,670.00) | - |
| Excess/(Short) Tax provisions | - | 0.80 | - | 0.80 |
| Profit/(Loss) after Tax | (2,059.65) | (4.62) | (6,130.30) | 1,229.34 |
| Other Comprehensive Income/(Loss) | (12,306.30) | 4,612.35 | (12,306.30) | 4,612.35 |
| Total Comprehensive Income/(Loss) for the year | (14,365.95) | 4,607.73 | (18,436.60) | 5,841.69 |

COVID -19 IMPACT

The COVID-19 was declared a Global pandemic on 11th March, 2020 by World Health Organization (WHO) and that Government of India announced a Lockdown on 24th March, 2020. We believe that the impact assessment of this pandemic is a continuous evolving process, given its intensity in the Financial Capital of India. The Management has, at the time of approving the financial statements, assessed the potential impact of COVID – 19 on the Company. Barring any future COVID-19 related escalations, based on the current assessment, the Management is of the view that the impact of COVID-19 on the operations of the Company

INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Corporate Affairs vide its notification dated 16.02.2015 notified the Company (Indian Accounting Standard) Rules 2015, applicable to certain class of the Companies. In pursuance to the said notification read with the Companies (Indian Accounting Standard) (Amendment) Rules, 2016, Ind As became applicable to your Company with effect from 1st April, 2019. Accordingly, Standalone and Consolidated Financial Statements for the year ended 31st March, 2020, have been prepared in accordance with Ind AS, and consequently, the Financial Statements for the previous years have been restated to conform to the provisions of the IND AS.

PERFORMANCE REVIEW

The company has adopted Ind AS for reporting financial results for the year under review against previously India GAAP. During the year under review, the Company's netted Loss of Rs 389.65 Lakhs before tax (Previous Year Net Loss of Rs. 3.82 Lakhs) and net total comprehensive Loss for the year after tax was at Rs. 14,365.95 Lakhs (Previous Year total comprehensive Income of Rs. 4,607.73 Lakhs).

The Company is engaged in the business of Financing and Investment activities. There have been no material changes in the business of the Company during the financial year.

FINANCE

Your Company has made provisions for sufficient borrowing facilities to meet its long-term and short-term requirement in order to support the business operations.

DIVIDEND

In view of loss during the year under review, your Directors do not recommend any dividend for the year under review.

TRANSFER TO RESERVES

During the the financial year 2019-20, the Company has transferred Rs. 1125.96 Lakhs (Previous year Rs. Nil) to Special Reserve Fund under RBI Act, 1934.

PUBLIC DEPOSIT

During the year, the Company has not accepted or renewed any deposit from the public as covered under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

SHARE CAPITAL

The Authorised Share Capital as on 31st March, 2020 was Rs. 2,00,00,000/- (Rupees Two Crore Only) divided into 20,00,000 Equity Shares of Rs. 10/- each.

There has been no change in the Share Capital of the Company during the financial year 2019-2020

The Issued Share Capital as on 31st March, 2020 was Rs 1,99,20,000/- (Rupees One Crore Ninety Nine Lac Twenty Thousand Only) divided into 19,92,000 Equity Shares of Rs. 10/- each.

SUBSIDIARY

As at the end of the year under review i.e. on 31st March, 2020 and also as on the date of this report, your Company does not have any Subsidiary Company.

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure 1**

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES , ASSOCIATE OR JOINT VENTURES

Pursuant to section 129(3) of the Companies Act, 2013, the statement containing the salient feature of financial statement of Company's subsidiary, associate and joint venture of the Company are as under:

The Company does not have subsidiary Company.

However, the Company have Associate companies the brief details of which is being given here under:

1. Sushree Trading Limited (Associate Company)

Sushree Trading Limited (Sushree) is registered with Reserve Bank of India as Non-Banking Financial Company (NBFC) in the category of the Company not accepting / holding public deposits

The total revenue of Sushree during the financial year 2019-20 was Rs. 14.97 Lakhs and Loss after tax Rs. 14046.38 Lakhs.

The Company does not have any Joint Venture.

The details of the Company's subsidiary, associate and Joint Venture Company as on 31st March, 2020 is given under **Annexure 2**

PARTICULARS OF EMPLOYEES

There was no employee in the company drawing remuneration in excess of the limits set out in the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as “Annexure-3”.

Furthermore, the disclosures pertaining to remuneration and Top Ten Employees details are provided in the Annual Report as “Annexure-4”.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause (B) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, A detailed Management Discussion and Analysis Report on the Financial Conditions and Result of operations of the Company is included in this Annual Report under the heading “Annexure-5”.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company had not entered into any transactions as enumerated in section 188 of the Companies Act, 2013 and rules made thereunder with the related party as defined under section 2(76) of the Act.

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

There are no significant material orders passed by the regulators/courts/tribunals which would impact the going concern status of the Company and its future operations.

CEO / CFO CERTIFICATION:

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The CEO / CFO certificate for the financial year 2019-20 has been submitted to the Board and the copy thereof is contained in the Annual Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company believes that a strong internal control framework is an important pillar of Corporate Governance. The Company has in place adequate internal financial control system which ensure orderly and efficient conduct of its business, safeguarding of its assets and accuracy and completeness of accounting records, timely preparation of reliable financial information and various regulatory and statutory compliance

Further, company's internal control system is commensurate with the size, scale and complexity of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks with best practices in the industry. The Management with Audit Committee periodically reviews the Internal Control System and procedure for the efficient conduct of the business.

RISK MANAGEMENT

The Company operates in conditions where economic environment and social risk are inherent to its businesses. In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects.

The various elements of risk which the Directors think, that may threaten the existence of the Company are:

- a) **Financial Risk:** Financial risk generally arises due to instability and losses in the financial market caused by movements in stock prices, currencies, interest rates and more.
- b) **Liquidity risk** is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.
- c) **Credit risk** is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.
- d) **Time Risk:** To compensate for non-receipt of expected inflow of funds.

In line with Listing Regulations and as per the requirement of Section 134(3) (n) of the Companies Act, 2013 read with the rules made there under, as amended, Board has a framework for Risk Management to oversee the mitigation of such risks.

REMUNERATION POLICY

The Nomination and Remuneration Policy of the company as mandated under Section 178 (3) (4) of the Companies Act, 2013 is available on the website of the company

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility are not applicable to the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors make the following statement and confirm that: -

- i) in the preparation of the annual accounts for the year ended 31 March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) 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 as at 31 March 2020 and of the Loss of the Company for year ended on that date;
- iii) 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;
- iv) the Directors had prepared the Annual Accounts on a 'going concern basis';
- v) the Directors had laid down internal financial controls and that such internal financial controls are adequate and are operating effectively; and
- vi) 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.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statement for the financial year 2019-2020 is prepared in accordance with applicable provisions of the Companies Act, 2013, Accounting standard and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a Vigil Mechanism (Whistle Blower Policy) for its directors and employees of the Company for reporting genuine concerns about unethical practices and suspected or actual fraud or violation of the code of conduct of the Company pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder. This vigil mechanism shall provide a channel to the employees and Directors to report to the management, concerns about unethical behavior, and also provide for adequate safeguards against victimization of persons who use the mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional. The practice of the Vigil Mechanism /Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee.

The Company will take appropriate action for its resolution. During the year, no whistle blower event was reported and mechanism is functioning well.

CODE OF CONDUCT

Company's Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the Company's website www.meenakshisteel.in All Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for Board Members and Senior Management during the financial year 2019-20. The declaration in this regard has been made by the Management Director which forms the part of this report as an annexure.

CORPORATE GOVERNANCE

As per Regulation 15(2) of the Listing Regulations, the compliance with the Corporate Governance provisions shall not apply in respect of the following class of companies:

- a. Listed Entity having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crore, as on the last day of the previous financial year;
- b. Listed Entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (a); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it also does not form part of the Annual Report.

DISCLOSURE OF SECRETARIAL STANDARD BY DIRECTORS

The company complies with all applicable standards issued by the institute of Company Secretaries of India. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

PREVENTION OF INSIDER TRADING

The Company has adopted the Code of conduct for prevention of Insider Trading with view to regulate trading in securities by Directors and designated employees of the Company. The Code of conduct require pre-disclosure for dealing in Company's Shares and prohibit the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when trading window is closed. The Board is responsible for implementation of the code. All Board of Directors and the designated employees have confirmed the compliance of code.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the Audited Financial Statements, wherever applicable.

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

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

There were no foreign exchange earnings and outgoings during the year under review.

DIRECTORS AND KMP

Mrs. Sudha P. Jajodia (DIN – 00376571) who is retiring by rotation at this Annual General Meeting is to be re-appointed. His involvement with the affairs of the Company is beneficial to the Company as well as Stakeholders.

The board has recommended re-appointment of Mr. Arvind Kumar Newar and Mr. Rajgopal Dhoot as Independent Directors for second term of five years subject to approval by members by way of special resolutions and brief profile of the Independent Directors is stated in the Notice of ensuing AGM.

During the year under review, Mrs. Sudha P. Jajodia was appointed as Chief Financial Officer of the Company by the Board of Director with effect from 11th June, 2019

APPOINTMENT OF MANAGING DIRECTOR

Ms. Shivangi Girish Murarka was appointed as Managing Director at the Board Meeting held on 11th June, 2019 for two year which is expiring on 10th June, 2021. Her appointment as Director and Managing Director was consented at the 34th Annual General Meeting held on 28th September, 2019.

PERFORMANCE EVALUATION

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate the process of evaluating the performance of Individual Directors, Committees of the Board and the Board as whole.

The Nomination and Remuneration Committee of the Company also evaluated the performance of all individual Directors on various parameters such as level of participation of Directors, preparing themselves well in advance to take active participation at the meeting(s), level of knowledge and expertise etc.

All the Independent Directors of the Company also had a separate meeting on 12th February, 2020 to review the performance and evaluation of Non-Independent Directors and Board as a whole.

The Board after taking into consideration the evaluation as done by Nomination and Remuneration Committee and by Independent Directors, carried out an annual evaluation of its own performance and that of its Committees and individual Director. The overall outcome of such evaluation is that the Board, its committees and individual Directors have performed effectively and satisfactorily

DECLARATION OF INDEPENDENT DIRECTOR

All the Independent Director have confirmed to the Board that they meet the criteria of Independence as specified under section 149(6) of the Companies Act, 2013 and they qualify to be an Independent Director pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors), Rule 2014. The Independent Directors have also confirmed that they meet the requirements of "Independent Director" as mentioned under Regulation 16(1)(b) of the Listing Regulations.

BOARD MEETINGS

During the year under review the Company held Eight (8) meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on 28th May 2019, 11th June 2019, 28th June 2019, 5th September 2019, 14th September 2019, 27th November 2019, 12th February 2020 and 20th March, 2020

The frequency of board meetings and quorum at such meetings were in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and compliances of Secretarial Standards-1 (SS1) on Meeting of the Board of Directors issued by ICSI. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013, the Listing Regulations and SS-1.

BOARD COMMITTEE – AUDIT COMMITTEE

The Audit Committee is constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. Members of the Audit Committee possess financial / accounting expertise / exposure. Further, all the recommendations made by the Audit Committee were duly accepted by the Board of Directors. The Company Secretary is acting as Secretary of this Committee. The Managing Director and CFO are the permanent invitee to Audit Committee to give clarification on accounts and other related issues.

The Composition of Audit Committee as on 31.03.2020 are as under :

| Sr. No. | Name of the Director | Position | Category |
|----------------|-----------------------------|-----------------|----------------------|
| 1 | Mr. Rajgopal Dhoot | Chairman | Independent Director |
| 2 | Mr. Arvind Kumar Mewar | Member | Independent Director |
| 3 | Ms. Shivangi Girish Murarka | Member | Managing Director |

Four meetings of the Audit Committee were held during the financial year 2019-20 on 28th May, 2019, 14th September, 2019, 27th November, 2019 and 12th February, 2020. The accounts and financial positions were perused by the Audit Committee and thereafter placed before the Board for their consideration.

BOARD COMMITTEE – NOMINATION AND REMUNERATION

The Nomination and Remuneration Committee is constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. Members of the Nomination and Remuneration Committee possess sound expertise / knowledge / exposure. The Company Secretary of the Company is the Secretary of this committee

The Composition of Nomination and Remuneration Committee as on 31.03.2020 are as under:

| Sr. No. | Name of the Director | Position | Category |
|----------------|-----------------------------|-----------------|------------------------|
| 1 | Mr. Rajgopal Dhoot | Member | Independent Director |
| 2 | Mr. Arvind Kumar Newar | Member | Independent Director |
| 3 | Mrs. Sudha P. Jajodia | Chairman | Non-Executive Director |

Two meetings of the Nomination and Remuneration Committee were held during the financial year 2019-20 on 11th June, 2019, and 12th February, 2020

AUDITORS:

B. Maheshwari & Co., Chartered Accountants,(Firm Registration Number: 105839) the Statutory Auditor of the Company were appointed in the 32nd Annual General Meeting of the company held on 28th September, 2017 from conclusion of the said meeting until the conclusion of 37th Annual General Meeting (subject to ratification of their appointment by the members at every Annual General Meeting) at such remuneration fixed by the Board of Directors.

The Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 have since been amended vide notification dated 7th May, 2018 of Ministry of Corporate Affairs and the requirement of ratification of appointment of Statutory Auditors by the Members at every Annual General Meeting has been done away with. Accordingly, no ratification of Appointment of M/s B. Maheshwari & Co., Chartered Accountants, as the Statutory Auditors of the Company by the members is being sought in the ensuing Annual General Meeting.

During the year, the Statutory Auditors have confirmed that they satisfy the Independence Criteria required under the Companies Act, 2013 and Code of Ethics issued by the Institute of Chartered Accountants of India

AUDITORS REPORT

The observation of the Auditors in their report read with relevant notes on the accounts, as annexed are self-explanatory and do not call for any further explanation under section 134(3)(f)(i) of the Companies Act, 2013.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s Girish Murarka & Co., Company Secretaries in Practice having membership No. 7036 to undertake Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2019-20 as issued by him in the prescribed Form MR-3 is annexed to this Report as **Annexure IV**. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by Secretarial Auditor.

Further, the Board of Directors has approved the reappointment of **M/s. Girish Murarka & Co.** Company Secretaries, Mumbai as "Secretarial Auditors" for conducting Secretarial Audit for the financial year 2020-21.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the rules made thereunder the Board of Directors had approved the appointment of M/s Milind P. Shah, Chartered Accountants, as "Internal Auditor" of the company for conducting Internal Audit for the financial year 2019-20. The Internal Audit Reports for each quarter were received by the Company and the same were reviewed by the Audit Committee and Board of Directors.

Further, the Board of Directors has approved the reappointment of M/s Milind P. Shah., Chartered Accountants, as "Internal Auditor" of the company for conducting Internal Audit for the financial year 2020-21.

COST AUDIT

The provisions of Cost Audit as prescribed under section 148 of the Companies Act, 2013 are not applicable to the Company

OTHER DISCLOSURES

- Your Company has not issued: -
 - Any shares with differential rights;
 - Any sweat equity shares
- There are no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
- There were no material changes and commitments affecting the financial position of your Company between the end of the financial year and the date of this report.
- There was no revision in the financial statements.
- Your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

APPRECIATION

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and unstinted support received from them during the year and look forward to their continued support in future.

