

A. Bafna & Co.

Chartered Accountants



K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme, Jaipur - 302001
Tel: (0141) - 2372572, 2375212, 2373873

Independent Auditor's Report

To
The Members of
Nav Bharat Tubes Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nav Bharat Tubes Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and its cash flows 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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





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

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

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





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 Companies Act, 2013, we give in the Annexure-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 it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to adequacy of Internal Financial Controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an Unmodified Opinion on the adequacy and operating effectiveness of the company internal financial controls over financial reporting.
 - g) 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:



A. Bafna & Co.

Chartered Accountants



K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme, Jaipur - 302001
Tel: (0141) - 2372572, 2375212, 2373873

The provision of section 197(16) of Company Act, 2013 are not applicable to the Company and hence not commented upon.

- 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer to Note 33 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For A. Bafna & Co.
Chartered Accountants
FRN: 003660C

(CA Vivek Gupta)
Partner

Membership No: 400543

UDIN- 21400543 A-AAAKY3453

Date: 1st November 2021

Place: Jaipur





Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets, No material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
- (ii)
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has granted loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the act').
 - i. In our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
 - ii. The schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular.
 - iii. There is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.





- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for maintenance of the cost records u/s 148(1) of the Companies Act, 2013, related to the manufacturing activities, and are of the opinion that prime facie, the specified accounts and records have been made and maintained. We have not, however, made detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues to the extent applicable have been regularly deposited. Further in respect of above referred dues, there was no amount which were in arrears as at 31 March 2021.

- (b) According to the information and explanation given to us, there are no pending dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess which are not deposited on account of dispute. Except: -

Particulars	Assessment Year	Amount of demand (Rs. In Lacs)	Amount deposited against demand (Rs. In Lacs)	Amount of demand to the extent not deposited (Rs. In Lacs)	Forum where appeal is pending
Central Excise Act	AY 2012-13	Rs. 4.40	Rs. 0.47	Rs. 4.22	Appellate Tribunal





- (viii) The Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government. Further the company has not issued any debentures hence question of default does not arise during the year.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. Further term loans raised by the company were used for the purpose for which they were raised.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) During the year under review, the company was converted into a Private Limited Company hence provisions of Section 197 read with Schedule V to the Companies Act 2013 are not applicable after date of conversion. Further the managerial remuneration paid upto date of conversion is in compliance with schedule V.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.



A.Bafna & Co.

Chartered Accountants



K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme, Jaipur – 302001
Tel: (0141) – 2372572, 2375212,
2373873

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF Nav Bharat Tubes Private Ltd.

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

In conjunction with our audit of the standalone financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Nav Bharat Tubes Private Ltd.** (hereinafter referred to as "the Company"), which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness



A.Bafna & Co.

Chartered Accountants



K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme, Jaipur - 302001
Tel: (0141) - 2372572, 2375212,
2373873

Opinion

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

For A. Bafna & Company
Chartered Accountants
FRN: 003660C

Vivek Gupta



(CA Vivek Gupta)

Partner

M. No. 400543

Place: Jaipur

Date: 1st November 2021.

UDIN - 21400543 AAAA KY3453

NAVBHARAT TUBES PRIVATE LIMITED
BALANCE SHEET FOR THE YEAR ENDED ON 31.03.2021
CIN: U27106RJ1992PTC006953

PARTICULARS	NOTES	As on 31.03.2021	As on 31.03.2020
Equity and Liabilities			
SHAREHOLDERS FUND			
Share Capital	2	11,830,700	11,830,700
Reserve & Surplus	3	96,050,638	88,765,545
		107,881,338	100,596,245
Non Current Liabilities			
Long Term Borrowings	4	135,275,477	83,670,731
Deferred Tax Liabilities (Net)	5	8,994,693	8,786,043
Long term Provision	6	2,148,266	2,061,177
		146,418,436	94,517,951
Current Liabilities			
Short Term Borrowings	7	281,531,172	294,824,394
Trade Payable	8	72,283,791	124,408,875
Other Current Liabilities	9	40,138,911	26,688,251
Short Term Provision	10	1,404,250	2,569,788
		395,358,124	448,491,308
		649,657,898	643,605,504
Assets			
NON CURRENT ASSETS			
Fixed Asset			
Tangible Assets	11	101,777,528	106,616,539
Capital Work in Progress		-	56,712
Non Current Investment	12	1,188,000	1,188,000
Long Term Loans & Advances	13	4,645,669	3,302,732
		107,611,197	111,163,983
CURRENT ASSETS			
Inventories	14	218,537,632	194,234,563
Trade Receivables	15	267,801,811	272,040,351
Cash & Cash Equivalents	16	5,941,064	5,625,184
Short Term loans & advances	17	8,613,381	36,388,462
Other Current asset	18	41,152,813	24,152,961
		542,046,701	532,441,521
		649,657,898	643,605,504
TOTAL			

