Singhi & Co.
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Members of Sarda Metals & Alloys Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Sarda Metals & Alloys Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2021, the Statement of Profit and Loss (including the statement of other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity and for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 audit opinion on the Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 for the Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements, the 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The financial statements of the Company for the year ended 31 March 2020, were audited by Other Auditors who expressed an unmodified opinion on those standalone financial statements on 13 June, 2020.

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, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.

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 including the Statement of Other Comprehensive Income, the Cash Flow statement and Statement of Changes in Equity and dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with schedule V to the Act .

(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, as amended 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 Ind AS financial statements – Refer Note 11 to the Ind AS 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 Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

Milind Agal
Partner
Membership No:123314
UDIN 21123314AAAAAA8497

Date: 12th May, 2021
Place: Mumbai

Annexure – A to the Independent Auditor's Report

(Referred to in paragraph 1 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We report that:

i. In respect of its fixed assets:

  a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

  b) As explained to us, the fixed assets have been physically verified by management at reasonable interval under a phase programme of verification and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.

  c) According to the information and explanations given to us and on the basis of our examination, the title deeds of immovable properties recorded as fixed assets in the books of accounts are held in the name of the Company.

ii. As explained to us, the physical verification of inventories has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventories as compared to books records were not material and have been properly dealt in the books of accounts.

iii. According to the information and explanations given to us, the Company has not granted any loan to Companies covered in the register maintained under Section 189 of the Companies Act, thus the clause is not applicable to the Company.

iv. As informed to us, the company has not granted any loans or made any investment, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore the provision of clause 3(iv) of the said Order are not applicable to the company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by Reserve Bank of India, provisions of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).

vi. We have broadly reviewed the books of account maintained by the Company in respect of products for which maintenance of prescribed cost record is mandated by Government of India U/s 148 (1) of the Act. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and the records of the Company examined by us:

  a) The Company is regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Provident Fund, Employees' State Insurance, , Income tax, Custom Duty, cess, Goods and Service Tax and other statutory dues as applicable

  and

  No undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Cess, Goods and Service Tax and other material statutory dues is outstanding as at 31st March 2021, for a period of more than six months from the date they became payable.

b) There are no dues of Income tax, sales tax, Service tax, Customs duty, Excise duty and Cess, Goods & Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statue	Period to which the amount relates	Forum where dispute is pending	Amount in dispute (In Lakhs)
Income Tax Act, 1961	AY 2012-13	Commissioner of Income Tax (Appeals)	86.57
Income Tax Act, 1961	AY 2015-16	Income Tax Appellate Tribunal (ITAT)	87.52
Directorate of Electrical Safety, Government of Andhra Pradesh	From Jan 13 to Mar 20	Directorate of Electrical Safety and chief electrical inspector	1126.86
Andhra Pradesh Value Added Tax Act, 2005	FY 15-16	AP Sales Tax and VAT Appellate Tribunal	423.61
Andhra Pradesh Value Added Tax Act, 2005	FY 14-15 to 17-18	Appellate Deputy Commissioner	204.75

viii. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.

ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and during the year the Company has utilised the money raised by way of term loans for the purpose for which they were raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly paragraph 3 (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

Milind Agal
Partner
Membership No:123314
UDIN 21123314AAAAAA8497

Date: May 12, 2021
Place: Mumbai

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

1. We have audited the internal financial controls over financial reporting of Sarda Metals & Alloys Limited ('the Company') as of 31st March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

2. 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with respect to financial statements included obtaining an understanding of internal financial controls over financial reporting with respect to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with respect to financial statements

Meaning of Internal Financial Controls over Financial Reporting with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with respect to financial statements 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

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

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

Milind Agal
Partner
Membership No:123314
UDIN 21123314AAAAAA8497

Date: May 12, 2021
Place: Mumbai

SARDA METALS & ALLOYS LIMITED
Balance Sheet as at 31.03.2021

(Amount in Rs. Crores)

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
ASSETS			
(I) Non-current assets			
(a) Property, plant and equipment	4.1	489.40	507.71
(b) Capital work-in-progress	4.1	5.89	5.82
(c) Financial assets			
(i) Investments	4.2	0.003	0.003
(ii) Loans	4.3	0.28	0.94
(d) Other non current assets	4.4	0.78	0.003
(e) Non current tax assets (net)	4.5	1.73	1.71
		498.08	**516.19**
(II) Current assets			
(a) Inventories	4.6	139.59	131.06
(b) Financial assets			
(i) Trade receivables	4.7	52.35	51.10
(ii) Cash and cash equivalents	4.8	33.32	6.03
(iii) Bank balances other than (ii) above	4.9	15.52	15.47
(iv) Other financial assets	4.10	11.62	12.19
(c) Other current assets	4.11	18.11	12.67
		270.51	**228.52**
Total assets		**768.59**	**744.71**
EQUITY AND LIABILITIES			
(I) EQUITY			
(a) Equity share capital	4.12	21.02	21.02
(b) Other equity	SOCIE	256.83	223.36
		277.85	**244.38**
LIABILITIES			
(II) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	4.13	264.95	249.82
(ii) Other financial liabilities	4.14	0.31	0.33
(b) Provisions	4.15	1.56	1.58
(c) Deferred tax liabilities (net)	4.16	12.05	5.55
		278.87	**257.28**
(III) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	4.17	97.06	97.57
(ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	4.18	3.08	0.33
B) total outstanding dues of creditors other than micro enterprises and small enterprises	4.18	37.56	75.83
(iii) Other financial liabilities	4.19	68.76	62.51
(b) Other current liabilities	4.20	3.04	5.94
(c) Provisions	4.21	0.16	0.12
(d) Current tax liabilities (net)	4.22	2.21	0.75
		211.87	**243.05**
Total equity and liabilities		**768.59**	**744.71**