**For and on behalf of the Board of Directors of
Meenakshi Steel Industries Limited**

**Place: Mumbai
Date : 4th September, 2020**

**Shivangi G. Murarka
Managing Director
(DIN: 08370325)**

**Sudha P. Jajodia
Director
(DIN: 00376571)**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020
of

MEENAKSHI STEEL INDUSTRIES LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- | | |
|--|--|
| i) CIN: | L52110DL1985PLC020240 |
| ii) Registration Date: | 22.02.1985 |
| iii) Name of the Company: | Meenakshi Steel Industries Ltd |
| iv) Category / Sub-Category of the Company: | Company having Share Capital |
| v) Address of the Registered Office and contact details: | K-27, Jiya Sarai, First Floor, Near IIT Gate, New Delhi 110016 |
| vi) Whether listed company | Yes |
| vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: | Adroit Corporate Services Private Limited 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol, Naka, Andheri (E), Mumbai 400 059 Tele: 022-4227 0400 |

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:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1. | Investment Activity | 64200 | 100% |

| | | | | | | | | | |
|---|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------|
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| b) Banks/Fl | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| C) Central govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| g) FIIS | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| SUB TOTAL (B)(1): | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 0 | 720500 | 720500 | 36.17 | 0 | 720500 | 720500 | 36.17 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 0 | 27000 | 27000 | 1.36 | 0 | 27000 | 27000 | 1.36 | 0 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| c) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| SUB TOTAL (B)(2): | 0 | 747500 | 747500 | 37.53 | 0 | 747500 | 747500 | 37.53 | 0 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 0 | 747500 | 747500 | 37.53 | 745000 | 747500 | 747500 | 37.53 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Grand Total (A+B+C) | 1244500 | 747500 | 1992000 | 100.00 | 1244500 | 747500 | 1992000 | 100.00 | 0 |

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding 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 | Aakarshak Synthetics Limited | 90000 | 4.52 | 0 | 90000 | 4.52 | 0 | 0 |
| 2 | Jatayu Textiles & Industries Limited | 85000 | 4.27 | | 85000 | 4.27 | | |
| 3 | Mansoon Trading Company Limited | 95000 | 4.77 | 0 | 95000 | 4.77 | 0 | 0 |
| 4 | Nilkanth Engineering Limited | 90000 | 4.52 | 0 | 90000 | 4.52 | 0 | 0 |
| 5 | Sushree Trading Ltd | 884500 | 44.40 | 0 | 884500 | 44.40 | 0 | 0 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the shareholding of the Promoter

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

| Sr.No | For Each of the Top 10 Shareholders | Date of Change | Shareholdings 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 |
| 1 | Kajal Synthetics and Silk Mills Limited | No Change | 255500 | 12.83 | 255500 | 12.83 |
| 2 | Osiris Online Private Limited | No Change | 175000 | 13.80 | 175000 | 13.80 |
| 3 | Rutegers Investment and Trading Company Private Limited | No Change | 190000 | 9054 | 190000 | 9054 |
| 4 | Piyush Tulsyan | No Change | 800 | 0.04 | 800 | 0.04 |
| 5 | Rajeev Garg | No Change | 800 | 0.04 | 800 | 0.04 |
| 6 | Manish Agarwal | No Change | 500 | 0.03 | 500 | 0.03 |
| 7 | Sanjay Oval | No Change | 600 | 0.03 | 600 | 0.03 |
| 8 | Kamal Kishor Agarwal | No Change | 400 | 0.02 | 400 | 0.02 |
| 9 | Navnath Zagade | No Change | 400 | 0.02 | 400 | 0.02 |
| 10 | Swati Agarwal | No Change | 300 | 0.01 | 300 | 0.01 |

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

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| S. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount |
|--------|---|--|---|--------------|
| | | Shivangi G. Murarka - Managing Director | | |
| 1. | Gross salary | - | | |
| | a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961 | - | | - |
| | b) Value of perquisites under section 17(2) of Income Tax Act, 1961. | - | | - |
| | c) Profit in lieu of salary under section 17(3) of Income Tax Act, 1961 | - | | - |
| 2. | Stock Option | | - | - |
| 3. | Sweat Equity | | - | - |
| 4. | Commission <ul style="list-style-type: none"> • As %of profit • Others specify... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total (A) | | | - |
| | Overall Ceiling as per the Act | - | - | - |

Remuneration to other directors: NIL

| S. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|--------|---|-------------------|---|---|---|--------------|
| 1. | Independent Directors <ul style="list-style-type: none"> • Fee for attending board committee meeting • Commission | - | - | - | - | - |

| | | | | | | |
|--|--|---|---|---|---|---|
| | • Others, please specify | | | | | |
| | Total(1) | - | - | - | - | - |
| | 2. Other Non-Executive Directors | | | | | |
| | • Fee for attending board committee meetings | - | - | - | - | - |
| | • Commission | | | | | |
| | • Others, please specify | | | | | |
| | Total(2) | - | - | - | - | - |
| | Total (B)=(1+2) | | | | | |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | | | | | |

Remuneration to key managerial personnel other than MD/Manager/WTD:

Rs. in Lakhs

| S No | Particulars of Remuneration | Key Managerial Personnel | | |
|------|---|--------------------------|-------------------|-------|
| | | CFO | Company Secretary | Total |
| . | | | | |
| 1. | Gross salary -Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 -Value of perquisites u/s 17(2) Income-tax Act, 1961 -Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | 3.24 | 3.24 |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission • As % of profit • Others specify... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total | - | 3.24 | 3.24 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

**For and on behalf of the Board of Directors of
Meenakshi Steel Industries Limited**

Place: Mumbai
Date : 4th September, 2020

Shivangi G. Murarka
Managing Director
(DIN: 08370325)

Sudha P. Jajodia
Director
(DIN: 00376571)

Annexure 2

**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures
Part "A": Subsidiaries**

| Name of the subsidiary | Nil |
|---|------------|
| 1. Date on which the subsidiary was acquired | |
| 2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period | |
| 3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | |
| 4. Share capital | |
| 5. Reserves & surplus | |
| 6. Total assets | |
| 7. Total Liabilities | |
| 8. Investments | |
| 9. Turnover | |
| 10. Profit / (Loss) before taxation | |
| 11. Provision for taxation | |
| 12. Profit / (Loss) after taxation | |
| 13. Proposed Dividend | |
| 14. % of shareholding | |

The following information shall be furnished:-

- 1. Names of subsidiaries which are yet to commence operations**
- 2. Names of subsidiaries which have been liquidated or sold during the year.**

Part "B": Associates and Joint Ventures

Rs. in Lakhs

| Name of Associates/Joint Ventures | Sushree Trading Limited |
|---|---|
| 1. Latest audited Balance Sheet Date | 31.03.2020 |
| 2. Date on which the Associate or Joint Venture was associated or acquired | 28.11.2011 |
| 3. Shares of Associate/Joint Ventures held by the company on the year end | |
| No. | 360750 |
| Amount of Investment in Associates/Joint Venture | 100.22 |
| Extend of Holding % | |
| 4. Description of how there is significant influence | 28.98% |
| 5. Reason why the associate/joint venture is not consolidated | Since the Company holds more than 20% equity capital, significant influence is assumed. |
| 6. Net worth attributable to Shareholding as per latest audited Balance Sheet | 53.78 |
| 7. Profit / Loss for the year | |
| i. Considered in Consolidation | (4,070.64) |
| ii. Not Considered in Consolidation | |

The following information shall be furnished: -

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

**For and on behalf of the Board of Directors of
Meenakshi Steel Industries Limited**

Place: Mumbai
Date : 4th September, 2020

Shivangi G. Murarka
Managing Director
(DIN: 08370325)

Sudha P. Jajodia
Director
(DIN: 00376571)

PARTICULARS OF EMPLOYEES

PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

| S. No | Requirement of Rule 5(1) | Details |
|--------------|--|---|
| 1. | The ratio of the remuneration of each Director to the median employees of the company for the financial year. | NA (No remuneration paid to directors) |
| 2. | The percentage increase in remuneration of each Director Chief Financial Officer, Company Secretary ,Chief Executive Officer or Manager, if any, in the Financial Year | NA (No changes during the Year in remuneration of CFO, Company Secretary, Chief Executive Officer or Manager) |
| 3. | The percentage increase in the median remuneration of the employees in the Financial Year | NA |
| 4. | The number of the permanent employee on the roll of the company | 1 |
| 5. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the % increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | Average salary increase of non- managerial employees is: NA Average salary increase of managerial employees is : NA The average increase in remuneration of all employees are decided based on the company's policy, individual's performance, inflation and prevailing industry trend. |
| 6 | Affirmation that the remuneration is as per the remuneration policy of the Company. | Yes |

Annexure 4**DETAILS OF TOP 10 EMPLOYEES**

| | |
|--|--|
| Name | Binita Sharad Gosalia |
| Designation | Company Secretary and Compliance Officer |
| Remuneration received (Rs. in Lakh) | |
| Nature of Employment (contractual or otherwise) | Contractual |
| Qualification | Professional |
| Experience | 4 years |
| Age | 33 years |
| Last Employment before joining the company | NA |
| Relation to any director (if any) | NO |
| Date of commencement of employment | 12.08.2016 |

**For and on behalf of the Board of Directors of
Meenakshi Steel Industries Limited**

**Place: Mumbai
Date: 4th September, 2020**

**Shivangi G. Murarka
Managing Director
(DIN: 08370325)**

**Sudha P. Jajodia
Director
(DIN: 00376571)**

MEENAKSHI STEEL INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Although Financial Services Industry is amongst the oldest industries in India but it is not growing very rapidly. It is an industry, which has evolved into a highly competitive and innovative driven industry, characterized by the presence of various sizes of players varying from solo-operators to small to medium sized niche players as well as established big players operating in different spaces in the entire spectrum of services.

Opportunities and Threats

Revival of stock markets and bullish sentiments appears to be opportunity for the company. The volatility in the market indices in the financial year under report represents both an opportunity and challenge for the Company. With the stability of Government at the Centre, the capital market segment would significantly improve

Tough competition, slow economic growth and depressed stock markets seem to be the biggest threats to the industry. The Capital market activities in which most of our activities depends on is also influenced by global events happening in the US, UK and China, hence there is an amount of uncertainty in the near term outlook of the market.

Segment-wise-Performance

Your Company operates only single segment which is non-banking financial services (Granting/taking of loans and making Long term Investments).

Future Outlook

Looking at good market sentiments steep rise is expected in near future. As a result, stock market will boost up and the Company is expected to show a better performance in the years to come.

Your Company continue to see the significant opportunity in the market and will use periods of interim weakness as investment opportunities on long term.

Risk and concerns

Tough competition, slow economic growth, rapid changing statues and regulatory framework, etc. are the major risk areas in the Company's business. By using our experience, we hope to perform better in the year to come in spite of these risks.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The Company had adequate internal control system commensurate with its size and nature of business. Your company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes.

FINANCIAL & OPERATIONAL PERFORMANCE

The company has adopted Ind AS for reporting financial results for the year under review against previously India GAAP. During the year under review, the Company's netted Loss of Rs 389.65 Lakhs before tax (Previous Year Net Loss of Rs. 3.82 Lakhs) and net total comprehensive Loss for the year after tax was at Rs. 14,365.95 Lakhs (Previous Year total comprehensive Income of Rs. 4,607.73 Lakhs).

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company has well developed management information system giving daily, monthly and periodical information to the different levels of management. Such reports are being analyzed and effective steps are taken to control the efficiency, utilization, productivity and quality in the Company.

**For and on behalf of the Board of Directors of
Meenakshi Steel Industries Limited**

**Place: Mumbai
Date : 4th September, 2020**

**Shivangi G. Murarka
Managing Director
(DIN: 08370325)**

**Sudha P. Jajodia
Director
(DIN: 00376571)**

COMPLIANCE CERTIFICATE
[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015

The Board of Directors
MEENAKSHI STEEL INDUSTRIES LIMITED

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief certify that:

1. We have reviewed the financial statement and Cash Flow Statement both on standalone and consolidated basis for the year ended on 31.03.2020 and to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material facts or contain any statement that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
2. We are to be best of their knowledge and belief, no transaction entered into by the Company during year ended 31st March, 2020 which are fraudulent, illegal of violating of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps have been taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee that there is no:
 - a) significant changes in the internal controls over financial reporting
 - b) significant change in accounting policies and the same have been disclosed in the notes to the financial statements and
 - c) instances of significant fraud of which we have become and the involvement therein, if any, of the management or employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors of
Meenakshi Steel Industries Limited

Place: Mumbai
Date: 4th September, 2020

Shivangi G. Murarka
Managing Director
(DIN: 08370325)

Sudha P. Jajodia
Director
(DIN: 00376571)

DECLARATION

The Board of Directors and Senior Management Personnel have affirmed their compliance of **Code of Conduct for Members of the Board and Senior Management** for the year 2019-20 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Place: Mumbai
Date: 4th September, 2020

Shivangi Murarka
Managing Director
(DIN: 08370325)

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
MEENAKSHI STEEL INDUSTRIES LIMITED**

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **MEENAKSHI STEEL INDUSTRIES LIMITED** (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, and the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "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, 2020 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Standalone 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.

Emphasis of Matter

We draw your attention to Note No.28 to the Standalone Financial Statement for the year ended March 31, 2020, which describes the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our conclusion is not modified in respect of this matter.

(Cont..2)

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

| Sr. No. | Key Audit Matter | Our Response |
|---------|---|---|
| 1 | <p><i>Modified Audit Procedures carried out in light of COVID-19 outbreak:</i></p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central/ State Government/ Local Authorities during the period of our audit to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of the Company.</p> <p>As we could not gather audit evidence in person/physically/ through discussions and personal interactions with the officials at the Company's Office, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p> | <p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Company's Office and carry out the audit processes physically.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us through digital medium and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> a. Conducted verification of necessary records/ documents through emails wherever physical access was not possible. b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/through email instead of a face-to-face interaction with the designated officials. |

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the Ind AS and other 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

(Cont..4)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Standalone 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 Standalone Financial Statements including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

(Cont..5)

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by section 143(3) of the Act, 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 appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d) In our opinion the aforesaid Standalone 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 written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.

f) 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:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the 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, we report that:

i) The Company does not have any pending litigations which would impact its financial position other than those mentioned in notes to accounts.

ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For and on behalf of
B. MAHESHWARI & CO.
Chartered Accountants
Firm Regn No.105839W

Place : Mumbai
Dated : July 30, 2020
UDIN : 20102316AAAABG9731

(Surendra Heda)
Partner
Membership No. 102316

MEENAKSHI STEEL INDUSTRIES LIMITED
ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of **MEENAKSHI STEEL INDUSTRIES LIMITED**, ('the Company') for the year ended on March 31, 2020. We report that:-

- i. The Company does not own any fixed assets, Clause 3 (1)(a) of the Order relating to maintenance of records showing full particulars including quantity details and situation of fixed assets and Clause 3(1)(b) regarding to physical verification thereof are not applicable.
- ii. In respect of its inventories:
 - * The Company does not hold any inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid Order are not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantee or security to the parties covered under Section 185. Further, the Company has complied with provisions of Section 186 in respect of grant of loans and making investments as applicable. The Company being a Non Banking Financial Company, nothing contained in the Section 186, except sub-section (1) shall apply.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. According to the information and explanations given to us, the Company does not require maintaining cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Act.

(Cont...2)

- vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, GST, duty of customs or cess and other statutory dues applicable to it. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, GST, duty of customs or cess and other statutory dues were outstanding, as at 31-03-2020, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanations given to us no dues of income tax, GST, duty of customs or cess that have not been deposited on account of any disputes.
- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and bank.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans and hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
- xiii. The Company has entered into the transaction with the related parties in compliance with the provisions of the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required under Accounting Standard (AS)18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.

(Cont...3)

- xvi. On examination of relevant records and according to the information and explanations given to us, the Company is required to be registered under section 45-IA of Reserve Bank of India Act, 1934 and holds a valid certificate of registration under the same.