Contingent Liabilities & Commitments

33

Accounting Policies & Notes on Accounts
As per our Report of Even Date

[1-36]

For A.Bafna & Co.,
Chartered Accountants
FRN : 003660C

(Vivek Gupta)
Partner
Membership No. 400543
Place : Jaipur
Date : November 1st, 2021

For and on behalf of the Board
NAVBHARAT TUBES PRIVATE LIMITED

(Jai Bhagwan Agarwal)
Director
DIN - 01575848

(Shashank Agrawal)
Director
DIN - 03542611

NAVBHARAT TUBES PRIVATE LIMITED
CIN: U27106RJ1992PTC006953
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2021

PARTICULARS	31.03.2021		31.03.2020	
A: CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before extraordinary items & tax		9,911,556		9,688,196
Adjusted for:				
Depreciation	9,575,076		9,637,348	
Interest Income	(2,270,134)		(2,351,464)	
Interest Paid	37,336,822		40,751,419	
Profit on sale of Fixed Asset	(128,687)		(595,256)	
Fixed Assets Written Off	-		-	
Loss on sale Of Fixed Asset	-	44,513,077	-	47,442,047
Operating Profit before Working Capital Changes		54,424,633		57,130,243
Adjusted for:				
Trade Receivables	4,238,540		(27,747,088)	
Inventories	(24,303,069)		(85,900,608)	
Other Current Assets	10,775,229		(10,708,242)	
Trade Payables	(52,125,084)		45,017,923	
Other Current Liabilities	13,450,660		2,850,195	
Long Term Provisions	87,089		905,048	
Other Short Term Provision	355,638	(47,520,998)	(11,128)	(75,593,900)
Cash Generated from Operations:		6,903,635		(18,463,657)
Taxes Paid		3,938,987		1,918,726
Earlier Year Tax Demand				
Net Cash from Operating Activities		2,964,648		(20,382,383)
B: CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(6,800,666)		(18,139,505)	
Addition in Capital WIP	-		(56,712)	
Sale of Fixed Assets	2,250,000		1,300,000	
Change in FDR	(293,689)		(310,020)	
Sale of Investment	-		-	
Long Term Loan & Advances	(1,342,937)		10,187,815	
Interest Income	2,270,134		2,351,464	
Net Cash (used in) Investing Activities		(3,917,158)		(4,666,958)
C: CASH FLOW FROM FINANCING ACTIVITIES:				
Receipt/Repayment of Borrowings	51,604,746		(31,138,098)	
Interest Paid	(37,336,822)		(40,751,419)	
Short term Borrowings	(13,293,222)		96,657,079	
Net Cash (used in) Financing Activities		974,702		24,767,562
Net Increase in Cash and Cash Equivalents		22,191		(281,779)
Opening Balance of Cash and Cash Equivalents		609,432		891,211
Closing Balance of Cash and Equivalents		631,623		609,432

As per our Report of Even Date
For A.Bafna & Co.,
Chartered Accountants
FRN : 003660C

(Vivek Gupta)
Partner
Membership No. 400543
Place : Jaipur
Date : November 1st, 2021