Significant accounting policies 2- 3

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

As per our report of even date attached

for and on behalf of the Board

for ***Singhi & Co***
CHARTERED ACCOUNTANTS
FRN: 302049E

MILIND AGAL	**K K SARDA**	**NEERAJ SARDA**	**GAURAV THAKKAR**	**SANJAYA SABAT**
Partner	Director	Dy. Managing Director	CFO	Company Secretary
M No: 123314	DIN: 00008170	DIN: 00040884		
Place: Mumbai	Place: Raipur	Place: Visakhapatnam		
Date: 12.05.2021	Date: 11.05.2021	Date:10.05.2021		

SARDA METALS & ALLOYS LIMITED
Statement of Profit and Loss for the year ended 31.03.2021

(Amount In Rs. Crores)

	Particulars	Notes	For the year ended 31.03.2021	For the year ended 31.03.2020
I	Revenue from operations	4.23	576.40	554.19
II	Other income	4.24	12.22	2.28
III	**Total Income (I + II)**		**588.62**	**556.47**
IV	Expenses:			
	Cost of materials consumed	4.25	372.98	352.35
	Purchases of Stock-in-Trade		3.25	36.63
	Changes in inventories of finished goods and Stock-in-Trade	4.26	11.84	6.65
	Employee benefits expense	4.27	16.98	16.01
	Finance costs	4.28	37.11	47.02
	Depreciation and amortization expense	4.29	21.58	21.24
	Other expenses	4.30	77.01	71.90
	Total Expenses		**540.75**	**551.80**
V	**Profit before Tax (III - IV)**		**47.87**	**4.67**
VI	**Tax expense:**			
	(1) Current tax		8.41	0.79
	(2) Deferred tax		6.45	0.88
	(3) Tax pertaining to (Excess)/Short Provision of earlier Year		0.11	0.14
	Total Tax		**14.97**	**1.81**
VII	**Profit for the Year (V - VI)**		**32.90**	**2.86**
	Other comprehensive income			
	(i)Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit obligations	4.31	0.16	(0.11)
	(ii)Income tax relating to items that will not be reclassified to profit or loss	4.31	(0.05)	0.04
	Total comprehensive income for the period		**33.01**	**2.79**
	Earnings per equity share			
	[Face Value of Rs 10 /- each (Previous value of Rs 10 /- each)]		10.00	10.00
	Basic earnings per share (Rs. Per Share)		15.66	1.32
	Diluted earnings per share (Rs. Per Share)		15.66	1.32

Significant accounting policies 2-3

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

As per our Report of even date attached
*for **Singhi & Co.***
CHARTERED ACCOUNTANTS
FRN: 302049E

for and on behalf of the Board

MILIND AGAL	**K K SARDA**	**NEERAJ SARDA**	**GAURAV THAKKAR**	**SANJAYA SABAT**
Partner	Director	Dy. Managing Director	CFO	Company Secretary
M No: 123314	DIN: 00008170	DIN: 00040884		
Place: Mumbai	Place: Raipur	Place: Visakhapatnam		
Date: 12.05.2021	Date: 11.05.2021	Date:10.05.2021		

SARDA METALS & ALLOYS LIMITED
Cash Flow Statement for the year ended 31.03.2021

(Amount In Rs. Crores)

	Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) before tax	47.87	4.67
	Adjusted for :		
	Depreciation and Amortisation Expenses	21.58	21.24
	Provision for Doubtful Debts	0.39	-
	Interest Income	(1.18)	(0.89)
	Finance Costs	37.11	47.03
	Unrealised Foreign Exchange (Gain)/Loss	(2.55)	3.99
	(Profit) /Loss on Sale/ Scrapping of Fixed assets	3.76	2.94
		59.11	74.31
	Operating profit before changes in non current /current asset and liabilities	106.98	78.98
	Adjusted for:		
	Increase/ (Decrease) in trade payables	(35.08)	(17.12)
	Increase in other financial liabilities	1.47	2.39
	(Decrease)/ Increase in other current liabilities	(2.89)	3.33
	Increase in Long term provisions	0.13	0.19
	(Decrease)/ Increase in short term provisions	0.04	(0.05)
	(Increase) in security deposits	0.66	(0.26)
	(Increase) in inventories	(8.53)	8.05
	Decrease/ (Increase) in trade receivables	(1.00)	(1.47)
	(Increase) in Other financial assets	0.53	8.06
	Decrease/ (Increase) in non current tax assets	(0.01)	-
	(Increase)/ Decrease in other current assets	(5.38)	8.29
	Cash generated from Operating activities	**56.92**	**90.39**
	Income taxes paid (net)	(7.38)	(2.17)
	Net cash generated from operating activities	**49.54**	**88.22**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets including Capital WIP	(7.11)	(14.68)
	Interest received	1.24	0.89
	Sale of Fixed Assets	0.01	0.01
	(Increase) in Fixed Deposit	(0.05)	(4.44)
	(Increase) /Decrease in Non - Current Advances	(0.77)	1.06
	Net Cash (used in) investing activities	**(6.68)**	**(17.16)**
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from long term borrowings	56.97	54.02
	Repayment of long term borrowings	(35.06)	(75.68)
	Proceeds of short Term Borrowings (net)	37.18	(19.97)
	Repayment of Loan from holding company (net)	(38.39)	22.03
	Interest paid	(36.27)	(45.67)
	Net Cash (used in) financing activities	**(15.57)**	**(65.27)**
	NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	27.29	5.79
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	6.03	0.24
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	**33.32**	**6.03**
	Notes to the cash flow statement		
1	Cash & Cash Equivalents consist of the following:		
	Cash on hand	0.07	0.02
	Balances with Banks	33.25	0.74
	In Cash Credit Accounts	-	-
	Fixed Deposits With Banks	-	5.27
	(Under lien with Bank as Margin Money)		
		33.32	**6.03**

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flow.

3 **Amendment to Ind AS 7**

Reconciliation between opening & closing balances in the Balance Sheet for liabilities arising from financial activities due to cash flows and non-cash flow changes.

Particulars	As at 01.04.2020	Cash flow		Non Cash changes		As at 31.03.2021
		Proceeds	(Repayments)	Fair value Changes	Classification changes	
Long-Term Borrowings	249.82	56.97	(6.71)	-	(35.13)	264.95
Other Financial Liabilities	29.73	-	(28.35)	0.50	32.94	34.82
Short-Term Borrowings	97.57	43.06	(44.25)	(1.51)	2.18	97.06
Total	**377.12**	**100.03**	**(79.31)**	**(1.01)**	**(0.01)**	**396.83**

4 Figures in the bracket represents cash outflow

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

As per our report of even date attached

for ***Singhi & Co.***
CHARTERED ACCOUNTANTS
FRN: 302049E

for and on behalf of the Board

MILIND AGAL	**K K SARDA**	**NEERAJ SARDA**	**GAURAV THAKKAR**	**SANJAYA SABAT**
Partner	Director	Dy. Managing Director	CFO	Company Secretary
M No: 123314	DIN: 00008170	DIN: 00040884		
Place: Mumbai	Place: Raipur	Place: Visakhapatnam		
Date: 12.05.2021	Date: 11.05.2021	Date:10.05.2021		

Statement of Changes in Equity for the year ended 31.03.2021

(a) Equity share capital ***(Amount in Rs. Crores)***

	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	21,016,000	21.02	21,016,000	21.02
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	21,016,000	21.02	21,016,000	21.02

b) Other Equity ***(Amount In Rs. Crores)***

Particulars	Surplus				Other items of Other Comprehensive Income	Total
	Securities premium	Capital reserve	Retained Earnings	Other reserves	Remeasurements of the net defined benefit Plans	
Balance at 1 April 2019	188.69	-	29.27	1.70	0.16	219.82
Addition during the year	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	2.86	-	-	2.86
Other comprehensive income	-	-	-	-	(0.07)	(0.07)
Equity contribution on account of corporate guarantees	-	-	-	0.75	-	0.75
Total comprehensive income	188.69	-	32.13	2.45	0.09	223.36
Dividends	-	-	-	-		-
Total contributions and distributions	-	-	-	-		-
Balance at 31 March 2020	**188.69**	**-**	**32.13**	**2.45**	**0.09**	**223.36**

(Amount In Rs. Crores)

Particulars	Surplus				Other items of Other Comprehensive Income	Total
	Securities Premium	Capital reserve	Retained Earnings	Other reserves	Remeasurements of the net defined benefit Plans	
Balance at 1 April 2020	188.69	-	32.13	2.45	0.09	223.36
Addition: Capital subsidy received			-	-	-	-
Profit / (Loss) for the year	-	-	32.90	-	-	32.90
Other comprehensive income	-	-	-	-	0.11	0.11
Equity contribution on account of corporate guarantees	-	-	-	0.46	-	0.46
Total comprehensive income	188.69	-	65.03	2.91	0.20	256.83
Dividends						-
Total contributions and distributions	-	-	-			-
Balance at 31 March 2021	**188.69**	**0.00**	**65.03**	**2.91**	**0.20**	**256.83**

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

As per our report of even date attached

for ***Singhi & Co.***

CHARTERED ACCOUNTANTS

FRN: 302049E

for and on behalf of the Board

MILIND AGAL
Partner
M No : 123314
Place: Mumbai
Date: 12.05.2021

K K SARDA
Director
DIN: 00008170
Place: Raipur
Date: 11.05.2021

NEERAJ SARDA
Dy. Managing Director
DIN: 00040884
Place: Visakhapatnam
Date:10.05.2021

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary

Significant accounting policies and notes to the accounts
For financial year ended 31.03.2021

1 Company Overview

Sarda Metals & Alloys Limited ("the Company") is incorporated in India with its registered office in Mumbai, Maharashtra. The Company is operating 2X33 MVA Ferro Alloys Furnaces backed by a 80 MW Captive Power Plant. The company is a leading manufacturer and exporter of Ferro Alloys enjoying Two Star Export House Status.