For and on behalf of
B. MAHESHWARI & CO.
Chartered Accountants
Firm Regn No.105839W

Place : Mumbai
Dated : July 30, 2020

(Surendra Heda)
Partner
Membership No. 102316

UDIN : 20102316AAAABG9731

MEENAKSHI STEEL INDUSTRIES LIMITED
ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of **MEENAKSHI STEEL INDUSTRIES LIMITED**, ('the Company') for the year ended on March 31, 2020.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited internal financial controls over financial reporting of **MEENAKSHI STEEL INDUSTRIES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year then ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's management 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on 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 deemed to be prescribed under Section 143(10) of the Act 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 ICAI. Those Standards and Guidance note require that we comply with ethical requirements and plan and perform 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 procedure 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

(Cont...2)

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 a reasonable assurance regarding the reliability of financial reporting and preparation of Standalone Financial Statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone 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 control 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 aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
B. MAHESHWARI & CO.
Chartered Accountants
Firm Regn No.105839W

Place : Mumbai
Dated : July 30, 2020

(Surendra Heda)
Partner
Membership No. 102316

UDIN : 20102316AAAABG9731

MEENAKSHI STEEL INDUSTRIES LIMITED
CIN: L52110DL1985PLC020240
Standalone Balance Sheet as at 31st March, 2020

| Particulars | Notes | As at 31 March, 2020 (₹ in Lakhs) | As at 31 March, 2019 (₹ in Lakhs) | As at 1st April, 2018 (₹ in Lakhs) |
|---|-------|---|---|--|
| ASSETS | | | | |
| (1) Financial Assets | | | | |
| Cash and cash equivalents | 3 | 246.30 | 0.35 | 1.06 |
| Loans | 4 | 6,889.00 | 44.00 | - |
| Investments | 5 | 8,055.35 | 27,877.52 | 23,315.22 |
| Other Financial Assets | 6 | 48.96 | 1.83 | - |
| Total Financial Assets | | 15,239.61 | 27,923.70 | 23,316.28 |
| (2) Non-Financial Assets | | | | |
| Current Tax Assets (Net) | 7 | - | 1.88 | 2.47 |
| Total Non-Financial Assets | | - | 1.88 | 2.47 |
| Total Assets | | 15,239.61 | 27,925.58 | 23,318.75 |
| EQUITY AND LIABILITIES | | | | |
| (1) Financial Liabilities | | | | |
| Borrowings (other than debt securities) | | - | - | - |
| Total Financial Liabilities | | - | - | - |
| (2) Non-Financial Liabilities | | | | |
| Current Tax Liabilities (Net) | 8 | 1,657.67 | - | - |
| Provisions | 9 | 17.34 | 0.11 | - |
| Other Non-Financial Liabilities | 10 | 5.61 | 0.53 | 0.53 |
| Total Non-Financial Liabilities | | 1,680.62 | 0.64 | 0.53 |
| (3) Equity | | | | |
| Equity Share capital | 11 | 199.20 | 199.20 | 199.20 |
| Other equity | 12 | 13,359.79 | 27,725.74 | 23,119.02 |
| Total Equity | | 13,558.99 | 27,924.94 | 23,318.22 |
| Total Equity and Liabilities | | 15,239.61 | 27,925.58 | 23,318.75 |

Summary of significant accounting policies 1 & 2

The accompanying notes are an integral part of the financial statements. 16-30

As per our report of even date,
For B. Maheshwari & Co.
Chartered Accountants
Firm Reg. No.105839W

For and on behalf of the Board of Directors

Surendra Heda
Partner
Membership No. 102316

Sudha Jajodia
Director & CFO
DIN : 00376571

Shivangi Murarka
Managing Director
DIN : 08370325

Place : Mumbai
Date : 30.07.2020
UDIN : 20102316AAAABG9731

Binita Gosalia
Company Secretary

MEENAKSHI STEEL INDUSTRIES LIMITED

CIN: L52110DL1985PLC020240

Standalone Statement of Profit and Loss for the year ended 31st March, 2020

| Particulars | Notes | 2019-20 (₹ in Lakhs) | 2018-19 (₹ in Lakhs) |
|--|-------|-------------------------|-------------------------|
| Income | | | |
| Revenue from Operations | | | |
| Interest Income | | 54.40 | 2.03 |
| Dividend Income | | 0.51 | 0.31 |
| Net Gain on Fair Value Changes | | 2.42 | 1.96 |
| I. Total Revenue From Operations | | 57.33 | 4.30 |
| II. Other Income | 13 | - | 0.02 |
| III. Total Income (I+II) | | 57.33 | 4.32 |
| Expenses | | | |
| Employee benefit expenses | 14 | 3.24 | 3.00 |
| Other expenses | 15 | 443.74 | 5.14 |
| IV. Total Expenses | | 446.98 | 8.14 |
| V Profit before tax (V+VI) | | (389.65) | (3.82) |
| VI. Tax Expenses | | | |
| Current Tax | | (1,670.00) | - |
| Deferred Tax | | - | - |
| Excess/(Short) Provision of Earlier Years | | - | 0.80 |
| VII. Net Profit After Tax (V-VI) | | (2,059.65) | (4.62) |
| VIII. Other Comprehensive Income (OCI) | | | |
| Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods | | | |
| Net Gain/(Loss) on FVTOCI Investments | | (12,306.30) | 4,612.35 |
| Income Tax effect on above | | - | - |
| Total Other Comprehensive Income | | (12,306.30) | 4,612.35 |
| IX. Total Comprehensive Income for the year | | (14,365.95) | 4,607.73 |
| X. Basic and Diluted Earnings per share (Face value ₹ 10 each) | 21 | (721.18) | 231.31 |

Summary of significant accounting policies

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

1 & 2

16-30

As per our report of even date,

For **B. Maheshwari & Co.**

Chartered Accountants

Firm Reg. No.105839W

For and on behalf of the Board of Directors

Surendra Heda

Partner

Membership No. 102316

Sudha Jajodia

Director & CFO

DIN : 00376571

Shivangi Murarka

Managing Director

DIN : 08370325

Place : Mumbai

Date : 30.07.2020

UDIN : 20102316AAAABG9731

Binita Gosalia

Company Secretary

MEENAKSHI STEEL INDUSTRIES LIMITED

CIN : L52110DL1985PLC020240

Standalone Cash Flow Statement for the year ended 31st March, 2020

| Particulars | Year Ended | |
|---|-------------------------------------|-------------------------------------|
| | 31.03.2020 (Rs. in Lakhs) | 31.03.2019 (Rs. in Lakhs) |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before taxation and extraordinary items | (389.65) | (3.83) |
| Adjustments for: | | |
| Provision for Expenses | 5.61 | 0.53 |
| Prepaid Expenses | 0.00 | 0.00 |
| (Profit)/Loss on Sale of Investments | (7286.79) | (1.96) |
| Dividend Income | (0.51) | (0.31) |
| Operating Profit before working capital changes | (7671.34) | (5.56) |
| Increase/(Decrease) in Sundry Payables & Other Liabilities | 1674.36 | (0.41) |
| (Increase)/Decrease in Trade & Other Receivables | (1704.81) | (1.84) |
| (Increase)/Decrease in Inventories | 0.00 | 0.00 |
| Cash generated from operations | (7701.79) | (7.82) |
| Less: Direct Taxes paid | 10.44 | 0.20 |
| Net Cash Flow from operating activities before extraordinary items | (7712.23) | (8.02) |
| Adjustments for Prior Period Items | 0.00 | 0.00 |
| Net Cash Flow from operating activities | (7712.23) | (8.02) |
| | (A) | |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Sale of Investments (net) | 14802.68 | 51.00 |
| Loan Granted / (Repayment Received) | (6845.00) | (44.00) |
| Dividend Income | 0.51 | 0.31 |
| Net Cash from/(used) in Investing activities | 7958.19 | 7.31 |
| | (B) | |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Loan Taken / (Repaid) | 0.00 | 0.00 |
| Interest Paid | 0.00 | 0.00 |
| Net Cash from/(used) in financing activities | 0.00 | 0.00 |
| | (C) | |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 245.96 | (0.71) |
| Cash & Cash Equivalents as at beginning of period | 0.35 | 1.06 |
| Cash & Cash Equivalents as at end of period | 246.31 | 0.35 |
| | | |
| Cash and cash equivalents consist of cash on hand and balances with banks | | |
| | 31.03.2020 (Rs. in Lakhs) | 31.03.2019 (Rs. in Lakhs) |
| Cash on hand | 0.00 | 0.01 |
| Balance in current accounts | 246.30 | 0.34 |
| Cash and cash equivalents as restated | 246.30 | 0.35 |

As per our report of even date,
For **B. Maheshwari & Co.**
Chartered Accountants
Firm Reg. No.105839W

For and on behalf of the Board of Directors

Surendra Heda
Partner
Membership No. 102316

Sudha Jajodia
Director & CFO
DIN : 00376571

Shivangi Murarka
Managing Director
DIN : 08370325

Place : Mumbai
Date : 30.07.2020
UDIN : 20102316AAAABG9731

Binita Gosalia
Company Secretary

MEENAKSHI STEEL INDUSTRIES LIMITED

CIN: L52110DL1985PLC020240

Standalone Statement of Change in Equity for the year ended 31st March, 2020

Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid up

| | Number | Amount (₹) |
|--------------------------|------------------|-------------------|
| At 01 April, 2018 | 1,992,000 | 19,920,000 |
| At 31 March, 2019 | 1,992,000 | 19,920,000 |
| Issue of share capital | - | - |
| At 31 March, 2020 | 1,992,000 | 19,920,000 |

Other Equity

| Particulars | Amount (₹ in Lakhs) | | | Total Equity |
|--|----------------------------------|-------------------|--------------------------------------|------------------|
| | Reserve and Surplus | | Items of OCI | |
| | Reserve Fund under RBI Act, 1934 | Retained Earnings | NetGain/(Loss) on FVTOCI Investments | |
| Balance as at 01 April, 2018 | 147.31 | 611.28 | - | 758.59 |
| Transition adjustment on account of: | | | | |
| Net Gain/(Loss) on FVTOCI Investments | - | - | 22,356.73 | 22,356.73 |
| Net Gain/(Loss) on FVTPL Investments | - | 2.70 | - | 2.70 |
| | 147.31 | 613.97 | 22,356.73 | 23,118.02 |
| Profit/(Loss) for the year | - | (4.63) | - | (4.63) |
| NetGain/(Loss) on FVTOCI Investments | - | - | 4,612.35 | 4,612.35 |
| Tax Effect on above | - | - | - | - |
| | 147.31 | 609.34 | 26,969.08 | 27,725.74 |
| Transfer to Reserve Fund under RBI Act | - | - | - | - |
| Balance as at 31 March, 2019 | 147.31 | 609.34 | 26,969.08 | 27,725.74 |

| Particulars | Amount (₹ in Lakhs) | | | Total Equity |
|--|----------------------------------|-------------------|--------------------------------------|------------------|
| | Reserve and Surplus | | Items of OCI | |
| | Reserve Fund under RBI Act, 1934 | Retained Earnings | NetGain/(Loss) on FVTOCI Investments | |
| Balance as at 01 April, 2019 | 147.31 | 609.34 | 26,969.08 | 27,725.74 |
| Profit/(Loss) for the year | - | 7,389.15 | - | 7,389.15 |
| NetGain/(Loss) on FVTOCI Investments | - | - | (19,995.75) | (19,995.75) |
| Tax effect on above | - | - | (1,759.35) | (1,759.35) |
| | 147.31 | 7,998.49 | 5,213.99 | 13,359.79 |
| Transfer to Reserve Fund under RBI Act | 1,125.96 | (1,125.96) | - | - |
| Balance as at 31 March, 2020 | 1,273.27 | 6,872.53 | 5,213.99 | 13,359.79 |

As per our report of even date,
For **B. Maheshwari & Co.**
Chartered Accountants
Firm Reg. No.105839W

For and on behalf of the Board of Directors

Surendra Heda
Partner
Membership No. 102316

Sudha Jajodia
Director & CFO
DIN : 00376571

Shivangi Murarka
Managing Director
DIN : 08370325

Binita Gosalia
Company Secretary

Place : Mumbai
Date : 30.07.2020
UDIN : 20102316AAAABG9731

Corporate Information:

Meenakshi Steel Industries Limited is a limited company incorporated and domiciled in India. The Company is registered with the Reserve Bank of India ("RBI") as NBFC. Its shares are listed on the Bombay Stock Exchange (BSE), India.

Significant Accounting Policies:

1. Statement of compliance:

The Standalone financial statements of **Meenakshi Steel Industries Limited** (the "Company") have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The Standalone financial statements for the year ended March 31, 2020 are the first Standalone financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 01, 2018. The Standalone financial statements up to the year ended March 31, 2019, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2019 have now been restated under Ind AS to provide comparability.

2.1. Basis of preparation:

The Standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

2.2. Presentation of financial statements:

The Standalone Balance Sheet and the Standalone Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non- Banking Finance Companies("NBFC"). The Standalone Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The disclosure requirements with respect to items in the Standalone Balance Sheet and Standalone Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Standalone financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the Standalone financial statements are rounded off to the nearest Lakhs as per the requirement of Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

2.3. Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include expected credit loss on loan books, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2.4. Operating cycle for current and non-current classification:

Based on the nature of activities of the entity and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.5. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(i) Interest and dividend income

Interest income is recognised in the Standalone Statement of Profit and Loss and for all financial instruments.

Dividend income is recognised when the Company right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

(ii) Net gain or fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

(iii) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.6. Financial instruments:

Financial assets and financial liabilities are recognised in the Standalone balance sheet when the Company becomes a party to the contractual provisions of the instrument. Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these 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.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

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

(c) Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

(d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(ii) Financial liabilities

(a) Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

(b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

2.7. Write off:

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

2.8. Cash and bank balances:

Cash and bank balances also include fixed deposit. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.9. Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs. Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.10. Employee benefits:

(i) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

(ii) Post-employment benefits: Defined benefit plans like the employees' gratuity fund schemes and employee provident fund schemes are not Applicable to the Company.

2.11. Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

2.12. Taxation:

Current Tax

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals. Deferred Tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

2.13. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

- (i) An Company entity has a present obligation (legal or constructive) as a result of a past event; and

- (ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of :

- (i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- (ii) A present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

2.14. Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- (i) Changes during the period in operating receivables and payables transactions of a non-cash nature;
- (ii) Non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
- (iii) All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.15. Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average

number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.16. First time adoption of Ind AS:

The Company has prepared opening balance sheet as per Ind AS as at April 01, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company are as follows:

- i) The Company has adopted the carrying value determined in accordance with Previous GAAP for all of its property plant and equipment and investment property as deemed cost of such assets at the transition date.
- ii) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 01, 2018.
- iii) The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
- iv) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

- v) The estimates as at April 01, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with the Previous GAAP.

MEENAKSHI STEEL INDUSTRIES LIMITED
Notes to the Standalone Financial Statements (Continued)
for the period ended 31st March, 2020

| | As at 31 March, 2020 (₹ in Lakhs) | As at 31 March, 2019 (₹ in Lakhs) | As at 1st April, 2018 (₹ in Lakhs) |
|---|---|---|--|
| Note 3 : CASH AND CASH EQUIVALENTS | | | |
| Cash in hand | 0.00 | 0.01 | 0.00 |
| Balance with a Bank in - Current Account | 246.30 | 0.34 | 1.05 |
| Total | 246.30 | 0.35 | 1.06 |

Note 4 : LOANS

| | | | |
|--|-----------------|--------------|----------|
| Loans repayable on demand Unsecured, Considered good (Within India) | | | |
| Others - Inter Corporate Loan | 6,889.00 | 44.00 | - |
| Less : Impairment Loss Allowance | - | - | - |
| Total | 6,889.00 | 44.00 | - |

Note 5 : INVESTMENTS

| Particulars | Face Value | Number | As at 31 March, 2020 (₹ in Lakhs) | As at 31 March, 2019 (₹ in Lakhs) | As at 1st April, 2018 (₹ in Lakhs) |
|--|------------|------------|---|---|--|
| A. Investments in Mutual funds at Fair Value through Profit & Loss (FVTPL) | | | | | |
| Unquoted Mutual Funds | | | | | |
| Units of Aditya Birla Sun Life Liquid Fund - Growth Direct Plan (31st March, 2020 : 11703.798, 1st April, 2019 - 1343.156) | | | 37.40 | 3.28 | 52.33 |
| | | | 37.40 | 3.28 | 52.33 |
| B. Investments in Equity Instruments at Fair Value through OCI (FVTOCI) | | | | | |
| I) Quoted Equity Shares not held for trade | | | | | |
| Mansoon Trading Company Limited (31st March, 2020 : 122400; 1st April, 2019 : 122,400) | 10 | 122,400 | 744.36 | 1,499.63 | 1,250.76 |
| Nilkanth Engineering Limited (31st March, 2020 : 60,000; 1st April, 2019 : 60,000) | 10 | 60,000 | 0.00 | 3.04 | 10.82 |
| | | | 744.36 | 1,502.67 | 1,261.58 |
| II) Unquoted Equity Shares not held for trade | | | | | |
| Aakarshak Synthetics Limited (31st March, 2020 : 5,81,000; 1st April, 2019 : 5,81,000) | 10 | 581,000 | 39.44 | 38.96 | 36.15 |
| Aditya Bullions & Broking Private Limited (31st March, 2020 : 25,000; 1st April, 2019 : 25000) | 10 | 25,000 | 18.42 | 97.02 | 86.40 |
| Essel Mining & Industries Limited (31st March, 2020 : 1,74,11,600; 1st April, 2019 : 25,600) | 10 | 17,411,600 | 6,379.96 | 25,550.59 | 21,194.75 |
| Jatayu Textiles & Industries Limited (31st March, 2020 : 97,500; 1st April, 2019 : 97,500) | 10 | 97,500 | 40.84 | 40.02 | 38.96 |
| Rutgers Investment & Trading Company Private Limited (31st March, 2020 : 45,004; 1st April, 2019 : 45,004) | 100 | 45,004 | 44.71 | 44.77 | 44.83 |
| C. Investments - Others (At Cost) | | | | | |
| i) Investments in Associates* | | | | | |
| Unquoted Equity Shares not held for trade | | | | | |
| Sushree Trading Limited (31st March, 2020 : 3,60,750; 1st April, 2019 : 3,60,750) | 10 | 360,750 | 100.22 | 100.22 | 100.22 |
| | | | 6,623.58 | 25,871.57 | 21,501.31 |
| ii) Preference Shares not held for trade | | | | | |
| Preference Shares of Niranjan Housing Private Limited | 10 | 62,500 | - | 500.00 | 500.00 |
| Preference Shares of Khatuji Logistics and Finance Private Limited (6% Non-cumulative Non-Convertible Redeemable Preference Shares) | 100 | 650,000 | 650.00 | - | - |
| | | | 650.00 | 500.00 | 500.00 |
| | | | 8,055.35 | 27,877.52 | 23,315.22 |
| Less Impairment Allowances | | | - | - | - |
| Total Investment (Within India) | | | 8,055.35 | 27,877.52 | 23,315.22 |