For and on behalf of the Board
NAVBHARAT TUBES PRIVATE LIMITED

(Jai Bhagwan Agarwal)
Director
DIN NO. 01575848

(Shashank Agrawal)
Director
DIN - 03542611

NAV BHARAT TUBES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2021

NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

1. The financial statements have been prepared to comply in all material respects with the notified accounting standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India and Income Computation Disclosure Standards (ICDS) I to X issued by CBDT, wherever applicable, unless contrary to the requirement of Accounting Standards prescribed under section 133 of the Act. The accounting policies have been consistently applied.
2. **General:** Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
3. **Revenue Recognition:** Expenses and Income considered payable and receivable respectively are accounted for on accrual basis except otherwise stated. Sales are recorded net of trade discounts/rebates, sale tax and GST.
4. **Fixed Assets:** Fixed Assets are stated at their original cost of acquisition, including freight, taxes and other incidental expenses related to acquisition and installation of concerned assets, and inclusive of preoperative expenditure capitalized, and net of excise cenvat if any
5. **Deprecation on fixed Assets:** Depreciation on fixed assets has been provided in a manner that amortizes the cost of the assets over their estimated useful lives on straight line method as per the useful life prescribed under Schedule- II to the Companies Act, 2013.
6. **Inventory valuation:** Inventories are valued at the lower of cost and net realizable value. Scrap is valued at net realizable value. Cost of Inventories, other than for manufactured finished goods and work in progress is determined on the first in first out basis. Cost of manufactured finished goods and work in progress includes material cost determined on the weighted average basis and also includes an appropriate portion of allocable overheads.



7. Investment:

- a) Current Investments are valued at lower of cost and fair market value determined on an individual investment basis.
- b) Long term, if any is carried at cost. Provision is made for diminution, other than temporary, in the Value of such investments.

8. Employee Benefits: The Liability in respect of employee benefits is provided on the basis of monthly payment to Pension & P.F. under the Employees Provident Fund (& Misc. Prov.) Act, 1952, which are charged against revenue. Gratuity Liability is provided as per actuarial valuation.

9. Excise Duty: Cenvat if any available on inputs are taken at the time of purchase and reduce from the cost of the product.

10. Taxation:

- a) Current tax is the provision made for Income Tax Liability, if any on the profits in accordance with the provisions of the Income Tax Act 1961.
- b) Deferred tax is recognized, on timing differences, being the difference resulting from the recognition of items in the financial statement and in estimating current income tax.
- c) Deferred tax assets are recognized on unabsorbed depreciation / business losses and on expenses incurred but to be allowed on payment basis as per the provision of income tax act 1961.

d) Deferred tax asset and liabilities are measured using the tax rate and tax law that have been enacted on the balance sheet date.

11. Provisions, Contingent Liabilities and Contingent Assets: Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liability are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

12. Earnings per share: The Company reports Basic and Diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.



13. **Borrowing cost:** Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as the part of the cost of each assets, all other borrowing costs are charged to revenue.

14. **Impairment of Assets:** At each Balance Sheet, the Company assesses whether there is any indication that any assets, may be impaired, if any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the profit & loss account. If at the Balance Sheet date there is an indication that a previous impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount subject to a maximum of depreciated historical cost.



NAVBHARAT TUBES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2021
CIN: U27106RJ1992PTC006953

NOTE 2 - SHARE CAPITAL

	(In Rs.)	(In Rs.)
	<u>31.03.2021</u>	<u>31.03.2020</u>
Authorised Share Capital	30,000,000	30,000,000
3000000 equity Share of Rs. 10 each		
(Previous year 3000000 equity Share of Rs. 10 each)		
Issued ,Subscribed & Paid Up Capital		
1183070 equity share of Rs. 10 each fully paid up	11,830,700	11,830,700
(Previous year 1183070 equity share of Rs. 10 each fully paid up)		
	11,830,700	11,830,700

A. Reconciliation of the Shares Outstanding at the Beginning and at the end of the reporting period

Equity Shares	<u>31.03.2021</u>	<u>31.03.2020</u>
At the beginning of the Period	1,183,070	1,183,070
Add:- Issued during the Period		
Outstanding at the end of the period	1,183,070	1,183,070

one vote per share.