2 Significant Accounting Policies

Basis of preparation of financial statements

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 (`Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

Accounting policies have been consistently applied except where a newly issued Indian accounting standard is initially adopted or a revision to an existing Indian accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in Indian rupees rounded off to nearest Crores.

2.2 Basis of Measurement

The financial statements have been prepared under the historical cost convention and on accrual basis except for the following:

a) certain financial assets and liabilities including derivative instruments measured at fair value

b) defined benefit plans - plan assets measured at fair value

2.3 Current or Non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

i. Expected to be realized or intended to be sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realized within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.4 Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are included in the following note:

a. Estimated useful life of Property, plant and equipment - Refer note no 4.1

b. Probable outcome of matters included under Contingent liabilities - Refer note no. 11

c. Estimation of Defined benefit obligation - Refer note no. 9

d. Estimation of Tax expense and tax payable - Refer note no. 8

2.4.1 Impairment of property, plant and equipment

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise.

2.4.2 Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

The estimated useful lives for main categories of property, plant and equipment and intangible assets are:-

Particulars	Estimated useful life(years)
Buildings	Up to 60 years
Plant & Machinery	Up to 40 years
Computer & Accessories	Up to 3 years
Furniture & fixture	Up to 10 years
Office Equipment	Up to 5 years
Vehicles	Up to 10 years

2.4.3 Discount rate - defined benefit obligation

The present value of Company's defined benefit obligation is calculated by using discount rate determined by reference to market yields at the end of the reporting period on government bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the government bonds, quality of the bonds and the identification of outliers which are excluded.

2.4.4 Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

2.4.5 Recognition of deferred tax assets/liabilities

Deferred Tax resulting from "temporary difference" between the carrying amount of an asset or liability in the balance sheet and its tax base, book profit and taxable profit for the year is calculated by using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be adjusted in future. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

3 Summary of significant accounting policies

3.1 Financial Instrument

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

3.1.1 Financial asset

i) Initial Recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as gain or loss in the Statement of Profit and Loss at initial recognition. If the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using level 1 or 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Financial assets of the Company include investments in equity shares of associates , trade and other receivables, loans and advances to employees etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

1) financial assets measured at amortised cost
2) financial assets measured at fair value through other comprehensive income
3) financial assets measured at fair value through profit and loss

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortised cost

A financial instrument is measured at amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, cash and cash equivalents, employee and other advances.

Financial instruments measured at fair value through other comprehensive income

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are fulfilled:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets

(b) the asset's contractual cash flow represent SPPI

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as amortized cost or fair value through other comprehensive income is classified at FVTPL.

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recorded in statement of profit and loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. Such election is made on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii) Derecognition of financial assets

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

• The rights to receive cash flows from the asset have been transferred, or

• The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is derecognised.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the entity has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement of the asset.

Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

3.1.2 Investments

Investments in associates are measured at cost.

Amendments to Ind AS 28, Investments in Associates and Joint Ventures:

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

3.1.3 Trade receivables

Trade receivables that do not contain a significant financing component are measured at transaction price.

3.1.4 Financial liability

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables etc.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as gain or loss in the Statement of Profit and Loss at initial recognition. If the fair value is determined through a quoted market price in an active market for an identical liability (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using level 1 or 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

1) financial liabilities measured at amortised cost

2) financial liabilities measured at fair value through profit and loss and

Financial liabilities at amortised cost:

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

Financial liabilities at FVTPL:

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the existing lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

3.1.5 Loans and borrowings

Loans and borrowings are initially recognised at fair value net of transaction costs incurred. Subsequently, these are measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.1.6 Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the normal trade payable cycle. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR model.

3.1.7 Derivatives

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.1.8 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price paid that would be received to sell asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All the assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (level 1 inputs) and lowest priority to unobservable inputs (level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period and discloses the same.

3.1.9 Offsetting of financial instruments

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

3.2 Property, plant and equipment

i) Recognition and measurement

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition items of PPE are measured at cost less accumulated depreciation/ amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. The Company identifies and determines cost of each part of an item of PPE separately if the part has a cost which is significant to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised in the Statement of Profit and Loss. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

ii)Depreciation

Depreciation is charged to the Statement of profit and loss of cost of the assets over their estimated useful lives as prescribed in Schedule II to the Companies Act 2013.

Depreciation has been provided on straight line method in case of buildings and plant & machinery and written down value method in case of other items of Property, Plant and Equipment.

iii) Subsequent costs

Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognised as a separate component is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss as incurred.

iv) Spare parts

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized and depreciated on straight line method on prorata basis at the rates specified therein. Other spare parts are carried as inventory and recognized in the income statement on consumption.