MEENAKSHI STEEL INDUSTRIES LIMITED
Notes to the Standalone Financial Statements (Continued)
for the period ended 31st March, 2020

| | As at 31 March, 2020 (₹ in Lakhs) | As at 31 March, 2019 (₹ in Lakhs) | As at 1st April, 2018 (₹ in Lakhs) |
|--|---|---|--|
| Note 6 : OTHER FINANCIAL ASSETS | | | |
| Interest Accrued on Inter Corporate Loans | 48.96 | 1.83 | - |
| Total | 48.96 | 1.83 | - |
| Note 7 : CURRENT TAX ASSETS (NET) | | | |
| Advance Income Taxes (Net of Provision for tax) | - | 1.88 | 2.47 |
| Total | - | 1.88 | 2.47 |
| Note 8 : CURRENT TAX LIABILITIES (NET) | | | |
| Current Tax Liabilities (Net) | 1,657.67 | - | - |
| Total | 1,657.67 | - | - |
| Note 9 : PROVISIONS | | | |
| Contingent provision against Standard Asset | 17.34 | 0.11 | - |
| Total | 17.34 | 0.11 | - |
| Note 10 : OTHER NON-FINANCIAL LIABILITIES | | | |
| Expenses Payable | 5.61 | 0.53 | 0.53 |
| Total | 5.61 | 0.53 | 0.53 |

MEENAKSHI STEEL INDUSTRIES LIMITED
Notes to the Standalone Financial Statements (Continued)
for the period ended 31st March, 2020

Note 11: EQUITY SHARE CAPITAL

| Particulars | As at 31 March, 2020 (₹ in Lakhs) | As at 31 March, 2019 (₹ in Lakhs) | As at 1st April, 2018 (₹ in Lakhs) |
|--|---|--|--|
| Authorised: | | | |
| 20,00,000 (March 31, 2019: 20,00,000) Equity Shares, of Rs. 10 par value | 200.00 | 200.00 | 200.00 |
| | 200.00 | 200.00 | 200.00 |
| Issued, Subscribed and Fully Paid up Shares | | | |
| 19,92,000 (March 31, 2019: 19,92,000) Equity Shares, of Rs. 10 par value | 199.20 | 199.20 | 199.20 |
| Total | 199.20 | 199.20 | 199.20 |

(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

| Equity Share Description | As at 31 March, 2020 | | As at 31 March, 2019 | |
|---|----------------------|--------------|----------------------|--------------|
| | Number | (₹ in Lakhs) | Number | (₹ in Lakhs) |
| Number of Shares outstanding at the beginning of the year | 1,992,000 | 199.20 | 1,992,000 | 199.20 |
| Number of Shares issued during the year | - | - | - | - |
| Number of Shares outstanding at the end of the year | 1,992,000 | 199.20 | 1,992,000 | 199.20 |

(ii) Disclosure of Shareholders holding more than 5% of Share Capital:

| Name of Shareholder | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of holding | No. of Shares held | % of holding |
| Kajal Synthetics And Silk Mills Limited | 255,500 | 12.83% | 255,500 | 12.83% |
| Osiris Online Private Limited | 275,000 | 13.81% | 275,000 | 13.81% |
| Rutgers Investments And Trading Company Private Limited | 190,000 | 9.54% | 190,000 | 9.54% |
| Sushree Trading Limited | 884,500 | 44.40% | 884,500 | 44.40% |
| Total | 1,605,000 | 80.58% | 1,605,000 | 80.58% |

MEENAKSHI STEEL INDUSTRIES LIMITED
Notes to the Standalone Financial Statements (Continued)
for the period ended 31st March, 2020

NOTE 12 : OTHER EQUITY

| Particulars | As at 31 March, 2020 (₹ in Lakhs) | As at 31 March, 2019 (₹ in Lakhs) | As at 1st April, 2018 (₹ in Lakhs) |
|--|---|---|--|
| A) Other Reserves | | | |
| i) Statutory Reserves /Special Reserve | | | |
| Reserve Fund under RBI Act, 1934 | | | |
| Balance as per last Financial Statements | 147.31 | 147.31 | 147.31 |
| Add: Transferred from Statement of Profit and Loss | 1,125.96 | - | - |
| | <u>1,273.27</u> | <u>147.31</u> | <u>147.31</u> |
| ii) Others -(Unrealised gains/losses) | | | |
| FVTOCI Reserves | | | |
| Equity instruments through other comprehensive income | | | |
| Balance as per last Financial Statements | 26,970.08 | 22,357.73 | - |
| Add / (less) during the year | (12,306.30) | 4,612.35 | 22,357.73 |
| Less: Realised gain/(loss) on equity shares FVTOCI transferred to retained earnings | (7,689.45) | - | - |
| Less Tax effect on above | (1,759.35) | - | - |
| | <u>5,214.99</u> | <u>26,970.08</u> | <u>22,357.73</u> |
| B) Retained Earnings | | | |
| Surplus at the beginning of the year | 609.35 | 613.97 | 616.05 |
| Profit/(Loss) for the year | (2,059.65) | (4.62) | (4.77) |
| Add Net Gain/(Loss) on FVTPL Investments | - | - | 2.70 |
| Add: Realised gain/(loss) on equity shares FVTOCI transferred from equity instruments through other comprehensive income | 7,689.45 | - | - |
| Tax effect on above | 1,759.35 | - | - |
| Less: Transferred to Special Reserve | (1,125.96) | - | - |
| Total | <u>6,872.53</u> | <u>609.35</u> | <u>613.97</u> |
| Total | <u>13,359.79</u> | <u>27,725.74</u> | <u>23,119.02</u> |

Notes:

Special Reserve : Special reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

FVTOCI Reserve : The Company has elected to recognise changes in the fair value of certain instruments in equity securities and debt instruments in Other Comprehensive Income. These changes are accumulated with the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

MEENAKSHI STEEL INDUSTRIES LIMITED
Notes to the Standalone Financial Statements (Continued)
for the period ended 31st March, 2020

| Particulars | 2019-20 (₹ in Lakhs) | 2018-19 (₹ in Lakhs) |
|---|-------------------------|-------------------------|
| Note 13 : OTHER INCOME | | |
| Interest Received from Income Tax | - | 0.02 |
| Total | - | 0.02 |
| Note 14 : EMPLOYEE BENEFIT EXPENSES | | |
| Salaries, Bonus and Allowances | 3.24 | 3.00 |
| Total | 3.24 | 3.00 |
| Note 15 : OTHER EXPENSES | | |
| Advertisement Expenses | 0.15 | 0.16 |
| Bank Charges | 0.01 | 0.01 |
| Custodian charges | 0.17 | 0.21 |
| Filing Fees | 0.09 | 0.05 |
| Listing Fees | 3.54 | 2.95 |
| Legal and Professional Charges | 5.73 | 0.58 |
| Loss on Sale of Shares | 415.62 | - |
| Membership Fees | 0.59 | 0.18 |
| General Expenses | 0.01 | 0.06 |
| Demat Charges | 0.01 | 0.01 |
| Contingent Provision against Standard Asset | 17.23 | 0.11 |
| Payment to Auditor: | | |
| Audit Fees | 0.35 | 0.35 |
| Certification Fees | 0.05 | 0.10 |
| Others | 0.10 | 0.24 |
| Reimbursement of Tax | 0.09 | 0.12 |
| Total | 443.74 | 5.14 |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

16. Contingent Liability not provided in respect of:-

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.Nil (Previous year Rs. Nil).
- b) Other Contingent Liabilities – The Company has disputed liability in respect of stamp duty and penalty amounting to Rs.9.65 Lakhs- raised by the Additional District Magistrate, Nainital vide his order dated 01.09.1993 in respect of freehold lands purchased by the Company in the year 1992-93. The Company is filed a Revision Application before the Chief Controlling of Revenue Authority (CCRA), Allahabad, Uttar Pradesh challenging the order dated 01.03.1993. Vide order dated 31/07/1997, the CCRA had allowed the Revision Application of the Company. The State of Uttar Pradesh (now State of Uttaranchal) has filed a writ petition before the Hon'ble High Court of Judicature at Allahabad, hearing of which is pending. The Company has been legally advised that no provision is required to be made in accounts in this regard. The title deed of aforesaid lands is impounded by the Additional District Magistrate, Nainital. Further, the Company has already sold the aforesaid lands during the financial year 2005-06.

17. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020

18. The Company is primarily engaged in investment & financial activities, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

19. There were no dues outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors (Previous Year – Nil).

20. In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made of funds all known liabilities.

21. Earnings Per Share

| Particulars | For the Year Ended March 31,2020 | For the Year Ended March 31,2019 |
|---|--|--|
| (a) Calculation of weighted average number of Equity Shares of Rs. 10/- each | | |
| No. of Equity Shares at the beginning of the year | 19,92,000 | 19,92,000 |
| Equity Shares issued during the year | 0.00 | 0.00 |
| Total number of Equity Shares outstanding at the end of the year | 19,92,000 | 19,92,000 |
| (b) Net Profit / (Loss) after tax available for equity shareholders (Rs.in Lakhs) | (143,65.95) | 46,06.73 |
| (c) Basic and diluted Earnings per Equity Share of Rs. 10/- each | (721.18) | 231.31 |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

22. Related Party Disclosures:-

A) Related party disclosures as required by Ind AS 24 - Related party disclosures

a) List of Related parties

i) Associates
Sushree Trading Limited

ii) Key Management Personnel

| | |
|--------------------|-------------------|
| Rajgopal Dhoot | Director |
| Arvind Kumar Newar | Director |
| Sudha Jajodia | Director and CFO |
| Shivangi Murarka | Managing Director |
| Binita Gosalia | Company Secretary |

b) Material Transactions with related parties during the Year (Rs.)

Following transactions were carried out in the ordinary course of business with the parties referred to in (A) above:

| | Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--|--------------------------------------|--------------------------------------|
| | | Amount Rs in Lakhs | Amount Rs in Lakhs |
| 1 | Salary Paid to Binita Gosalia - Company Secretary | 3.24 | 3.00 |
| | Total | 3.24 | 3.00 |

The remuneration of key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

All transactions with these related parties are priced on an arm's length basis.

B) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015). Loans and advances in the nature of loans to companies in which directors are interested as under:

| Period | Balance of Loans and advances As at | Maximum balance outstanding during the year ended |
|------------------------------|--|---|
| 31st March, 2020 | Nil | Nil |
| 31 st March, 2019 | | |
| 31st March, 2018 | | |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

23. Financial instrument and fair value measurement
A. Accounting classifications and fair values;

| As at 31st March, 2020 | Carrying amount | | | | | Fair Value | | | Total |
|--|-----------------|-------------------------------------|--|------------------|---------|------------|---------|----------|-------|
| | Amortise Cost | At Fair value through Profit & Loss | At Fair value through Other Comprehensive Income | Others (At Cost) | Level 1 | Level 2 | Level 3 | | |
| Financial assets measured at amortised cost | - | - | - | - | - | - | - | - | - |
| Investments | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investments | - | 37.40 | 7,267.72 | 750.22 | 781.76 | 6,523.36 | 750.22 | 8,055.35 | |
| Financial assets not measured at fair value | | | | | | | | | |
| Cash and cash equivalents | 246.30 | - | - | - | - | - | - | - | - |
| Loans | 6,889.00 | - | - | - | - | - | - | - | - |
| Other Financial Assets | 48.96 | - | - | - | - | - | - | - | - |
| Current Tax Assets (Net) | - | - | - | - | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Current Tax Liabilities (Net) | 1,657.67 | - | - | - | - | - | - | - | - |
| Provisions | 17.34 | - | - | - | - | - | - | - | - |
| Other Non-Financial Liabilities | 5.61 | - | - | - | - | - | - | - | - |

Rs. in Lakhs

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| As at 31st March, 2019 | Amortise Cost | At Fair value through Profit & Loss | At Fair value through Other Comprehensive Income | Others (At Cost) | Level 1 | Level 2 | Level 3 | Total |
|---|---------------|-------------------------------------|--|-------------------|----------|-----------|---------|-----------|
| Financial assets measured at amortised cost | | | | | | | | |
| Investments | - | - | - | - | - | - | - | - |
| Financial assets measured at fair value | | | | | | | | |
| Investments | | 3.28 | 27,274.02 | 600.22 | 1,505.95 | 25,771.35 | 600.22 | 27,877.52 |
| Financial assets not measured at fair value | | | | | | | | |
| Cash and cash equivalents | 0.35 | - | - | - | - | - | - | - |
| Loans | 44.00 | - | - | - | - | - | - | - |
| Other Financial Assets | 1.83 | - | - | - | - | - | - | - |
| Current Tax Assets (Net) | 1.88 | - | - | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| Current Tax Liabilities (Net) | - | - | - | - | - | - | - | - |
| Provisions | 0.11 | - | - | - | - | - | - | - |
| Other Non-Financial Liabilities | 0.53 | - | - | - | - | - | - | - |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| As at 01st April, 2018 | Amortise Cost | At Fair value through Profit & Loss | At Fair value through Other Comprehensive Income | Others (At Cost) | Level 1 | Level 2 | Level 3 | Total |
|---|---------------|-------------------------------------|--|-------------------|----------|-----------|---------|-----------|
| Financial assets measured at amortised cost | | | | | | | | |
| Investments | - | 52.33 | 22,662.67 | 600.22 | 1,313.91 | 21,401.09 | 600.22 | 23,315.22 |
| Financial assets measured at fair value | | | | | | | | |
| Investments | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | |
| Cash and cash equivalents | 1.06 | - | - | - | - | - | - | - |
| Loans | - | - | - | - | - | - | - | - |
| Other Financial Assets | - | - | - | - | - | - | - | - |
| Current Tax Assets (Net) | 2.47 | - | - | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| Current Tax Liabilities (Net) | - | - | - | - | - | - | - | - |
| Provisions | - | - | - | - | - | - | - | - |
| Other Non-Financial Liabilities | 0.53 | - | - | - | - | - | - | - |

The Company has not disclosed the fair values for cash and cash equivalents, bank balances, Trade Receivables, Loans, term deposits, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value. The carrying amount of the investments in Associates are valued at Cost.

23 B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as Their fair values as there is no material differences in the carrying values presented.

ii) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates.

If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

iii) Transfers between levels I and II

There has been no transfer in between level I and level II.

iv) valuation techniques

Investment in equity instruments

The majority equity instruments held by the Company are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as level 1.

Investments in mutual Funds are valued as per the NAV prevailing at the end of the financial years and such investments are classified as level 1.

Equity investments in unquoted instruments are fair valued using the valuation technique and accordingly classified as

Level 3.

C. Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the NBFC's Sector regulator and supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

C.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

24. Financial risk management objectives and policies

The Company's principal financial liabilities comprise Current Tax Liabilities and Provisions. The Company's financial assets include Investments, Loan, Interest receivable on Loan and Cash and Cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each Borrower / Customer, However, management also considers the factors that may influence the credit risk of its customer base. Including the default risk associated with the industry. The Company's exposure to credit risk for loans and advances by type of counterparty is as follows;

Carrying Amount

| Particular | As at 31st March, 2020 | As at 31st March, 2019 | As at 01st April, 2018 |
|----------------------------|---------------------------|---------------------------|---------------------------|
| Inter Corporate Loan | 6889.00 Lakhs | 44.00 Lakhs | - |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The Loans are repayable on demand, however an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the trade receivables are categorised into groups based on days past due.

Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the fund are in Current Account and sometimes in invests in term deposits with banks.