C. Shareholders Holding More than 5% Shares in total Equity share capital

S.No.	Name of the shareholder
1	Jai Bhagwan Agarwal
2	Shri Hanumant Pipes Private Limited
3	Kavita Agarwal
	Total

31.03.2021		31.03.2020	
No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
498,464	42.13%	498,464	42.13%
232,814	19.68%	232,814	19.68%
170,292	14.39%	170,292	14.39%
901,570	76.21%	901,570	76.21%



NAVBHARAT TUBES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2021
CIN: U27106RJ1992PTC006953

NOTE 3 - RESERVE AND SURPLUS

	(In Rs.) 31.03.2021	(In Rs.) 31.03.2020
<u>State Investment Subsidy</u>		
Balance as per last financial statements	1,853,400	1,853,400
Additions / Withdrawl		-
Net Balance	1,853,400	1,853,400
 <u>Surplus/Profit & Loss Account</u>		
Balance as per last financial statements	86,912,145	79,756,654
Profit for the year	7,285,094	7,155,491
Net Surplus in the statement of Profit & Loss	94,197,238	86,912,145
 Total Reserve and Surplus	<u>96,050,638</u>	<u>88,765,545</u>

NOTE 4 - LONG TERM BORROWINGS

	31.03.2021	31.03.2020
<u>A) Secured Term Loans from Banks</u>		
Business loans from Bank	232,612	394,119
Term loans from Bank	13,567,055	20,047,230
HDFC Bank (ECLGS)	43,770,724	-
Vehicles Loans From Bank	758,534	3,308,408
AU Small Finance Bank	3,940,898	
Net Amount (A)	<u>62,269,823</u>	<u>23,749,757</u>
Amount Disclosed under the head "Other Current Liabilities"	16,957,242	6,399,900
Information about loan is mentioned in Note 4.1		
 <u>B) Loan and Advances from Share Holders, Directors, Associates & Others</u>		
<u>LOANS-UNSECURED</u>		
From Related Parties	3,058,846	2,949,334
From Body Corporates	49,923,269	38,453,269
From Directors	20,023,539	18,518,371
Net Amount (B)	<u>73,005,654</u>	<u>59,920,974</u>
 TOTAL LONG TERM BORROWINGS (A+B)	<u>135,275,477</u>	<u>83,670,731</u>



Note 4.1 : Disclosure about loans taken by Navbharat Tubes Private Limited

Sno	Nature of Loan	Name of Bank	Loan Amount	Amount Outstanding in lacs	Current Maturity	Long Term Borrowings	Terms of Repayment	Nature of security
1	ECLGS Term Loan	HDFC Bank	50,000,000	50,000,000	6229276	43710724	Loan is repaid in 48 installments. Where 10% p.a is penal rate for any default.	This Facility is covered by 100% guarantee from National Credit Guarantee Trustee Company Limited (NCGTC) Extension of second charge over existing primary and collateral securities including mortgages created in favour of the bank.
2	Term Loan	HDFC Bank	12,000,000	2,863,717	2863717	0	57 Total Installments in which interest rate is 9.35% and current reference rate is 7.35%. 18% is the penal provision in case of any default.	Industrial Property Plot NO.94B, Jhotwara Industrial Area, Jhotwara 302012 Near Sharma Rolling Mills, Opp. Powerhouse Row House Plot no. 8/98 Vidhyadhar Nagar Jaipur Sector 8, 302023 Sector 8, Near Papad Ke Hanuman ji Temple Sector 8 Industrial Property 2 Plot No 94 D Jhotwara Jaipur, Jhotwara Industrial Area 302012 Opp Power House Jhotwara Ind. Area Industrial Property Plot no 94 E Jhotwara Industrial Area, Jhotwara 302012 near sharma rolling mills shalimar chouraha
3	Term Loan	HDFC Bank	22,656,125	18,036,914	4469860	13,567,054	68 Total Installments out of which 6 are moratorium installments and 62 are others installments. 18% is the penal provision in case of default.	
4	Term Loan	Axis Bank	3,000,000	626,731	394119	232,612	36 Total Installments where current year interest is 15% which is 8.6% MCLR and 6.4% spread.	Unsecured Loan
5	Small Finance Bank	Demand Loan Overdraft	8,500,000	5,997,018	2056120	3,940,898	Max Tenor 60 Months, ROI which is linked to EBR/MCLR and the rate which is prescribed is 11.75% in which margin is 25% of total capex	Plot no 6A and 6B, Shree Ram Vihar, Machwa Klawar road, Jaipur Plot no 6C and 6D Shree Ram Vihar Machwa Klawar road Jaipur
6	HDFC Bank	Vehicle loan- Jeep Compass Car	2,000,000	727,320	442756	284,564	There are 60 monthly installments.	Particular car is at mortgage
7	HDFC Bank	Vehicle loan- Baleno car	800,000	380,330	171701	208,629	There are 60 monthly installments.	Particular car is at mortgage
8	ICICI Bank	Vehicle loan- Innova Car	1,500,000	595,035	329693	265,342	There are 60 monthly installments.	Particular car is at mortgage