3.3 Intangible assets

(a) Recognition and measurement:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

(b) Derecognition of Intangible Assets:

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the profit or loss when the asset is derecognized.

(c) Amortisation:

Amortization is recognized in the income statement on a Straight Line Method (SLM) basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

3.4 Capital work in progress

Capital work in progress is stated at cost less accumulated impairment losses, if any.

3.5 Leases

a) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset to the site on which it is located

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short- term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

Lease payments under operating leases are recognised as an income on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

3.6 Inventory

(i) Stores and spares are carried at Cost (net of GST Credit availed) on moving average basis.

(ii) Raw Materials are carried at cost (net of GST Credit availed) on moving average basis and net realizable value whichever is lower .However , raw materials held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(iii) Finished , semi finished products and Stock-in-Trade produced or purchased by the Company are carried at lower of cost and net realizable value . Cost includes direct materials and labour cost and a proportion of manufacturing overheads.

(iv) By products are valued at net realizable value .

Net realisable value is the estimated selling price in the ordinary course of business , less estimated cost of completion and estimated costs necessary to make the sale .

3.7 Government grants

Capital Grants are measured at amounts receivable from the Government which are non-refundable and are recognised, as per the Capital Approach prescribed under Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance", as retained earnings in reserves and surplus when it is received from the Government and the Company shall comply with the conditions associated with the grant.

3.8 Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

i) Financial assets that are debt instruments and are measured at amortised cost e.g. loans, deposits and trade receivables.

ii) Financial assets that are debt instruments and are measured at FVTOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive(i.e. all shortfalls), discounted at the original EIR.
ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

As a practical expedience the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward looking estimates are analysed.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.
An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.
The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

3.9 Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under "income tax payable" net of payments on account, or under "tax receivables" where there is a credit balance.
Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.
A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount of the MAT credit entitlement at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

Current tax and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax affect thereon is recognised in other comprehensive income or directly in equity respectively.

3.10 Employee benefits

Short-term Employee Benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period in which the related service is rendered at the undiscounted amount of the benefit that is expected to be paid in exchange for that service.

Other long-term employee benefits

The liability for earned leave is not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income

Post-employment benefits

(a) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognized as expenses when the employees have rendered the service entitling them to the contribution.

Provident fund: The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary . The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognizes such contributions as an expense when incurred.

(b) Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount of the MAT credit entitlement at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

Current tax and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax affect thereon is recognised in other comprehensive income or directly in equity respectively.

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For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

Defined benefit costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in Statement of profit and loss.

The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Vesting occurs upon completion of five years of service. The Company provides for its gratuity liability based on an independent actuarial valuation carried out at each balance sheet date using the projected unit credit method.

3.11 Provisions and contingent liabilities

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

3.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company’s cash management system.

3.13 Foreign currency transactions

The Company's financial statements are presented in INR which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise with the exception that exchange differences to the extent treated as borrowing costs are recognised accordingly .

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Outstanding loans repayable in foreign currency are restated at the year end exchange rate. Exchange gains and losses in respect of such restatement is accounted for as an income or expense except to the extent treated as borrowing costs.

3.14 Revenue recognition

The Company's revenue from contracts with customers is mainly from the sale of ferro alloys and power.

Sale of Goods:

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of return, trade discounts and volume rebates. Revenue is recognized when the control on the goods have been transferred to the buyer, being when the goods are delivered to the customer and there is no continuing effective control or managerial involvement with the goods. Delivery occurs when the products have been shipped or delivered to the specific locations as the case may be, the risk of loss has been transferred.

Sale of Power:

Revenue from sale of power is recognised when control of the goods (power) is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods(power) having regard to the terms of the Power Purchase Agreements/prevailing prices on the power exchanges.

Compensation towards shortfall in power off take by DISCOMS is recognised in the period which corresponds to the obligation of the company to supply power under the respective power purchase agreements.

Interest/delayed payment surcharge receivable under the power purchase agreements are recognised in the period of receipt.

Other operating revenue:

Other operating revenue includes Export Incentives and Scrap sales. Export Incentive accrued under the Duty Drawback, Merchandise Exports from India Schemes and other receipts which are released to statement of profit and loss on fulfilment of export obligation.

3.15 Other income

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.16 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

3.17 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

3.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Company (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. Refer note 20 for details on segment information presented.

3.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Company are segregated.