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

| Particular | As at 31 March, 2020 (₹ in Lakhs) | | | As at 31 March, 2019 (₹ in Lakhs) | | | As at 01 April, 2018 (₹ in Lakhs) | | |
|--|-----------------------------------|---------------------|---------|-----------------------------------|---------------------|-------|-----------------------------------|---------------------|-------|
| | Up to 12 months | More than 12 months | Total | Up to 12 months | More than 12 months | Total | Up to 12 months | More than 12 months | Total |
| Current Tax Liabilities (Net) | 1657.67 | - | 1657.67 | - | - | - | - | - | - |
| Provisions | 17.34 | - | 17.34 | 0.11 | - | 0.11 | - | - | - |
| Other Non-Financial Liabilities | 5.61 | - | 5.61 | 0.53 | - | 0.53 | 0.53 | - | 0.53 |

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

25. The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Particulars | As at 31 March, 2020 (₹) in Lakhs | | | As at 31 March, 2019 (₹) in Lakhs | | | As at 1st April, 2018 (₹) in Lakhs | | |
|--|---|----------------|------------------|---|------------------|------------------|--|------------------|------------------|
| | Within 12 months | Afer 12 months | Total | Within 12 months | Afer 12 months | Total | Within 12 months | Afer 12 months | Total |
| ASSETS | | | | | | | | | |
| Financial Assets | | | | | | | | | |
| Cash and cash equivalents | 246.30 | - | 246.30 | 0.35 | - | 0.35 | 1.06 | - | 1.06 |
| Loans | 6,889.00 | - | 6,889.00 | 44.00 | - | 44.00 | - | - | - |
| Investments | 37.40 | 8017.94 | 8055.34 | 3.28 | 27,874.24 | 27877.52 | 52.33 | 23261.89 | 23315.22 |
| Other Financial Assets | 48.96 | - | 48.96 | 1.83 | - | 1.83 | - | - | - |
| Non-Financial Assets | | | | | | | | | |
| Current Tax Assets (Net) | - | - | - | 1.88 | - | 1.88 | 2.47 | - | 2.47 |
| Total Assets | 7,221.66 | 8017.94 | 15,239.61 | 51.34 | 27,874.24 | 27,925.58 | 55.85 | 23,261.89 | 23318.75 |
| LIABILITIES | | | | | | | | | |
| Non-Financial Liabilities | | | | | | | | | |
| Current Tax Liabilities (Net) | 1,657.67 | - | 1,657.67 | - | - | - | - | - | - |
| Provisions | 17.34 | - | 17.34 | 0.11 | - | 0.11 | - | - | - |
| Other Non-Financial Liabilities | 5.61 | - | 5.61 | 0.53 | - | 0.53 | 0.53 | - | 0.53 |
| Total Non-Financial Liabilities | 1,680.62 | - | 1,680.62 | 0.64 | - | 0.64 | 0.53 | - | 0.53 |
| Net Position | 5,541.05 | 8017.94 | 13,558.99 | 50.70 | 27,874.24 | 27,924.94 | 55.32 | 22,004.66 | 23,318.22 |

26. Explanation to transition to Ind AS

As stated in Note 1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2019, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended 31 March 2020 including the comparative information for the year ended 31 March 2019 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2018.

In preparing the Ind AS balance sheet as at 1 April 2018 and in presenting the comparative information for the year ended 31 March 2019, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Investments in associate

Ind-AS 101 allows a first-time adopter to use a deemed cost when measuring an investment in an associate in the separate opening statement of financial position. This deemed cost can be determined using either fair value at the date of transition to Ind-AS or a Previous GAAP carrying amount at that date. A first-time adopter is able to choose whether to use the deemed cost exemption on an investment-by-investment basis for its associate.

Accordingly, the Company has elected to avail the exemption and use the Previous GAAP carrying value as deemed cost.

2. Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at FVOCI based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition).

The Company has opted to avail this exemption to designate equity investments (other than investment in associate) as FVOCI on the date of transition.

B. Mandatory exceptions

1. Accounting estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

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

- Fair valuation of financial instruments carried at FVOCI.
- Financial instruments designated at fair value through profit or loss.
- Classification of equity and liability.

2. De recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the de recognition requirements in Ind AS 109 - Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the de recognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

3. Classification and measurement of financial assets

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

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Reconciliation of Balance sheet as at April 01, 2018 (Transition Date) and as at March 31, 2019.
2. Reconciliation of Statement of Profit & Loss for the year ended March 31, 2019
3. Reconciliation of other equity as at April 01, 2018 and March 31, 2019
4. Reconciliation of total comprehensive income for the year ended March 31, 2019
5. Reconciliation of Statement of Cash Flow for the year ended March 31, 2019

Notes to Financial Statements for the year ended March 31, 2020

1 Reconciliation of balance sheet as at April 01, 2018 (date of transition to Ind AS)

| Particulars | Indian GAAP | Adjustments | Ind AS |
|--|---------------|-----------------|-----------------|
| Financial assets | | | |
| Cash and cash equivalents | 1.06 | - | 1.06 |
| Investments | 954.79 | 22360.43 | 23315.22 |
| Total Financial assets | 955.85 | 22360.43 | 23316.28 |
| Non- Financial assets | | | |
| Current Tax Assets (Net) | 2.47 | - | 2.47 |
| Total Non-Financial assets | 2.47 | - | 2.47 |
| Total Assets | 958.32 | 22360.43 | 23318.75 |
| LIABILITIES AND EQUITY | | | |
| Non- Financial Liabilities | | | |
| Other Non-Current Liabilities | 0.53 | - | 0.53 |
| Total Non-Financial Liabilities | 0.53 | 0.00 | 0.53 |
| EQUITY | | | |
| Equity Share capital | 199.20 | - | 199.20 |
| Other equity | 758.59 | 22360.43 | 23119.02 |
| Total Equity | 957.79 | 22360.43 | 23318.22 |
| Total Liabilities and Equity | 958.32 | 22360.43 | 23318.75 |

Reconciliation of balance sheet as at March 31, 2019

| Particulars | Indian GAAP | Adjustments | Ind AS |
|--|---------------|-----------------|-----------------|
| Financial assets | | | |
| Cash and cash equivalents | 0.35 | - | 0.35 |
| Loans | 44.00 | - | 44.00 |
| Investments | 908.06 | 26969.46 | 27877.52 |
| Other Financial Assets | 1.83 | - | 1.83 |
| Total Financial assets | 954.23 | 26969.46 | 27923.70 |
| Non- Financial assets | | | |
| Current Tax Assets (Net) | 1.88 | - | 1.88 |
| Other Non-Financial Assets | - | - | 0.00 |
| Total Non-Financial assets | 1.88 | 0.00 | 1.88 |
| Total Assets | 956.11 | 26969.46 | 27925.58 |
| LIABILITIES AND EQUITY | | | |
| Non- Financial Liabilities | | | |
| Provisions | 0.11 | - | 0.11 |
| Other Non-Current Liabilities | 0.53 | - | 0.53 |
| Total Non-Financial Liabilities | 0.65 | - | 0.65 |
| EQUITY | | | |
| Equity Share capital | 199.20 | - | 199.20 |
| Other equity | 756.27 | 26969.46 | 27725.73 |
| Total Equity | 955.47 | 26969.46 | 27924.93 |
| Total Liabilities and Equity | 956.11 | 26969.46 | 27925.58 |

2 Reconciliation of profit or loss for the year ended March 31, 2019

| Particulars | Indian GAAP | Adjustments | Ind AS |
|--|--------------|---------------|---------------|
| Income | | | |
| Interest Income | 2.03 | - | 2.03 |
| Dividend Income | 0.31 | - | 0.31 |
| Gain on current investment | 4.26 | (2.30) | 1.96 |
| Other Income | 0.01 | - | 0.02 |
| Total revenue (I) | 6.62 | (2.30) | 4.32 |
| Expenses | | | |
| Employee benefit expenses | 3.00 | 0.00 | 3.00 |
| Other expenses | 5.14 | 0.00 | 5.14 |
| Total expenses (II) | 8.14 | 0.00 | 8.14 |
| Profit/ (Loss) before tax (I-II) | -1.52 | (2.30) | (3.82) |
| (Excess)/ Short Provision of Earlier Years | - | 0.00 | 0.00 |
| Profit/ (Loss) for the year | -1.52 | (2.30) | (3.82) |

3 Reconciliation of other equity as at April 01, 2018 and March 31, 2019

(Rupees in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Total Other Equity under Previous GAAP (A) | 756.27 | 758.59 |
| Fair Value Loss on Financial Instruments at Fair Value through Profit & Loss | (2.31) | 2.70 |
| Deferred tax | 0.00 | 0.00 |
| Fair Value Gain on Financial Instruments at Fair Value through Other Comprehensive Income | 26971.78 | 22357.73 |
| Total Other Equity under Ind AS (A+B) | 27725.74 | 23119.02 |

4 Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

| Particulars | Year ended March 31, 2019 |
|---|---------------------------|
| Net profit/(loss) under previous Indian GAAP | (1.52) |
| Fair Value Gain on Financial Instruments at Fair Value through Profit & Loss | (2.30) |
| Tax Expenses | (0.80) |
| Fair Value Gain on Financial Instruments at Fair Value through Other Comprehensive Income | 4612.35 |
| Tax Impact | - |
| Total Comprehensive income / (Loss) as per Ind AS | 4607.73 |

5 Effect of Ind AS adoption on the Cash Flow Statement for the year ended March 31, 2019

| Particulars | Indian GAAP | Adjustments | Ind AS |
|---|---------------|-------------|---------------|
| Net Cash Flows from in Operating Activities | (52.02) | 44.00 | (8.02) |
| Net Cash Flows from Investing Activities | 51.31 | (44.00) | 7.31 |
| Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C) | (0.71) | 0.00 | (0.71) |
| Cash and Cash Equivalents at the beginning of year | 1.06 | 0.00 | 1.06 |
| Cash and Cash Equivalents at the end of year | 0.35 | 0.00 | 0.35 |

* Ind AS 101 requires reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind AS and a reconciliation to its total comprehensive income in accordance with Ind AS for the latest period in the entity's most recent annual financial statements. The Company has chosen to provide reconciliation of amount reported in accordance with previous GAAP to amount reported under Ind AS for each line item of balance sheet and statement of profit and loss as an additional disclosure.

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the reconciliation

1) Fair value through other comprehensive income of financial assets

Investments

Under Previous GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, financial assets representing investment in equity shares of entities other than associate have to be fair valued. At the date of transition to Ind AS, difference between the instruments fair value and Previous GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly, an amount of Rs.43.71Lakh has been recognised in OCI for the year ended 31 March 2019 including an amount of Rs.210,99.49 Lakh has been recognised as increase as on 1 April 2018.

2) Investments - at fair value through profit or loss

Under Previous GAAP, the Company accounted for current investments in mutual funds as investment measured at lower of cost or net realisable value. Under Ind AS, financial assets representing investment in mutual funds has been valued as Investments designated at fair value through profit or loss. At the date of transition to Ind AS, difference of Rs 2,69,544 between the instruments fair value and Previous GAAP carrying amount has been recognised in the retained earnings net of related deferred taxes as on 1 April, 2018. Further an amount of Rs.1,95,177 has been recognised in for the year ended 31 March 2019.

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

27. The following disclosure is required pursuant to RBI circular dated 13.03.2020- Circular No.RBI/2019-20/170 DOR/(NBFC).CC.PD.No.109/22.10.106/2019-2020

| Asset Classification as per RBI Norms | Asset Classification as per Ind AS 109 | Gross Carrying value as per Ind AS | Loss allowances (Provisions) as required under Ind As 109 | Net Carrying Value | Provision as per ICARP norms | Difference between Ind AS 109 and provisions as per ICARP norms |
|---------------------------------------|--|------------------------------------|---|--------------------|------------------------------|---|
| (A) | (B) | (C) | (D) | (E)=(C) | (F) | G=(D)-(F) |
| Performing Standard Asset | Stage-1 | 17.23 Lakhs | - | 17.23 Lakhs | 17.23 Lakhs | - |

28. COVID-19 was declared a Global pandemic on 11 March, 2020 by the WHO and the Government of India announced a Lockdown on 24th March, 2020. We believe that the impact assessment of this pandemic is a continuous evolving process, given its intensity in the Financial Capital of India. Your Company shall continue to monitor all material changes to future conditions arising due to the pandemic.
29. The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 1, 2019. The adoption of Ind AS 116 did not have any material impact on the financial results for the quarter/year ended March 31, 2020.
30. Previous year previous GAAP figures have been regrouped / reclassified to make them comparable with Ind AS presentation.

As per our report of even date
For B. MAHESHWARI & CO.
Chartered Accountants
Firm Regn No.105839W

For and on behalf of the Board of Directors

SURENDRA HEDA
PARTNER
Membership No.: 102316

Sudha Jajodia
Director & CFO
DIN: 00376571

Shivangi Murarka
Managing Director
DIN: 08370325

Place: Mumbai
Date: 30.07.2020
UDIN: 20102316AAAABG9731

Binita Gosalia
Company Secretary

GIRISH MURARKA & CO.

Company Secretaries

*Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099*

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

[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
MEENAKSHI STEEL INDUSTRIES LIMITED
K-27, Jiya Sarai,
First Floor, Near IIT Gate,
New Delhi 110 016

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to corporate practices by **MEENAKSHI STEEL INDUSTRIES LIMITED** (herein after called "the Company") for the audit period covering the financial year ended on 31st March, 2020. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, generally 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 reporting made hereinafter :

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in the Annexure I, for the financial year ended on March 31, 2020, according to the provisions (to the extent applicable) of :
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of receipt of funds on non-repatriation basis from foreign investor; **(Not Applicable to the Company during the Audit Period)**

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)** and
 - f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. **(Not Applicable to the Company during the Audit Period)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the Company during audit period)** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the Company during audit period).**
 - i) The examination of compliance of the provisions of other special applicable laws was limited to the verification of procedure on test basis.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

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

I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- iv. The Company appointed Ms. Shivangi G. Murarka was appointed Additional and Managing Director for the period of Two years at the Board Meeting 11th June, 2019. Her appointment was approved at 34th Annual General Meeting held on 28.09.2019.
- v. Smt. Sudha P. Jajodia was appointed as Chief Financial Officer at the Board Meeting held on 11.06.2019

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

I further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standard etc. referred to above.

GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 7036
CP No. 4576

Place : Mumbai
Date : 04.09.2020
UDIN – A007036B000657422

GIRISH MURARKA & CO.

Company Secretaries

*Ground Floor, Wing "A", Flat No. 001, Bharateeya Kala Mandal C/2, Co-op. Hsg. Soc. Ltd.
Om Nagar, Andheri (East), Mumbai 400 099*

Phone (O) : 2839 2294

Email : girishmurarka@gmail.com

To,
The Members
MEENAKSHI STEEL INDUSTRIES LIMITED
K-27, Jiya Sarai,
First Floor, Near IIT Gate
New Delhi 110 016

Our report of even date is to be read along with this letter.

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

Place: Mumbai
Date: 04.09.2020

GIRISH MURARKA
Proprietor
Girish Murarka & Co.
ACS No. 7036
CP No. 4576

ANNEXURE – I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended March 31, 2018 and March 31, 2019
3. Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee along with attendance register held during the financial year under report
4. Minutes of General Body Meeting held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meeting and Committee Meeting
7. Declaration received from Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013
8. E-forms filed by the Company, from time to time, under the applicable provisions of the Companies Act, 1956/ 2013 and attachments thereof during the financial year under report.

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
MEENAKSHI STEEL INDUSTRIES LIMITED**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **MEENAKSHI STEEL INDUSTRIES LIMITED** (hereinafter referred to as the 'Parent Company') and its one Associate Company (together referred to as "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as 'Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "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, 2020 and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated 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.

Emphasis of Matter

We draw your attention to Note No.29 to the Consolidated Financial Statement for the year ended March 31, 2020, which describes the impact of the outbreak of Coronavirus (COVID-19) on the business operations. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our conclusion is not modified in respect of this matter.

(Cont..2)

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

| Sr. No. | Key Audit Matter | Our Response |
|---------|---|--|
| 1 | <p><i>Modified Audit Procedures carried out in light of COVID-19 outbreak:</i></p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central/ State Government/ Local Authorities during the period of our audit to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of the Parent Company.</p> <p>As we could not gather audit evidence in person/physically/ through discussions and personal interactions with the officials at the Parent Company's Office, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p> | <p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to the Parent Company's Office and carry out the audit processes physically.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us through digital medium and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <ol style="list-style-type: none"> a. Conducted verification of necessary records/ documents through emails wherever physical access was not possible. b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/through email instead of a face-to-face interaction with the designated officials. |

Other Information

The Parent Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, consolidated cash flows and consolidated Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the company included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company included in the Group are responsible for overseeing the financial reporting process of the Group.

(Cont..4)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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 Consolidated 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group 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 Group'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated 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.

Other Matters

The Consolidated Financial Statements/information comprised in the Group's Consolidated Financial Statements are inclusive of Rs. 40,70.65 Lakhs being the Parent Company's share in the net Loss of its one associate company for the year ended 31st March, 2020, which Consolidated Financial Statements/financial information have not been audited by us. These Consolidated Financial Statements have been audited by other auditors, whose reports have been furnished to us by the management of the Parent Company and our opinion on the Consolidated Financial Statements, in so far as it relates to the said amounts and disclosures is based solely on the report of such other auditors.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the financial statements audited by other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements;
- b) In our opinion, proper books of account as required by law to be maintained by the Group including relevant records relating to preparation of the aforesaid Consolidated Financial Statements, have been kept so far as it appears from our examination of those books and records of the Parent Company;

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and records maintained by the Group for the purpose of preparation of the Consolidated Financial Statements;
- d) In our opinion, the aforesaid Consolidated 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 written representations received from the directors of the Group Company as on March 31, 2020, and taken on record by the respective Board of Directors, none of the directors of the Group Company is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) 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;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls relevant to the Parent Company's preparation of the Consolidated Financial Statements, we refer to Annexure-B of our report of even date on the Standalone Financial Statements of the Parent Company; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
 - i) There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company and its Associate Company.