NAVBHARAT TUBES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2021
CIN: U27106RJ1992PTC006953

NOTE 5 - Deffered Tax Liabilities (Net)

<u>31.03.2021</u>	<u>31.03.2020</u>
8,994,693	8,786,043
<u>8,994,693</u>	<u>8,786,043</u>

Note 5.1 Consequent to accounting standard - 22 : Accounting for taxes on Income " Issued by the Institute of Chartered Accountants of India, the company has provided Net Deferred Tax Uabilities as on 31.03.2021. The component of Deferred The component of Deferred Tax assets and liabilities as on 31.03.2021 are as under :-

	<u>31.03.2021</u>	<u>31.03.2020</u>
(A) Liability		
Difference in WDV as per Income Tax Act & Companies Act	10,158,935	9,590,495
	<u>10,158,935</u>	<u>9,590,495</u>
(B) Assets		
Expenses Disallowed (to be allowed on payment basis)	1,164,242	804,452
	<u>1,164,242</u>	<u>804,452</u>
Net deferred tax liability	<u>8,994,693</u>	<u>8,786,043</u>
Deferred tax liability on previous year	8,786,043	7,691,874
Net Deferred Tax Liability for the year charged from P&L A/c	<u>208,650</u>	<u>1,094,169</u>

NOTE 6 - Long Term Provision

	<u>31.03.2021</u>	<u>31.03.2020</u>
Provision for Gratuity	2,148,266	2,061,177
	<u>2,148,266</u>	<u>2,061,177</u>

NOTE 7 - SHORT TERM BORROWINGS

Secured From Banks

	<u>31.03.2021</u>	<u>31.03.2020</u>
Cash Credit Limit including WCDL	281,474,346	294,796,306
HDFC Credit Card	56,826	28,088
	<u>281,531,172</u>	<u>294,824,394</u>

Note 7.1 - Term Loan and other credit facilities from HDFC Bank are secured by way of first and exclusive charge in all present and future stocks, debts and Hypothecation by way of first and exclusive charge on all present and future Plant and Machinery. The same is also secured by Mortgage of Land and Building situated at factory premises of the company at Jhotwara Industrial Area, Jaipur, and also by personal guarantee of the Directors & some of the fixed assets belonging to promoter group

Note 7.1 - Guaranteed Emergency Credit Line from HDFC Bank are secured by way of Extension of Second ranking charge over existing primary and collateral securities



NOTE 8 - TRADE PAYABLE

	<u>31.03.2021</u>	<u>31.03.2020</u>
<u>Sundry Creditors Including LC Acceptances</u>		
For Material	69,363,974	123,582,783
For Expenses & Services Received	2,919,817	826,092
TOTAL TRADE PAYABLE	72,283,791	124,408,875

Note-8.1

Total Outstanding due of Micro, Small and Medium Enterprises (MSME) are as follows:-				
Particulars			<u>31.03.2021</u>	<u>31.03.2020</u>
Dues remaining unpaid				
Principal			-	-
Interest			-	-

NOTE 9- OTHER CURRENT LIABILITIES

	<u>31.03.2021</u>	<u>31.03.2020</u>
Current maturities of long term borrowings & Hire Purchase Loans	16,957,242	6,399,900
<u>Other liabilities</u>		
Payables For Capital Assets	4,168,823	4,540,433
Statutory Dues	1,292,469	616,176
Advances from Customers	11,338,028	9,419,943
Outstanding liabilities	6,382,349	5,711,799
	40,138,911	26,688,251