(All amounts in Indian rupees, except share data and unless otherwise stated)

4.1 Property Plant & Equipment

(Amount in Rs. Crores)

Description	Gross block				Depreciation				Net Block
	As at 1-Apr-20	Additions	Sale/ Transfer/ Adjustments	As at 31-Mar-21	As at 1-Apr-20	For the Year	Sale/ Transfer/ Adjustments	As at 31-Mar-21	As at 31-Mar-21
Freehold Land (Owned)	20.07	0.00	-	20.07	-	0.00	0.00	0.00	20.07
Buildings	99.14	0.78	-	99.92	20.64	3.69	0.00	24.33	75.59
Plant & Machinery	490.16	5.83	5.28	490.71	82.47	17.37	1.57	98.27	392.44
Computer & Accessories	0.45	0.07	0.22	0.30	0.33	0.06	0.20	0.19	0.11
Furniture & fixture	0.62	0.05	0.15	0.52	0.50	0.03	0.14	0.39	0.13
Office Equipment	0.40	0.15	0.20	0.35	0.20	0.10	0.19	0.11	0.24
Vehicles	1.63	0.15	0.01	1.77	0.62	0.33	0.00	0.95	0.82
Total	**612.47**	**7.03**	**5.86**	**613.64**	**104.76**	**21.58**	**2.10**	**124.24**	**489.40**
Capital work in progress	**5.82**	**6.68**	**6.61**	**5.89**	**0.00**	**0.00**	**0.00**	**0.00**	**5.89**

(Amount in Rs. Crores)

Description	Gross block				Depreciation				Net Block
	As at 1-Apr-19	Additions	Sale/ Transfer/ Adjustments	As at 31-Mar-20	As at 1-Apr-19	For the Year	Sale/ Transfer/	As at 31-Mar-20	As at 31-Mar-20
Freehold Land (Owned)	20.07	-	-	20.07	-	-	-	-	20.07
Buildings	95.53	3.61	-	99.14	16.92	3.72	-	20.64	78.50
Plant & Machinery	483.19	10.95	3.98	490.16	66.45	17.05	1.03	82.47	407.69
Computer & Accessories	0.36	0.09	-	0.45	0.25	0.08	-	0.33	0.12
Furniture & fixture	0.60	0.02	-	0.62	0.46	0.04	-	0.50	0.12
Office Equipment	0.24	0.16	-	0.40	0.19	0.01	-	0.20	0.20
Vehicles	1.42	0.35	0.14	1.63	0.41	0.34	0.13	0.62	1.01
Total	**601.41**	**15.18**	**4.12**	**612.47**	**84.68**	**21.24**	**1.16**	**104.76**	**507.71**
Capital work in progress	**6.31**	**14.07**	**14.56**	**5.82**	**-**	**-**	**-**	**-**	**5.82**

(Amount in Rs Crores)

Particulars	As at 31.03.2021	As at 31.03.2020
4.2 Non Current Investments		
Trade Investments		
Investment in Equity Instruments of associate Company		
Natural Resources Energy Pvt Ltd.	0.003	0.003
(2,845 Equity shares of Rs. 10 each)		
	0.003	**0.003**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	0.003	0.003
Aggregate provision for diminution in value of investments	-	-
Investment carried at cost	0.003	0.003
Investment carried at amortized cost	-	-
Investment carried at fair value through OCI	-	-
Investment carried at fair value through Profit & Loss	-	-
4.3 Non-current financial assets		
(Unsecured, considered good)		
Security Deposits	0.28	0.94
	0.28	**0.94**
4.4 Other non current assets		
Unamortised borrowing costs	0.00	-
Capital advances	0.78	0.003
	0.78	**0.003**
4.5 Other tax assets(Net)		
Balances with tax authorities	1.73	1.71
	1.73	**1.71**
4.6 Inventories		
(valued at lower of cost and net realisable value)		
a. Raw Materials and components	91.93	71.39
b. Finished goods / By - Products	41.46	53.30
c. Stores, spares and Consumables	6.20	6.37
	139.59	**131.06**

(Amount in Rs Crores)

	Particulars	As at 31.03.2021	As at 31.03.2020
4.7	**Trade Receivables**		
	a)Trade Receivables considered good - Secured;	1.51	2.82
	b)Trade Receivables considered good - Unsecured	50.84	47.67
	c)Credit impaired	0.30	0.61
		52.65	**51.10**
	d) Less :Allowances for Credit losses	(0.30)	-
		52.35	**51.10**
4.8	**Cash and cash equivalents**		
	Cash on hand	0.07	0.02
	Balances with Banks		
	In current accounts	33.25	0.74
	In cash credit accounts	-	-
	Fixed Deposit	-	5.27
	(Under lien with the banks as Margin Money and with original maturity up to 3months from balance sheet date))		
		33.32	**6.03**
4.9	**Bank balances other than 4.8 above**		
	Fixed Deposit	15.52	15.47
	(Under lien with the banks as Margin Money & Debt Service Reserve Account and with original maturity more than 3 months and up to 12 months from balance sheet date)		
		15.52	**15.47**
	1) Fixed Deposit with Banks are held as margin money or security against the borrowings, guarantees, other commitments		
	2) For the purpose of cash flow statement, cash and cash equivalents comprise of:		
	Balances with banks		
	- In current accounts	33.25	0.74
	- In cash credit accounts	-	-
	- Bank Deposits with original maturity of up to 3 months	-	5.27
	Cash on hand	0.07	0.02
	Total	**33.32**	**6.03**
4.10	**Other current financial assets**		
	Interest accrued but not due on deposits	0.29	0.35
	Export incentive receivables	3.92	1.38
	Loans and advances to employees	0.13	0.21
	Other receivables	7.28	10.25
		11.62	**12.19**
4.11	**Other current assets**		
	Advances to vendors	13.58	4.95
	GST input credit	3.72	6.76
	Prepaid expenditure	0.81	0.96
		18.11	**12.67**