For and on behalf of
B. MAHESHWARI & CO.
Chartered Accountants
Firm Regn No.105839W

Place : Mumbai
Dated : July 30, 2020

(Surendra Heda)
Partner
Membership No. 102316

| Particulars | Notes | As at 31 March, 2020 (₹) in Lakhs) | As at 31 March, 2019 (₹) in Lakhs) | As at 1st April, 2018 (₹) in Lakhs) |
|--|-------|--|--|---|
| ASSETS | | | | |
| (1) Financial Assets | | | | |
| Cash and cash equivalents | 2 | 246.30 | 0.35 | 1.06 |
| Loans | 3 | 6,889.00 | 44.00 | - |
| Investments | 4 | 5,288.99 | 29,181.81 | 23,384.55 |
| Other Financial Assets | 5 | 48.96 | 1.83 | - |
| Total Financial Assets | | 12,473.25 | 29,227.99 | 23,385.61 |
| (2) Non-Financial Assets | | | | |
| Current Tax Assets (Net) | 6 | - | 1.88 | 2.47 |
| Total Non-Financial Assets | | - | 1.88 | 2.47 |
| Total Assets | | 12,473.25 | 29,229.87 | 23,388.08 |
| EQUITY AND LIABILITIES | | | | |
| (1) Financial Liabilities | | | | |
| Borrowings (other than debt securities) | | - | - | - |
| Total Financial Liabilities | | - | - | - |
| (2) Non-Financial Liabilities | | | | |
| Current Tax Liabilities (Net) | 7 | 1,657.67 | - | - |
| Provisions | 8 | 17.34 | 0.11 | - |
| Other Non-Financial Liabilities | 9 | 5.61 | 0.53 | 0.53 |
| Total Non-Financial Liabilities | | 1,680.62 | 0.64 | 0.53 |
| (3) Equity | | | | |
| Equity Share capital | 10 | 199.20 | 199.20 | 199.20 |
| Other equity | 11 | 10,593.43 | 29,030.03 | 23,188.35 |
| Total Equity | | 10,792.63 | 29,229.23 | 23,387.55 |
| Total Equity and Liabilities | | 12,473.25 | 29,229.87 | 23,388.08 |
| Summary of significant accounting policies | 1 | | | |
| The accompanying notes are an integral part of the financial statements. | 15-31 | | | |

As per our report of even date,
For **B. Maheshwari & Co.**
Chartered Accountants
Firm Reg. No.105839W

For and on behalf of the Board of Directors

Surendra Heda
Partner
Membership No. 102316

Sudha Jajodia
Director & CFO
DIN : 00376571

Shivangi Murarka
Director
DIN : 08370325

Place : Mumbai
Date :
UDIN : 20102316AAAABF7267

Binita Gosalia
Company Secretary

MEENAKSHI STEEL INDUSTRIES LIMITED
CIN: L52110DL1985PLC020240
Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

| Particulars | Notes | 2019-20 (₹ in Lakhs) | 2018-19 (₹ in Lakhs) |
|---|-------|-------------------------|-------------------------|
| Income | | | |
| Revenue from Operations | | | |
| Interest Income | | 54.40 | 2.03 |
| Dividend Income | | 0.51 | 0.31 |
| Net Gain on Fair Value Changes | | 2.42 | 1.96 |
| I. Total Revenue From Operations | | 57.33 | 4.31 |
| II. Other Income | 12 | - | 0.01 |
| III. Total Income (I+II) | | 57.33 | 4.32 |
| Expenses | | | |
| Employee benefit expenses | 13 | 3.24 | 3.00 |
| Other expenses | 14 | 443.74 | 5.14 |
| IV. Total Expenses | | 446.98 | 8.14 |
| V. Profit/(Loss) Before share of net profits/ (losses) of investment accounted for using equity method and taxTax (III-IV) | | (389.65) | (3.82) |
| VI. Share in Profit/ (Loss) of Associates. | | (4,070.65) | 1,233.96 |
| VII Profit before tax (V+VI) | | (4,460.30) | 1,230.14 |
| VIII. Tax Expenses | | | |
| Current Tax | | (1,670.00) | - |
| Deferred Tax | | - | - |
| Excess/(Short) Provision of Earlier Years | | - | 0.80 |
| IX. Net Profit After Tax (VII-VIII) | | (6,130.30) | 1,229.34 |
| X. Other Comprehensive Income (OCI) | | | |
| Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods | | | |
| Net Gain/(Loss) on FVTOCI Investments | | (12,306.30) | 4,612.35 |
| Income Tax effect on above | | - | - |
| Total Other Comprehensive Income | | (12,306.30) | 4,612.35 |
| XI. Total Comprehensive Income for the year | | (18,436.60) | 5,841.69 |
| XII. Basic and Diluted Earnings per share (Face value ₹ 10 each) | 20 | (925.53) | 293.28 |

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.

1
15-31

As per our report of even date,
For B. Maheshwari & Co.
Chartered Accountants
Firm Reg. No.105839W

For and on behalf of the Board of Directors

Surendra Heda
Partner
Membership No. 102316

Sudha Jajodia
Director & CFO
DIN : 00376571

Shivangi Murarka
Director
DIN : 08370325

Place : Mumbai
Date :
UDIN: 20102316AAAABF7267

Binita Gosalia
Company Secretary

MEENAKSHI STEEL INDUSTRIES LIMITED

CIN : L52110DL1985PLC020240

Consolidated Cash Flow Statement for the year ended 31st March, 2020

| Particulars | Year Ended | |
|--|-----------------------------|-----------------------------|
| | 31.03.2020 (Rs.in Lakhs) | 31.03.2019 (Rs.in Lakhs) |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before taxation and extraordinary items | -4,460.30 | 1,230.14 |
| Adjustments for: | | |
| Provision for Expenses | 5.61 | 0.53 |
| Prepaid Expenses | - | - |
| (Profit)/Loss on Sale of Investments | -7,700.00 | -1.96 |
| Adjustment on account on OCI | -12,306.30 | 4,612.35 |
| Dividend Income | -0.51 | -0.31 |
| Operating Profit before working capital changes | -24,461.50 | 5,840.75 |
| Increase/(Decrease) in Sundry Payables & Other Liabilities | 1,674.37 | -0.42 |
| (Increase)/Decrease in Trade & Other Receivables | 1,042,294.75 | 20,314.95 |
| (Increase)/Decrease in Inventories | - | - |
| Cash generated from operations | 1,019,507.62 | 26,155.29 |
| Less: Direct Taxes paid | 1,044,010.00 | 20,317.00 |
| Net Cash Flow from operating activities before extraordinary items | -24,502.38 | 5,838.29 |
| Adjustments for Prior Period Items | - | - |
| Net Cash Flow from operating activities | (A) -24,502.38 | 5,838.29 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Sale of Investments (net) | 31,592.82 | -5,795.30 |
| Loan Granted / (Repayment Received) | -6,845.00 | -44.00 |
| Dividend Income | 0.51 | 0.31 |
| Net Cash from/(used) in Investing activities | (B) 24,748.33 | -5,838.99 |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Loan Taken / (Repaid) | - | - |
| Interest Paid | - | - |
| Net Cash from/(used) in financing activities | (C) - | - |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 245.95 | -0.70 |
| Cash & Cash Equivalents as at beginning of period | 0.35 | 1.06 |
| Cash & Cash Equivalents as at end of period | 246.29 | 0.36 |
| Cash and cash equivalents consist of cash on hand and balances with banks. | | |
| | 31.03.2020 | 31.03.2019 |
| Cash on hand | 0.00 | 0.01 |
| Balance in current accounts | 246.30 | 0.34 |
| Cash and cash equivalents as restated | 246.30 | 0.35 |

As per our report of even date,
For **B. Maheshwari & Co.**
Chartered Accountants
Firm Reg. No.105839W

Surendra Heda
Partner
Membership No. 102316

Place : Mumbai
Date :
UDIN: 20102316AAAABF7267

For and on behalf of the Board of Directors

Sudha Jajodia
Director & CFO
DIN : 00376571

Shivangi Murarka
Managing Director
DIN : 08370325

Binita Gosalla
Company Secretary

MEENAKSHI STEEL INDUSTRIES LIMITED

CIN: L52110DL1985PLC020240

Consolidated Statement of Change in Equity for the year ended 31st March, 2020

Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid up

| | Number | Amount (₹) |
|------------------------|-----------|------------|
| At 01 April, 2018 | 1,992,000 | 19,920,000 |
| At 31 March, 2019 | 1,992,000 | 19,920,000 |
| Issue of share capital | - | - |
| At 31 March, 2020 | 1,992,000 | 19,920,000 |

Other Equity

| Particulars | Amount (₹) | | | Total Equity |
|--|---------------------|-------------------|-------------------|--------------|
| | Reserve and Surplus | | Items of OCI | |
| | Reserve Fund | Retained Earnings | NetGain/(Loss) on | |
| Balance as at 01 April, 2018 | 147.31 | 611.28 | - | 758.59 |
| Transition adjustment on account of: Net Gain/(Loss) on FVTOCI Investments | - | - | 22,356.73 | 22,356.73 |
| Net Gain/(Loss) on FVTPL Investments | - | 2.70 | - | 2.70 |
| Profit/(Loss) for the year | 147.31 | 613.97 | 22,356.73 | 23,119.02 |
| Tax Effect on above | - | (4.63) | - | (4.63) |
| General Reserve on account of merger | 147.31 | 609.34 | 26,969.08 | 27,726.74 |
| Transfer to Reserve Fund under RBI Act | - | - | - | - |
| Balance as at 31 March, 2019 | 147.31 | 609.34 | 26,969.08 | 27,726.74 |

| Particulars | Amount (₹) | | | Total Equity |
|---|---------------------|----------|--------------|--------------|
| | Reserve and Surplus | | Items of OCI | |
| | | INR lacs | INR lacs | |
| Balance as at 01 April, 2019 | 147.31 | 609.34 | 26,969.08 | 27,725.73 |
| Profit/(Loss) for the year | - | 7,389.15 | - | 7,389.15 |
| NetGain/(Loss) on FVTOCI Investments | - | - | (19,995.75) | (19,995.75) |
| Tax effect on above | - | - | (1,759.35) | (1,759.35) |
| Transfer to Reserve Fund under RBI Act | 147.31 | 7,998.49 | 5,213.99 | 13,360.79 |
| Balance as at 31 March, 2020 | 294.62 | 7,998.49 | 5,213.99 | 13,360.79 |

As per our report of even date,
For B. Maheshwari & Co.
Chartered Accountants
Firm Reg. No.105839W

For and on behalf of the Board of Directors

Surendra Heda
Partner
Membership No. 102316

Sudha Jajodia
Director & CFO
DIN : 00376571

Shivangi Murarka
Managing Director
DIN : 08370325

Binlta Gosalia
Company Secretary

Place : Mumbai
Date : 30.07.2020
UDIN : 20102316AAAABG9731

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Corporate Information:

Meenakshi Steel Industries Limited is a limited company incorporated and domiciled in India. The Company is registered with the Reserve Bank of India ("RBI") as NBFC. Its shares are listed on the Bombay Stock Exchange (BSE), India.

Significant Accounting Policies:

1. Statement of compliance:

The Consolidated financial statements of **Meenakshi Steel Industries Limited** (the "Company") and its associates (together the "Group") have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The consolidated financial statements for the year ended March 31, 2020 of the Group are the first consolidated financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 01, 2018. The consolidated financial statements up to the year ended March 31, 2019, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2019 have now been restated under Ind AS to provide comparability.

1.1. Basis of preparation:

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at reporting date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

1.2. Presentation of financial statements:

The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The disclosure requirements with respect to items in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Consolidated financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Amounts in the consolidated financial statements are presented in Indian Rupees rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

1.3. Principles of consolidation and equity accounting:

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using equity method of accounting. Under the equity method, an investment in associate is initially recognised in the consolidated balance sheet at cost and adjusted there after to recognise the Group's share of profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of investment in associates is reduced to recognize impairment, if any, when there is objective evidence of impairment.

1.4. The list of Associate included in the consolidated financial statement is as under:

| Name of Associate | As at 31st March, 2020 | | As at 31st March, 2019 | | As at 01st April, 2018 | |
|-------------------------|--------------------------------------|--------------------------------|--------------------------------------|--------------------------------|--------------------------------------|--------------------------------|
| | Proportion of Ownership Interest (%) | Proportion of Voting Power (%) | Proportion of Ownership Interest (%) | Proportion of Voting Power (%) | Proportion of Ownership Interest (%) | Proportion of Voting Power (%) |
| Sushree Trading Limited | 28.98% | 28.98% | 28.98% | 28.98% | 28.98% | 28.98% |

1.5. Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include expected credit loss on loan books, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

1.6. Operating cycle for current and non-current classification:

Based on the nature of activities of the Group entities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.7. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(i) Interest and dividend income

Interest income is recognised in the Consolidated Statement of Profit and Loss and for all financial instruments.

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

(ii) Net gain or fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

(vi) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.8. Financial instruments:

Financial assets and financial liabilities are recognised in the Consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument. Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these 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.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

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

(c) Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected). The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(ii) Financial liabilities

(a) Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

(b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.9. Write off:

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

1.10. Cash and bank balances:

Cash and bank balances also include fixed deposit. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

1.11. Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs. Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.12. Employee benefits:

(i) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

(ii) Post-employment benefits: Defined benefit plans like the employees' gratuity fund schemes and employee provident fund schemes are not Applicable to the Group.

1.13. Accounting and reporting of Information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Group.

1.14. Taxation:

Current Tax

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals. Deferred Tax Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.15. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

- (i) An Group entity has a present obligation (legal or constructive) as a result of a past event; and
- (ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of :

- (i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- (ii) A present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.16. Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- (b) Uncalled liability on shares and other investments partly paid;
- (c) Funding related commitment to associate companies; and
- (d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

1.17. Non-current assets held for sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

1.18. Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- (i) Changes during the period in operating receivables and payables transactions of a non-cash nature;
- (ii) Non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
- (iii) All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.19. Earnings per share:

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1.20. First time adoption of Ind AS:

The Group has prepared opening balance sheet as per Ind AS as at April 01, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Group are as follows:

i) The Group has adopted the carrying value determined in accordance with Previous GAAP for all of its property plant and equipment and investment property as deemed cost of such assets at the transition date.

ii) The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 01, 2018.

iii) The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

iv) The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, as permitted by Ind AS 101, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

v) The estimates as at April 01, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with the Previous GAAP.