NOTE 10 - SHORT TERM PROVISIONS

	<u>31.03.2021</u>	<u>31.03.2020</u>
Provision for Bonus & Ex-gratia	1,225,702	1,048,612
Provision for Income Tax (Net of Advance Tax)	-	1,521,176
Provision for Gratuity	178,548	-
	1,404,250	2,569,788

NOTE 12- NON CURRENT INVESTMENTS

	<u>31.03.2021</u>	<u>31.03.2020</u>
Non trade, Unquoted		
In Bhawani Radiators Private Limited (7300 shares of Rs.100 /- each)	1,095,000	1,095,000
In Govt . Securities		
National Saving Certificate	93,000	93,000
	1,188,000	1,188,000



NAVBHARAT TUBES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2021
CIN: U27106RJ1992PTC006953

NOTE - 11

Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2020	Addition	Deduction	As At 31.03.2021	Upto 01.04.2020	For the period	Adjustment for Depreciation	Upto 31.03.2021	As At 31.03.2021	As At 31.03.2020
Land										
Leasehold Land	4,966,060	-	-	4,966,060	-	-	-	-	4,966,060	4,966,060
Freehold Land										
Building	6,136,004	-	-	6,136,004	1,107,861	152,357	-	1,260,217	4,875,787	5,028,143
Plant & Machinery	100,676,308	5,230,151	-	105,906,459	25,307,832	6,812,923	-	32,120,755	73,785,704	75,368,476
Dies & Patterns	22,129,535	1,547,360	-	23,676,895	10,819,011	1,081,289	-	11,900,300	11,776,595	11,310,524
Electrical Installation	4,424,545	-	-	4,424,545	2,797,303	203,275	-	3,000,577	1,423,968	1,627,242
Furniture & Fixture	416,758	54,754	-	471,512	233,833	23,498	-	257,331	214,181	182,925
Vehicle	10,466,453	-	3,038,200	7,428,253	4,077,426	995,812	916,887	4,156,351	3,271,902	6,389,027
Office Equipments	2,106,780	25,113	-	2,131,893	1,736,688	130,649	-	1,867,337	264,556	370,092
Miscellaneous Fixed assets	3,215,561	-	-	3,215,561	1,841,513	175,273	-	2,016,786	1,198,775	1,374,048
Total (A)	154,538,004	6,857,378	3,038,200	158,357,182	47,921,465	9,575,076	916,887	56,579,654	101,777,528	106,616,539
(Previous Year Figures)	141,279,334	18,196,217	4,937,547	154,538,004	42,516,920	9,637,348	4,232,802	47,921,465	106,616,539	98,762,414
Capital WIP	-	-	-	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-	-	-	-
(Previous Year Figures)	-	-	-	-	-	-	-	-	56,712	117,412
Total (A+B)	154,538,004	6,857,378	3,038,200	158,357,182	47,921,465	9,575,076	916,887	56,579,654	101,777,528	106,616,539
(Previous Year Figures)	141,279,334	18,196,217	4,937,547	154,538,004	42,516,920	9,637,348	4,232,802	47,921,465	106,673,251	98,879,826

Note - 11.1 : Land includes land situated at Ajitgarh which has been given as collateral security against term loan of Shri Kanha Stainless Private Limited



NOTE 13 - LONG TERM LOAN AND ADVANCES

Advance for Capital Goods
Unsecured, considered Good
 Security Deposits - unsecured considered good

<u>31.03.2021</u>	<u>31.03.2020</u>
2,232,534	1,190,522
2,413,135	2,112,210
<u>4,645,669</u>	<u>3,302,732</u>

NOTE 14 - INVENTORIES

(As taken, valued & certified by the management)

A) Raw Material
 B) Stores, Spares & Consumables
 C) Stock in Trade
 D) Finished Goods & By Products
 E) WIP

<u>31.03.2021</u>	<u>31.03.2020</u>
99,285,642	58,707,297
2,501,486	1,395,426
465,704	3,377,055
107,349,276	121,961,991
8,935,524	8,792,795
<u>218,537,632</u>	<u>194,234,563</u>

NOTE 15- TRADE RECEIVABLESCurrent

A) Trade Receivables Outstanding for more than six months
 Unsecured, Considered Good
 B) Trade Receivables (Others)
 Unsecured, Considered Good

<u>31.03.2021</u>	<u>31.03.2020</u>
32,564,902	25,802,888
235,236,909	246,237,463
<u>267,801,811</u>	<u>272,040,351</u>

Note 15.1 All Trade Receivables are likely to be realized within twelve months from the date of Balance Sheet.