(Amount in Rs Crores)

	Particulars	As at 31.03.2021	As at 31.03.2020
4.13	**Long - Term Borrowings**		
	A. Term loans (Secured)		
	From banks		
	Indian Rupee Loan	264.86	247.39
	Buyer's Credit - Capital Goods	-	2.18
	Hire Purchase Obligations - Car Loan	0.09	0.25
		264.95	**249.82**

Term Loans are Secured by the following As at 31st March 2021 & As at 31st March 2020

For Indian Rupee Loan

A Pari-Passu first charge by way of Equitable Mortgage of the immovable property of the company situated at APIIC Industrial Park at Kantakapalli village, pari-passu first charge on the moveable properties and fixed assets of the company and pari-passu second charge on the current assets of the company in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders.

B Pledge of 51% of Shares held in the company by the Holding Company Sarda Energy & Minerals Limited in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders

C Corporate Guarantee of Rs 51.64 Crores (PY Rs. 51.64 Crores) of Holding Company Sarda Energy & Minerals

D Personal Guarantee of Director Mr K K Sarda

E Indian Rupee Term Loan to the extent of Rs 56.97 Crores from HDFC Bank is secured by central Govt Guarantee and pari pasu second charge on all the assets of the company . Second charge on the assets of the company is yet to be created

For Hire Purchase Obligations

Hire Purchase finance is secured by hypothecation of respective asset (Vehicles) .

Terms of Repayment & interest as at 31st March 2021

A Indian Rupee Term Loan sanctioned from Axis Bank 144.78 Crores and IDFC First Bank Rs 148.53 as per initial stipulation is payable in 41 unequal quarterly instalments commencing from September 2017 and ending on September 2027. As per RBI Directives for Covid 19 Company has been granted Moratorium 1 by Axis Bank and Moratorium 1 & 2 by IDFC First Bank, besides this company has during the year repaid the terminal instalment of Term Loan of IDFC First Bank. Accordingly the repayment has been pushed by one quarter across the board and the tenor of both the term loans is up to December 2027. Out of the 41 unequal quarterly instalments, 14 instalments have been repaid up to 31.03.2021

B Indian Rupee Term Loan sanctioned from HDFC Bank of Rs 40.14 Crores as per initial stipulation is payable in 27 unequal quarterly instalments commencing from September 2019 and ending on March 2026. As per RBI Directives for Covid 19 the company has been granted Moratorium 2 from the bank , as a result the repayment has been pushed by one quarter across the board and the revised tenor of the loan is up to June 2026. Out of the 27 unequal quarterly instalments, 6 instalment have been repaid up to 31.03.2021.

C Indian Rupee Term Loan sanctioned from HDFC Bank of Rs 11.50 Crores as per initial stipulation is payable in 24 equal quarterly instalments commencing from September 2019 and ending on June 2025. As per RBI Directives for Covid 19 the company has been granted Moratorium 2 from the bank , as a result the repayment has been pushed by one quarter across the board and the revised tenor of the loan is up to September 2025. Out of the 24 unequal quarterly instalments, 6 instalment have been repaid up to 31.03.2021.

D Indian Rupee Term Loan sanctioned from HDFC Bank of Rs 56.97 Crores as per initial stipulation is payable in 48 equal monthly instalments commencing from April 2022 and ending on April 2026.

E Hire Purchase obligation from Axis Bank of Rs 47.06 lacs (Sanctioned amount) is payable in 48 equal monthly instalments of Rs 1.15 lacs commencing from Feb 2018. Out of the 48 instalments, 38 instalments have been repaid up to 31.03.201. Company has not availed any moratorium on this loan.

F Hire Purchase obligation from BOB of Rs 20 lacs is payable in 48 equal monthly instalments of Rs 0.49 lacs commencing from Dec, 2019. Out of the 48 instalments, 16 instalments have been repaid up to 31.03.2021. Company has not availed any moratorium on this Loan.