MEENAKSHI STEEL INDUSTRIES LIMITED
Notes to the Consolidated Financial Statements (Continued)

for the ended 31st March, 2020

Note 2 : CASH AND CASH EQUIVALENTS

| | As at 31 March, 2020 (₹) in Lakhs) | As at 31 March, 2019 (₹) in Lakhs) | As at 1st April, 2018 (₹) in Lakhs) |
|--|--|--|---|
| Cash in hand | 0.00 | 0.01 | 0.01 |
| Balances with Banks in - Current Accounts | 246.30 | 0.34 | 1.05 |
| Total | 246.30 | 0.35 | 1.06 |

Note 3 : LOANS

| | | | |
|---|-----------------|--------------|----------|
| Loans repayable on demand | | | |
| Unsecured ,Considered good (Within India) | | | |
| Others - Inter Corporate Loan | 6,889.00 | 44.00 | - |
| Less : Impairment Loss Allowance | - | - | - |
| Total | 6,889.00 | 44.00 | - |

Note 4 : INVESTMENTS

| Particulars | Face Value | Number | As at 31 March, 2020 (₹) in Lakhs) | As at 31 March, 2019 (₹) in Lakhs) | As at 1st April, 2018 (₹) in Lakhs) |
|--|------------|------------|--|--|---|
| A .Investments in Mutual funds | | | | | |
| at Fair Value through Profit & Loss (FVTPL) | | | | | |
| Unquoted Mutual Funds | | | | | |
| Units of Aditya Birla Sun Life Liquid Fund - Growth Direct Plan (31st March, 2020 : 11703.798, 1st April, 2019 - 1343.156) | | | 37.40 | 3.28 | 52.33 |
| | | | 37.40 | 3.28 | 52.33 |
| B .Investments in Equity Instruments | | | | | |
| at Fair Value through OCI (FVTOCI) | | | | | |
| i) Quoted Equity Shares not held for trade | | | | | |
| Mansoon Trading Company Limited (31st March, 2020 : 122400; 1st April, 2019 : 122,400) | 10 | 122,400 | 744.36 | 1,499.63 | 1,250.76 |
| Nilkanth Engineering Limited (31st March, 2020 : 60,000; 1st April, 2019 : 60,000) | 10 | 60,000 | 0.00 | 3.04 | 10.82 |
| | | | 744.36 | 1,502.67 | 1,261.58 |
| ii) Unquoted Equity Shares not held for trade | | | | | |
| Aakarshak Synthetics Limited (31st March, 2020 : 5,81,000; 1st April, 2019 : 5,81,000) | 10 | 581,000 | 39.44 | 38.96 | 36.15 |
| Aditya Bullions & Broking Private Limited (31st March, 2020 : 25,000; 1st April, 2019 : 25000) | 10 | 25,000 | 18.42 | 97.02 | 85.40 |
| Essel Mining & Industries Limited (31st March, 2020 : 1,74,11,600; 1st April, 2019 : 25,600) | 10 | 17,411,600 | 6,379.96 | 26,550.59 | 21,194.75 |
| Jatayu Textiles & Industries Limited (31st March, 2020 : 97,500; 1st April, 2019 : 97,500) | 10 | 97,500 | 40.84 | 40.02 | 38.96 |
| Rutgers Investment & Trading Company Private Limited (31st March, 2020 : 45,004; 1st April, 2019 : 45,004) | 100 | 45,004 | 44.71 | 44.77 | 44.83 |
| C. Investments - Others (At Cost) | | | | | |
| i) Investments in Associates* | | | | | |
| Unquoted Equity Shares not held for trade | | | | | |
| Sushree Trading Limited (31st March, 2020 : 3,60,750; 1st April, 2019 : 3,60,750) | 10 | 360,750 | 100.22 | 100.22 | 100.22 |
| Add: Post Acquisition Profit/(Loss) | | | (2,766.35) | 1,304.29 | 70.33 |
| | | | 3,857.23 | 27,175.86 | 21,570.64 |
| ii) Preference Shares not held for trade | | | | | |
| Preference Shares of Niranjani Housing Private Limited | 10 | 62,500 | - | 500.00 | 500.00 |
| Preference Shares of Khatuji Logistics and Finance Private Limited (6% Non-cumulative Non-Convertible Redeemable Preference Shares) | 100 | 650,000 | 650.00 | - | - |
| | | | 650.00 | 500.00 | 500.00 |
| | | | 5,288.99 | 29,181.81 | 23,384.55 |
| Less Impairment Allowances | | | - | - | - |
| Total Investment (Within India) | | | 5,288.99 | 29,181.81 | 23,384.55 |

*For the investment in associate, the company has opted for the exemption provided in para D15(b)(ii) of Ind AS 101 and accordingly the same has been measured at previous GAAP carrying amount i.e. at cost at the transition date.

*As per para 10 of Ind AS 27, the Company has opted to value the investments in associate at cost.

MEENAKSHI STEEL INDUSTRIES LIMITED**Notes to the Consolidated Financial Statements (Continued)***for the ended 31st March, 2020*

| | As at 31 March, 2020 (₹) in Lakhs) | As at 31 March, 2019 (₹) in Lakhs) | As at 1st April, 2018 (₹) in Lakhs) |
|---|--|--|---|
| Note 5 : OTHER FINANCIAL ASSETS | | | |
| Interest Accrued on Inter Corporate Loans | 48.96 | 1.83 | - |
| Total | 48.96 | 1.83 | - |
| Note 6 : CURRENT TAX ASSETS (NET) | | | |
| Advance Income Taxes (Net of Provision for tax) | - | 1.88 | 2.47 |
| Total | - | 1.88 | 2.47 |
| Note 7 : CURRENT TAX LIABILITIES (NET) | | | |
| Current Tax Liabilities (Net) | 1,657.67 | - | - |
| Total | 1,657.67 | - | - |
| Note 8 : PROVISIONS | | | |
| Contingent provision against Standard Asset | 17.34 | 0.11 | - |
| Total | 17.34 | 0.11 | - |
| Note 9 : OTHER NON-FINANCIAL LIABILITIES | | | |
| Expenses Payable | 5.61 | 0.53 | 0.53 |
| Total | 5.61 | 0.53 | 0.53 |

MEENAKSHI STEEL INDUSTRIES LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the year ended 31st March, 2020

Note 10: EQUITY SHARE CAPITAL

| Particulars | As at 31 March, 2020 (₹) in Lakhs) | As at 31 March, 2019 (₹) in Lakhs) | As at 1st April, 2018 (₹) in Lakhs) |
|--|--|--|---|
| Authorised: | | | |
| 20,00,000 (March 31, 2019: 20,00,000) Equity Shares, of Rs. 10 par value | 200.00 | 200.00 | 200.00 |
| | 200.00 | 200.00 | 200.00 |
| Issued, Subscribed and Fully Paid up Shares | | | |
| 19,92,000 (March 31, 2019: 19,92,000) Equity Shares, of Rs. 10 par value | 199.20 | 199.20 | 199.20 |
| Total | 199.20 | 199.20 | 199.20 |

(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

| Equity Share Description | As at 31 March, 2020 | | As at 31 March, 2019 | |
|---|----------------------|---------------|----------------------|---------------|
| | Number | (₹) in Lakhs) | Number | (₹) in Lakhs) |
| Number of Shares outstanding at the beginning of the year | 1,992,000 | 199.20 | 1,992,000 | 199.20 |
| Number of Shares issued during the year | - | - | - | - |
| Number of Shares outstanding at the end of the year | 1,992,000 | 199.20 | 1,992,000 | 199.20 |

(ii) Disclosure of Shareholders holding more than 5% of Share Capital:

| Name of Shareholder | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|------------------------|--------------|------------------------|--------------|
| | No.of Shares held | % of holding | No.of Shares held | % of holding |
| Kajal Synthetics And Silk Mills Limited | 255,500 | 12.83% | 255,500 | 12.83% |
| Osiris Online Private Limited | 275,000 | 13.81% | 275,000 | 13.81% |
| Rutgers Investments And Trading Company Private Limited | 190,000 | 9.54% | 190,000 | 9.54% |
| Sushree Trading Limited | 884,500 | 44.40% | 884,500 | 44.40% |
| Total | 1,605,000 | 80.58% | 1,605,000 | 80.58% |

MEENAKSHI STEEL INDUSTRIES LIMITED**Notes to the Consolidated Financial Statements (Continued)**

for the year ended 31st March, 2020

NOTE 11 : OTHER EQUITY

| Particulars | As at 31 March, 2020 (₹) in Lakhs) | As at 31 March, 2019 (₹) in Lakhs) | As at 1st April, 2018 (₹) in Lakhs) |
|--|--|--|---|
| A) Other Reserves | | | |
| i) Statutory Reserves /Special Reserve | | | |
| Reserve Fund under RBI Act, 1934 | | | |
| Balance as per last Financial Statements | 147.31 | 147.31 | 147.31 |
| Add: Transferred from Statement of Profit and Loss | 1,125.96 | - | - |
| | 1,273.27 | 147.31 | 147.31 |
| ii) Others -(Unrealised gains/losses) | | | |
| FVTOCI Reserves | | | |
| Equity instruments through other comprehensive income | | | |
| Balance as per last Financial Statements | 26,969 | 22,357 | - |
| Add / (less) during the year | (12,306) | 4,612 | 22,357 |
| Less: Realised gain/(loss) on equity shares FVTOCI transferred to retained earnings | (7,689.45) | - | - |
| Less Tax effect on above | (1,759.35) | - | - |
| | 5,213.99 | 26,969.08 | 22,356.73 |
| B) Retained Earnings | | | |
| Surplus at the beginning of the year | 1913.64 | 684.30 | 616.05 |
| Profit/(Loss) for the year | (6130.31) | 1229.34 | (33.49) |
| Add Net Gain/(Loss) on FVTPL Investments | 0.00 | 0.00 | 2.70 |
| Add: Realised gain/(loss) on equity shares FVTOCI transferred from equity instruments through other comprehensive income | 7689.45 | 0.00 | 0.00 |
| Tax effect on above | 1,759.35 | - | - |
| Less: Transferred to Special Reserve | (1,125.96) | - | - |
| Add: Share of Profit of Associates at the beginning | - | - | 99 |
| Total | 4,106.17 | 1,913.64 | 684.30 |
| Total | 10,593.43 | 29,030.03 | 23,188.35 |

Notes:

Special Reserve : Special reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

FVTOCI Reserve : The Company has elected to recognise changes in the fair value of certain instruments in equity securities and debt instruments in Other Comprehensive Income. These changes are accumulated with the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

MEENAKSHI STEEL INDUSTRIES LIMITED**Notes to the Consolidated Financial Statements (Continued)***for the year ended 31st March, 2020*

| Particulars | 2019-20 (₹ in Lakhs) | 2018-19 (₹ in Lakhs) |
|-----------------------------------|-------------------------|-------------------------|
| Note 12 : OTHER INCOME | | |
| Interest Received from Income Tax | - | 0.01 |
| Total | - | 0.01 |

Note 13 : EMPLOYEE BENEFIT EXPENSES

| | | |
|--------------------------------|-------------|-------------|
| Salaries, Bonus and Allowances | 3.24 | 3.00 |
| Total | 3.24 | 3.00 |

Note 14 : OTHER EXPENSES

| | | |
|---|---------------|-------------|
| Advertisement Expenses | 0.15 | 0.16 |
| Bank Charges | 0.01 | 0.01 |
| Custodian / ISIN activation charges | 0.17 | 0.21 |
| Filing Fees | 0.09 | 0.05 |
| Listing Fees | 3.54 | 2.95 |
| Legal and Professional Charges | 5.73 | 0.58 |
| Loss on Sale of Shares | 415.63 | - |
| Membership Fees | 0.59 | 0.18 |
| General Expenses | 0.01 | 0.06 |
| Demat Charges | 0.01 | 0.01 |
| Contingent Provision against Standard Asset | 17.23 | 0.11 |
| Payment to Auditor: | | |
| Audit Fees | 0.35 | 0.35 |
| Certification Fees | 0.05 | 0.10 |
| Others | 0.10 | 0.24 |
| Reimbursement of Tax | 0.09 | 0.12 |
| Total | 443.74 | 5.14 |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

15. Contingent Liability not provided in respect of:-

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.Nil (Previous year Rs. Nil).
- b) Other Contingent Liabilities – The Company has disputed liability in respect of stamp duty and penalty amounting to Rs.9.65 Lakhs- raised by the Additional District Magistrate, Nainital vide his order dated 01.09.1993 in respect of freehold lands purchased by the Company in the year 1992-93. The Company is filed a Revision Application before the Chief Controlling of Revenue Authority (CCRA), Allahabad, Uttar Pradesh challenging the order dated 01.03.1993. Vide order dated 31/07/1997, the CCRA had allowed the Revision Application of the Company. The State of Uttar Pradesh (now State of Uttaranchal) has filed a writ petition before the Hon'ble High Court of Judicature at Allahabad, hearing of which is pending. The Company has been legally advised that no provision is required to be made in accounts in this regard. The title deed of aforesaid lands is impounded by the Additional District Magistrate, Nainital. Further, the Company has already sold the aforesaid lands during the financial year 2005-06.

16. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020

17. The Company is primarily engaged in investment & financial activities, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – “Operating segments”.

18. There were no dues outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available with the Company and relied upon by the auditors (Previous Year – Nil).

19. In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made of funds all known liabilities.

20. Earnings Per Share

| Particulars | For the Year Ended March 31,2020 | For the Year Ended March 31,2019 |
|---|--|--|
| (a) Calculation of weighted average number of Equity Shares of Rs. 10/- each | | |
| No. of Equity Shares at the beginning of the year | 19,92,000 | 19,92,000 |
| Equity Shares issued during the year | 0.00 | 0.00 |
| Total number of Equity Shares outstanding at the end of the year | 19,92,000 | 19,92,000 |
| (b) Net Profit / (Loss) after tax available for equity shareholders (Rs.in Lakhs) | (18,436.60) | 5,841.69 |
| (c) Basic and diluted Earnings per Equity Share of Rs. 10/- each | (925.53) | 293.26 |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

21. Related Party Disclosures:-

A) Related party disclosures as required by Ind AS 24 - Related party disclosures

a) List of Related parties

i) Associates

Sushree Trading Limited

ii) Key Management Personnel

| | |
|--------------------|-------------------|
| Rajgopal Dhoot | Director |
| Arvind Kumar Newar | Director |
| Sudha Jajodia | Director and CFO |
| Shivangi Murarka | Managing Director |
| Binita Gosalia | Company Secretary |

b) Material Transactions with related parties during the Year (Rs.)

Following transactions were carried out in the ordinary course of business with the parties referred to in (A) above:

| Particulars | | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------|--|--------------------------------------|--------------------------------------|
| | | Amount Rs in Lakhs | Amount Rs in Lakhs |
| 1 | Salary Paid to Binita Gosalia - Company Secretary | 3.24 | 3.00 |
| | Total | 3.24 | 3.00 |

The remuneration of key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

All transactions with these related parties are priced on an arm's length basis.

B) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015). Loans and advances in the nature of loans to companies in which directors are interested as under:

| Period | Balance of Loans and advances As at | Maximum balance outstanding during the year ended |
|------------------------------|--|---|
| 31st March, 2020 | Nil | Nil |
| 31 st March, 2019 | | |
| 31st March, 2018 | | |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

22. Financial instrument and fair value measurement
A. Accounting classifications and fair values;

| As at 31st March, 2020 | Carrying amount | | | | Fair Value | | | Total |
|---|-----------------|-------------------------------------|--|-------------------|------------|----------|------------|----------|
| | Amortise Cost | At Fair value through Profit & Loss | At Fair value through Other Comprehensive Income | Others (At Cost) | Level 1 | Level 2 | Level 3 | |
| Financial assets measured at amortised cost | - | - | - | - | - | - | - | - |
| Investments | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Investments | - | 37.40 | 7,267.72 | (2,016.13) | 781.76 | 6,523.36 | (2,016.13) | 5,288.99 |
| Financial assets not measured at fair value | | | | | | | | |
| Cash and cash equivalents | 246.30 | - | - | - | - | - | - | - |
| Loans | 6,889.00 | - | - | - | - | - | - | - |
| Other Financial Assets | 48.96 | - | - | - | - | - | - | - |
| Current Tax Assets (Net) | - | - | - | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| Current Tax Liabilities (Net) | 1,657.67 | - | - | - | - | - | - | - |
| Provisions | 17.34 | - | - | - | - | - | - | - |
| Other Non-Financial Liabilities | 5.61 | - | - | - | - | - | - | - |

Rs. in Lakhs

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| As at 31st March, 2019 | Amortise Cost | At Fair value through Profit & Loss | At Fair value through Other Comprehensive Income | Others (At Cost) | Level 1 | Level 2 | Level 3 | Total |
|---|---------------|-------------------------------------|--|-------------------|----------|-----------|----------|-----------|
| Financial assets measured at amortised cost | | | | | | | | |
| Investments | - | - | - | - | - | - | - | - |
| Financial assets measured at fair value | | | | | | | | |
| Investments | | 3.28 | 27,274.02 | 1,904.51 | 1,505.95 | 25,771.35 | 1,904.51 | 29,181.81 |
| Financial assets not measured at fair value | | | | | | | | |
| Cash and cash equivalents | 0.35 | - | - | - | - | - | - | - |
| Loans | 44.00 | - | - | - | - | - | - | - |
| Other Financial Assets | 1.83 | - | - | - | - | - | - | - |
| Current Tax Assets (Net) | 1.88 | - | - | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| Current Tax Liabilities (Net) | - | - | - | - | - | - | - | - |
| Provisions | 0.11 | - | - | - | - | - | - | - |
| Other Non-Financial Liabilities | 0.53 | - | - | - | - | - | - | - |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| As at 01st April, 2018 | Amortise Cost | At Fair value through Profit & Loss | At Fair value through Other Comprehensive Income | Others (At Cost) | Level 1 | Level 2 | Level 3 | Total |
|---|---------------|-------------------------------------|--|-------------------|----------|-----------|---------|-----------|
| Financial assets measured at amortised cost | | | | | | | | |
| Investments | - | 52.33 | 22,661.67 | 670.55 | 1,313.91 | 21,400.09 | 670.55 | 23,384.55 |
| Financial assets measured at fair value | | | | | | | | |
| Investments | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | |
| Cash and cash equivalents | 1.06 | - | - | - | - | - | - | - |
| Loans | - | - | - | - | - | - | - | - |
| Other Financial Assets | - | - | - | - | - | - | - | - |
| Current Tax Assets (Net) | 2.47 | - | - | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| Current Tax Liabilities (Net) | - | - | - | - | - | - | - | - |
| Provisions | - | - | - | - | - | - | - | - |
| Other Non-Financial Liabilities | 0.53 | - | - | - | - | - | - | - |

The Company has not disclosed the fair values for cash and cash equivalents, bank balances, Trade Receivables, Loans, term deposits, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value. The carrying amount of the investments in Associates are valued at Cost.