NOTE 16 - CASH AND BANK BALANCES**A) Cash & Cash Equivalents**

Cash In Hand
 Balances with Banks
 - Current Account

<u>31.03.2021</u>	<u>31.03.2020</u>
398,134	428,676
233,489	180,756
<u>631,623</u>	<u>609,432</u>
5,309,441	5,015,752
<u>5,941,064</u>	<u>5,625,184</u>

B) Other Bank Balances (More Than 3 Months)

- FDR with Bank (Margin Money of LC)

Note 16.1 : All FDR's are against Margin



NOTE 17 - SHORT TERM LOAN AND ADVANCES**UNSECURED, CONSIDERED GOOD****Advances Recoverable in Cash or Kind**

	<u>31.03.2021</u>	<u>31.03.2020</u>
Advances To Vendors	442,607	786,173
Loan To Parties	5,450,506	32,825,521
Advances To Staff	269,316	325,816
Security Deposites,consider good (Current Portion)	2,450,952	2,450,952
	<u>8,613,381</u>	<u>36,388,462</u>

Note17.1 : Loan to parties include loan given to Shivam automovers private limited whose director is an independent director in NavBharat Tubes Limited. Special Resolution was passed for the same.

NOTE 18 - OTHER CURRENT ASSETS

	<u>31.03.2021</u>	<u>31.03.2020</u>
Prepaid Expenses	874,233	690,173
Accured Income	30,749,153	13,510,534
MAT Credit	857,853	1,704,796
CST/VAT Demand Under Protest	103,000	103,000
Previous Year Income Tax Refundable	927,736	654,219
E.S.I. Refundable	30,076	30,076
Sales Tax Demand Under Protest	213,213	213,213
GST	6,887,217	4,541,048
Prepaid Transit Insurance	128,815	157,172
Income Tax Refundable AY 21-22	381,517	1,799,850
EMI Moratorium (COVID) Receivable	-	748,880
	<u>41,152,813</u>	<u>24,152,961</u>



NAVBHARAT TUBES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2021
CIN: U27106RJ1992PTC006953

NOTE 28 - Value of Imported & Indigenous Material

	<u>31.03.2021</u>		<u>31.03.2020</u>	
	AMOUNT	CONSUMPTION	AMOUNT	CONSUMPTION
Raw Material				
Imported	-	0.00%	-	0.00%
Indigenous	941,188,715	100.00%	1,106,045,719	100.00%
Total	941,188,715	100.00%	1,106,045,719	100.00%
Trading				
Imported	-	0.00%	-	0.00%
Indigenous	215,489,826	100.00%	255,220,549	100.00%
Total	215,489,826	100.00%	255,220,549	100.00%
Stores Spares & Consumables				
Imported	-	0.00%	-	0.00%
Indigenous	26,595,887	100.00%	23,042,807	100.00%
Total	26,595,887	100.00%	23,042,807	100.00%

NOTE 29 - Particulars of Payment To Auditors (Excluding GST)

	<u>31.03.2021</u>	<u>31.03.2020</u>
Audit Fee	190,000	190,000
	190,000	190,000

NOTE 30 - Earnings Per Share:

	<u>31.03.2021</u>	<u>31.03.2020</u>
No. of Equity Shares (Weighted Average)	1,183,070	1,183,070
Profit After Tax	7,285,094	7,155,491
Earning Per Share (Basic & Dilutive)	6.16	6.05
Par Value Per Share	Rs. 10/-	Rs. 10/-

NOTE 31 - Prior Period Income/(Expenses)

	<u>31.03.2021</u>	<u>31.03.2020</u>
Details are as Under		
Fixed Asset reconciliation	-	-
Interest Expense	-	-
MAT Credit	-	-
Legal Expenses	-	-
	0	0



NAVBHARAT TUBES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2021
CIN: U27106RJ1992PTC006953

Note 32 - Related Party Disclosures

Disclosures as required by Accounting Standard 18 "related party disclosures" are given below:

A) Names of related parties and nature of relationship where control exists :
NIL

B) Names of related parties with whom transactions have been entered into :

Name of Related Party

Jai Bhagwan Agarwal	Director
Kavita Agarwal	Director
Shashank Agarwal	Director
Ayush Agarwal	Son of Director Brother
Neha Agarwal	Wife of director
Bhawani Radiators Pvt Ltd	Director is Director
Shri Kanha Stainless Private Limited	Director is Director
Shivam Automovers Private Limited	Director is Director

C) Transactions with Related Parties

Loan Taken

Jai Bhagwan Agarwal
Kavita Agarwal
Shashank Agarwal
Ayush Agarwal
Total

Loan Repaid

Jai Bhagwan Agarwal
Kavita Agarwal
Shashank Agarwal
Ayush Agarwal
Total

Loan Given

Shivam Automovers Private Limited
Total

Loan Received

Shivam Automovers Private Limited
Total

Interest Received

Shivam Automovers Private Limited
Total

Amount	
31.03.2021	31.03.2020
2,500,000	7,500,000
-	-
-	213,406
-	-
2,500,000	7,713,406
2,075,000	2,363,750
429,589	517,759
-	219,957
100,000	2,360,000
2,604,589	5,461,466
4,850,000	32,500,000
4,850,000	32,500,000
35,525,000	-
35,525,000	-
999,342	87,246
999,342	87,246



Interest Paid

Jai Bhagwan Agarwal
 Kavita Agarwal
 Shashank Agarwal
 Neha Agarwal
 Ayush Agarwal
Total

Remuneration

Jai Bhagwan Agarwal
 Kavita Agarwal
 Shashank Agarwal
 Ayush Agarwal
Total

Sale of Goods

Shri Kanha Stainless Private Limited
Total

Purchase of Material

Shri Kanha Stainless Private Limited
Total

Rent Paid

Jai Bhagwan Agrawal
Total

Job Charges Received

Shri Kanha Stainless Private Limited
Total

965,566	543,326
630,057	613,873
660	739
118,630	109,741
143,544	153,999
1,858,457	1,421,678
1,800,000	1,500,000
600,000	540,000
960,000	720,000
567,070	540,000
3,927,070	3,300,000
200,859,126	258,239,525
200,859,126	258,239,525
305,126,449	340,832,052
305,126,449	340,832,052
383,590	348,700
383,590	348,700
1,660,692	692,629
1,660,692	692,629



NAVBHARAT TUBES PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2021

CIN: U27106RJ1992PTC006953

Note 33 Contingent Liabilities & Commitments

- 1 Demand under Sales Tax Act. Rs. 8.51 lacs (0.85 Lacs of the total is deposited) for AY 2013-14 against which the company has filed an appeal.
- 2 Demand Notice for Payment of dues of Machine supplied by a party amounting to Rs.15.91 lacs (8.75 lacs being operational debt & 7.16 lacs being interest on Same)
- 3 Demand under Central Excise Act Rs.4.40 lacs AY 2012-13 against which the company has filed an appeal.

Note 34 The company has only one primary reportable business segment i.e. Manufacturing & Trading of Pipes/SS Tubes & only one Geographical Reporting Segment i.e. Domestic Market in India. As such disclosure as per Accounting Standard - 17 Segment Reporting is NIL

Note 35 Previous Year Figures have been Regrouped/ Rearranged wherever necessary.

Note 36 Covid-19 pandemic has been rapidly spreading throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's activities had to be closed down for some period of time however with the phased easing of restrictions the activities of the company has resumed. Management believes that it has assessed all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the net realizable values of other assets and in the opinion of the management no significant impact of the same is there on the above matters. However, given the effect of these lockdowns on the overall economic activity the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

For A.Bafna & Co.,
Chartered Accountants
FRN : 003660C

(Vivek Gupta)
Partner
Membership No. 400543
Place : Jaipur
Date : November 1st, 2021



For and on behalf of the Board
NAVBHARAT TUBES PRIVATE LIMITED

(Jai Bhagwan Agarwal)
Director
DIN NO. 01575848

(Shashank Agrawal)
Director
DIN - 03542611