23 B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as Their fair values as there is no material differences in the carrying values presented.

ii) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates.

If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

iii) Transfers between levels I and II

There has been no transfer in between level I and level II.

iv) valuation techniques

Investment in equity instruments

The majority equity instruments held by the Company are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as level 1.

Investments in mutual Funds are valued as per the NAV prevailing at the end of the financial years and such investments are classified as level 1.

Equity investments in unquoted instruments are fair valued using the valuation technique and accordingly classified as Level 3.

C. Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the NBFC's Sector regulator and supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

C.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

24. Financial risk management objectives and policies

The Company's principal financial liabilities comprise Current Tax Liabilities and Provisions. The Company's financial assets include Investments, Loan, Interest receivable on Loan and Cash and Cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each Borrower / Customer, However, management also considers the factors that may influence the credit risk of its customer base. Including the default risk associated with the industry. The Company's exposure to credit risk for loans and advances by type of counterparty is as follows;

Carrying Amount

| Particular | As at 31st March ,2020 | As at 31st March, 2019 | As at 01st April ,2018 |
|----------------------|-------------------------------|-------------------------------|-------------------------------|
| Inter Corporate Loan | 6889.00 Lakhs | 44.00 Lakhs | - |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The Loans are repayable on demand, however an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the trade receivables are categorised into groups based on days past due.

Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the fund are in Current Account and sometimes in invests in term deposits with banks.

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

| Particular | As at 31 March, 2020 (₹ in Lakhs) | | | As at 31 March, 2019 (₹ in Lakhs) | | | As at 01 April, 2018 (₹ in Lakhs) | | |
|--|-----------------------------------|---------------------|---------|-----------------------------------|---------------------|-------|-----------------------------------|---------------------|-------|
| | Up to 12 months | More than 12 months | Total | Up to 12 months | More than 12 months | Total | Up to 12 months | More than 12 months | Total |
| Current Tax Liabilities (Net) | 1657.67 | - | 1657.67 | - | - | - | - | - | - |
| Provisions | 17.34 | - | 17.34 | 0.11 | - | 0.11 | - | - | - |
| Other Non-Financial Liabilities | 5.61 | - | 5.61 | 0.53 | - | 0.53 | 0.53 | - | 0.53 |

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

25. The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

| Particulars | As at 31 March, 2020 (₹) in Lakhs | | | As at 31 March, 2019 (₹) in Lakhs | | | As at 1st April, 2018 (₹) in Lakhs | | |
|--|---|-----------------|------------------|---|------------------|------------------|--|------------------|------------------|
| | Within 12 months | Afer 12 months | Total | Within 12 months | Afer 12 months | Total | Within 12 months | Afer 12 months | Total |
| ASSETS | | | | | | | | | |
| Financial Assets | | | | | | | | | |
| Cash and cash equivalents | 246.30 | - | 246.30 | 0.35 | - | 0.35 | 1.06 | - | 1.06 |
| Loans | 6,889.00 | - | 6,889.00 | 44.00 | - | 44.00 | - | - | - |
| Investments | 37.40 | 5,251.59 | 5,288.99 | 3.28 | 29,178.53 | 29,181.81 | 52.33 | 23,332.22 | 23,384.55 |
| Other Financial Assets | 48.96 | - | 48.96 | 1.83 | - | 1.83 | - | - | - |
| Non-Financial Assets | | | | | | | | | |
| Current Tax Assets (Net) | - | - | - | 1.88 | - | 1.88 | 2.47 | - | 2.47 |
| Total Assets | 7,221.66 | 5,251.59 | 12,473.25 | 51.34 | 29,178.53 | 29,229.87 | 55.86 | 23,332.22 | 23,388.08 |
| LIABILITIES | | | | | | | | | |
| Non-Financial Liabilities | | | | | | | | | |
| Current Tax Liabilities (Net) | 1,657.67 | - | 1,657.67 | - | - | - | - | - | - |
| Provisions | 17.34 | - | 17.34 | 0.11 | - | 0.11 | - | - | - |
| Other Non-Financial Liabilities | 5.61 | - | 5.61 | 0.53 | - | 0.53 | 0.53 | - | 0.53 |
| Total Non-Financial Liabilities | 1,680.62 | - | 1,680.62 | 0.64 | - | 0.64 | 0.53 | - | 0.53 |
| Net Position | 5,541.05 | 5,251.59 | 10,792.63 | 50.70 | 29,178.53 | 29,229.23 | 55.32 | 23,332.22 | 23,387.55 |

26. Explanation to transition to Ind AS

As stated in Note 1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2019, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended 31 March 2020 including the comparative information for the year ended 31 March 2019 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2018.

In preparing the Ind AS balance sheet as at 1 April 2018 and in presenting the comparative information for the year ended 31 March 2019, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Investments in associate

Ind-AS 101 allows a first-time adopter to use a deemed cost when measuring an investment in an associate in the separate opening statement of financial position. This deemed cost can be determined using either fair value at the date of transition to Ind-AS or a Previous GAAP carrying amount at that date. A first-time adopter is able to choose whether to use the deemed cost exemption on an investment-by-investment basis for its associate.

Accordingly, the Company has elected to avail the exemption and use the Previous GAAP carrying value as deemed cost.

2. Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at FVOCI based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition).

The Company has opted to avail this exemption to designate equity investments (other than investment in associate) as FVOCI on the date of transition.

B. Mandatory exceptions

1. Accounting estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

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

- Fair valuation of financial instruments carried at FVOCI.
- Financial instruments designated at fair value through profit or loss.
- Classification of equity and liability.

2. De recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the de recognition requirements in Ind AS 109 - Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the de recognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

3. Classification and measurement of financial assets

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

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Reconciliation of Balance sheet as at April 01, 2018 (Transition Date) and as at March 31, 2019.
2. Reconciliation of Statement of Profit & Loss for the year ended March 31, 2019
3. Reconciliation of other equity as at April 01, 2018 and March 31, 2019
4. Reconciliation of total comprehensive income for the year ended March 31, 2019
5. Reconciliation of Statement of Cash Flow for the year ended March 31, 2019

MEENAKSHI STEEL INDUSTRIES LIMITED
CIN: L52110DL1985PLC020240

Notes to Consolidated Financial Statements for the year ended March 31, 2020

1 Reconciliation of balance sheet as at April 01, 2018 (date of transition to Ind AS)

(Rupees in Lakhs)

| Particulars | Indian GAAP | Adjustments | Ind AS |
|--|-----------------|------------------|------------------|
| Financial assets | | | |
| Cash and cash equivalents | 1.06 | - | 1.06 |
| Investments | 1,025.12 | 22,359.43 | 23,384.55 |
| Total Financial assets | 1,026.18 | 22,359.43 | 23,385.61 |
| Non- Financial assets | | | |
| Current Tax Assets (Net) | 2.47 | - | 2.47 |
| Total Non-Financial assets | 2.47 | - | 2.47 |
| Total Assets | 1,028.64 | 22,359.43 | 23,388.07 |
| LIABILITIES AND EQUITY | | | |
| Non- Financial Liabilities | | | |
| Other Non-Current Liabilities | 0.53 | - | 0.53 |
| Total Non-Financial Liabilities | 0.53 | - | 0.53 |
| EQUITY | | | |
| Equity Share capital | 199.20 | - | 199.20 |
| Other equity | 828.91 | 22,359.43 | 23,188.34 |
| Total Equity | 1,028.11 | 22,359.43 | 23,387.54 |
| Total Liabilities and Equity | 1,028.64 | 22,359.43 | 23,388.08 |

Reconciliation of balance sheet as at March 31, 2019

(Rupees)

| Particulars | Indian GAAP | Adjustments | Ind AS |
|--|-----------------|------------------|------------------|
| Financial assets | | | |
| Cash and cash equivalents | 0.35 | - | 0.35 |
| Loans | 44.00 | - | 44.00 |
| Investments | 957.04 | 28,224.77 | 29,181.81 |
| Other Financial Assets | 1.83 | - | 1.83 |
| Total Financial assets | 1,003.22 | 28,224.77 | 29,227.99 |
| Non- Financial assets | | | |
| Current Tax Assets (Net) | 1.88 | - | 1.88 |
| Total Non-Financial assets | 1.88 | - | 1.88 |
| Total Assets | 1,005.10 | 28,224.77 | 29,229.87 |
| LIABILITIES AND EQUITY | | | |
| Non- Financial Liabilities | | | |
| Provisions | 0.11 | - | 0.11 |
| Other Non-Current Liabilities | 0.53 | - | 0.53 |
| Total Non-Financial Liabilities | 0.65 | - | 0.65 |
| EQUITY | | | |
| Equity Share capital | 199.20 | - | 199.20 |
| Other equity | 805.25 | 28,224.77 | 29,030.02 |
| Total Equity | 1,004.45 | 28,224.77 | 29,229.22 |
| Total Liabilities and Equity | 1,005.10 | 28,224.77 | 29,229.87 |

2 Reconciliation of profit or loss for the year ended March 31, 2019

| Particulars | (Rupees) | | |
|--|---------------|---------------|---------------|
| | Indian GAAP | Adjustments | Ind AS |
| Income | | | |
| Interest Income | 2.03 | - | 2.03 |
| Dividend Income | 0.31 | - | 0.31 |
| Gain on current Investment | 4.26 | (2.31) | 1.96 |
| Other Income | 0.01 | - | 0.01 |
| Total revenue (I) | 6.62 | (2.31) | 4.32 |
| Expenses | | | |
| Employee benefit expenses | 3.00 | - | 3.00 |
| Other expenses | 5.14 | - | 5.14 |
| Total expenses (II) | 8.14 | - | 8.14 |
| Profit/ (Loss) before tax (I-II) | (1.52) | (2.31) | (3.82) |
| Deferred Tax | - | - | - |
| (Excess)/ Short Provision of Earlier Years | - | - | - |
| Profit/ (Loss) for the year | (1.52) | (2.30) | (3.82) |

3 Reconciliation of other equity as at April 01, 2018 and March 31, 2019

| Particulars | (Rupees) | |
|--|----------------------|----------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| Total Other Equity under Previous GAAP (A) | 805.25 | 828.91 |
| Fair Value Loss on Financial Instruments at Fair Value through Profit & Loss | (2.31) | 2.70 |
| Deferred tax | - | - |
| Fair Value Gain on Financial Instruments at Fair Value through Other | - | - |
| Comprehensive income | 28,227.08 | 22,356.74 |
| Total Other Equity under Ind AS (A+B) | 29,030.02 | 23,188.35 |

MEENAKSHI STEEL INDUSTRIES LIMITED
Notes to the Consolidated Financial Statements (Continued)
for the ended 31st March, 2020
Note : 27

As per Division III to Schedule III specific disclosure for Additional information on the entities included in the Consolidated Financial Statements :

| Name of the entity in the Group | Net Assets i.e., total assets minus total liabilities. | | Share in profit or loss. | | Share in other comprehensive income. | | Share in total comprehensive income. | |
|---|--|--------|-------------------------------------|--------|---|--------|--------------------------------------|--------|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| Parent | | | | | | | | |
| Meenakshi Steel Industries Limited. | 125.63 | 0.14 | 33.60 | (0.02) | 100.00 | (0.12) | 77.92 | (0.14) |
| Associates | | | | | | | | |
| Sushree Trading Limited. | (24.70) | (0.03) | 66.40 | (0.04) | - | - | 22.08 | (0.04) |
| Sub Total | 100.93 | 0.11 | 100.00 | (0.06) | 100.00 | (0.12) | 100.00 | (0.18) |
| Inter-Company Elimination & Consolidation Reserve. | 0.93 | 0.00 | - | - | - | - | - | - |
| Consolidated Net Asset/ Total Comprehensive Income for the year. | 100.00 | 0.11 | 100.00 | (0.06) | 100.00 | (0.12) | 100.00 | (0.18) |

MEENAKSHI STEEL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

28. The following disclosure is required pursuant to RBI circular dated 13.03.2020- Circular No.RBI/2019-20/170 DOR/(NBFC).CC.PD.No.109/22.10.106/2019-2020

| Asset Classification as per RBI Norms | Asset Classification as per Ind AS 109 | Gross Carrying value as per Ind AS | Loss allowances (Provisions) as required under Ind AS 109 | Net Carrying Value | Provision as per ICARP norms | Difference between Ind AS 109 and provisions as per ICARP norms |
|---------------------------------------|--|------------------------------------|---|--------------------|------------------------------|---|
| (A) | (B) | (C) | (D) | (E)=(C) | (F) | G=(D)-(F) |
| Performing Standard Asset | Stage-1 | 17.23 Lakhs | - | 17.23 Lakhs | 17.23 Lakhs | - |

29. COVID-19 was declared a Global pandemic on 11 March, 2020 by the WHO and the Government of India announced a Lockdown on 24th March, 2020. We believe that the impact assessment of this pandemic is a continuous evolving process, given its intensity in the Financial Capital of India. Your Company shall continue to monitor all material changes to future conditions arising due to the pandemic.
30. The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 1, 2019. The adoption of Ind AS 116 did not have any material impact on the financial results for the quarter/year ended March 31, 2020.
31. Previous year previous GAAP figures have been regrouped / reclassified to make them comparable with Ind AS presentation.

As per our report of even date
For B. MAHESHWARI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

SURENDRA HEDA
PARTNER
Membership No.: 102316
Firm Reg. No. 105839W

Sudha Jajodia
Director & CFO
DIN: 00376571

Shivangi Murarka
Managing Director
DIN: 08370325

Place: Mumbai
Date: 30.07.2020
UDIN: 20102316AAAABF7267

Binita Gosalia
Company Secretary

MEENAKSHI STEEL INDUSTRIES LIMITED

CIN – L52110MH1985PLC020240

Regd. Office : K-27, Jiya Sarai, 1st Floor, Near IIT Gate, New Delhi 110 016
Website : www.meenakshisteel.in email : meenakshisteelindustries@gmail.com

FORM NO. MGT.12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

| | |
|--|--|
| Name(s) of Member(s) (in Block / Capital Letters) | |
| Registered Address | |
| DP ID/Client ID or Folio | |
| No. of Equity Shares held | |

I/We hereby exercise my / our vote in respect of the following resolution as set out in the Notice convening 35th Annual General Meeting of the Members of the Company held on Tuesday, 29th September, 2020 at 2.00 pm at K-27, Jiya Sarai, 1st Floor, Near IIT Gate, New Delhi 110 016 which is proposed to be placed before members at the aforesaid AGM, by according my / our assent and / or dissent to the Said Resolution in the following manner :

| Resolution No. and Nature of Resolution | Resolution | No. of Equity Shares Held | I/We assent To the Resolution (for) | I/We assent To the Resolution (Against) |
|---|--|---------------------------|-------------------------------------|---|
| 1 | Adoption of Standalone and Consolidated Audited Annual Account for the year ended 31 st March, 2020 | | | |
| 2 | Re-appointment of Mrs. Sudha Ja4odla (00376571) as Director, liable to retire by rotation | | | |
| 3 | Re-appointment of Shri Rajgopal Dhoot (DIN-00043844) Non-Executive Independent Director for second term of 5 year (ie. Upto 29.09.2020) | | | |
| 4 | Re-appointment of Shri Arvind Kumar Newar (DIN-00469492), Non-Executive Independent Director for second term of 5 year (ie. Upto 29.09.2020) | | | |
| 5 | Consent of Members under section 180(1)(c) to borrow upto Rs. 300 Crore | | | |

*Please put tick mark () in appropriate column against the resolution indicated above. In case the Shareholder / Proxy, wish his / her vote to be used differently, he / she should indicate the number of shares under the columns "For" and / or "Against"

Place : Mumbai

Date : 4th September, 2020

Signature of Shareholder / Proxy

Form No. MGT-11

Proxy form

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

CIN: L52110DL1985PLC020240

Name of the Company: MEENAKSHI STEEL INDUSTRIES LIMITED

Registered office: K-27, Jiya Sarai, First Floor, Near IIT Gate, New Delhi 110 016

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Clint Id:

I/ We being the member of Meenakshi Steel Industries Limited hereby appoint

1. Name:

Address:

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 35th Annual General Meeting of members of the Company, to be held on Tuesday, 29th September, 2020 at 2.00 pm registered office of the Company at K-27, Jiya Sarai, First Floor, Near IIT Gate, New Delhi 110 016, and at any adjournment thereof in respect of such resolutions mentioned in the Notice convening 35th Annual General Meeting

Signed this day of September, 2020

Signature of Shareholder

Signature of Proxy holder(s)

**Affix
Revenue
Stamp**

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the 35th Annual General Meeting