	Term Loans - Rate of Interest :
A	Axis Bank O/s Rs 100.59 Crores (PY Rs 114.18 Crores) Rate of Interest - 1 Yr MCLR + 0.60% i.e. 8.00% (PY 1 Yr MCLR +2.65% i.e. 10.90%)
B	IDFC First Bank - O/S Rs 103.27 Crores (PY Rs 117.05 Crores) Rate of Interest - 1 Yr MCLR + 1.25% i.e. 9.80% (PY -1 Yr MCLR +1.58 % i.e. 10.88%)
C	HDFC Bank TL 1 & 2 - O/S Rs 40.31 Crores (PY - 47.87 Crores) Rate of Interest - 1 Yr MCLR + 0.85% i.e. 8.15 % (PY 1 Yr MCLR + 0.85% i.e. 9.30%)
D	HDFC Bank - TL - O/S Rs 56.97 Crores (PY - NIL) Rate of Interest - 3 month bench Mark + 2.50 % i.e. 6.50%
E	Hire Purchase Obligations - 7.90% (Axis) 8.60% (BOB) (PY 7.90% & 8.60%)
	Terms of Repayment as at 31st March 2020
A	Indian Rupee Term Loan from Banks of Rs 293.31 Crores (Sanctioned Amount) is payable in 41 unequal quarterly instalments commencing from September 2017 and ending on September 2027. Out of the 41 unequal quarterly instalments, 10 instalments have been repaid up to 31.12.2019. Company has applied for moratorium on instalment due on 31.03.2020 and 30.06.2020 (As per RBI Directives for Covid 19) . As a result the repayment schedule shall be extended till 31.03.2028. The Company has considered instalment payable in FY 20-21 from September 2020 onwards in current maturities
B	Indian Rupee Term Loan from HDFC Bank (TL 1) of Rs 40.14 Crores (Sanctioned Amount) is payable in 27 unequal quarterly instalments commencing from September 2019 and ending on March 2026. Out of the 27 unequal quarterly instalments, 2 instalment has been repaid up to 31.12.2019. Company has applied for moratorium on instalment due on 31.03.2020 and 30.06.2020 (As per RBI Directives for Covid 19) . However, the request for moratorium for instalment falling due on 31.03.2020 has been turned down by bank after 31.03.2020. As a result the instalment falling due on 31.03.2020 has been considered as other Short Term Borrowings. Assuming non extension for moratorium for June 2020 instalment by the bank , instalment payable in FY 20-21 from June 2020 onwards is included in current maturities.
C	Indian Rupee Term Loan from HDFC Bank (TL 2) of Rs 11.50 Crores (Sanctioned Amount) is payable in 24 equal quarterly instalments commencing from September 2019 and ending on June 2025. Out of the 24 equal quarterly instalments, 2 instalments have been repaid up to 31.12.2019. Company has applied for moratorium on instalment due on 31.03.2020 and 30.06.2020 (As per RBI Directives for Covid 19) . However, the request for moratorium for instalment falling due on 31.03.2020 has been turned down by bank after 31.03.2020. As a result the Instalment falling due on 31.03.2020 has been considered as other Short Term Borrowings. Assuming non extension for moratorium for June 2020 instalment by the bank , instalment payable in FY 20-21 from June 2020 onwards is included in current maturities.
D	Hire Purchase obligation from Axis Bank of Rs 47.06 lacs is payable in 48 equal monthly instalments of Rs 1.15 lacs commencing from Feb 2018. Out of the 48 instalments, 22 instalments have been repaid up to 31.03.2020. Company has not availed any moratorium on this loan.
E	Hire Purchase obligation from BOB of Rs 20 lacs is payable in 48 equal monthly instalments of Rs 0.49 lacs commencing from Dec, 2019. Out of the 48 instalments, 3 instalments have been repaid up to 31.03.2020. Company has not availed any moratorium on this Loan.

(Amount in Rs Crores)

	Particulars	As at 31.03.2021	As at 31.03.2020
4.14	**Other financial liabilities**		
	Deposit from Employees	0.23	0.15
	Deposit from Vendors	0.08	0.18
		0.31	**0.33**
4.15	**Long - term Provisions**		
	Provision for employee benefits		
	Gratuity	1.14	1.07
	Leave Encashment	0.42	0.51
		1.56	**1.58**

(Amount in Rs Crores)

	Particulars	As at 31.03.2021	As at 31.03.2020
4.16	**Deferred tax liabilities (Net)**		
	Deferred tax liability (A)		
	Tax effect On Depreciation on fixed assets	104.97	106.67
	Tax effect on change in borrowings due to effective interest rate	0.02	0.04
	Total Deferred Tax Liabilities	**104.99**	**106.71**
	Deferred Tax Asset (B)		
	Tax Effect of Provision for Doubt Debts	(0.17)	(0.05)
	Tax Effect of Provision for Leave Salary	(0.17)	(0.18)
	Tax Effect of Provision for Gratuity	(0.37)	(0.35)
	Tax Effect of Provision for Bonus & Exgratia	(0.17)	(0.18)
	Tax Effect of Carried Forward Loss	(72.44)	(89.62)
	Tax Effect on land	(3.66)	(3.33)
	Total Deferred Tax Assets	**(76.98)**	**(93.71)**
	MAT Credit Entitlement (C)	(15.96)	(7.45)
	Deferred tax liability (Net) at the end of the year	**12.05**	**5.55**
4.17	**Short-term borrowings**		
	Secured		
	From Banks		
	Working capital loans from banks	10.63	16.49
	Buyers' credits	85.04	41.30
	(Secured by Standby Letter of credit , Previous Year Letter of Undertaking issued by Banks)		
	Unsecured		
	From Other Parties		
	Loans and Advances from related parties		
	Sarda Energy & Minerals Ltd - Holding Company	1.39	39.78
		97.06	**97.57**

<u>Terms of repayment & Security:</u>

A. Working capital loans are payable on demand, Buyers Credit are payable on specific dates & no fixed date for repayment of loan from Holding Company.

B. Working Capital Facilities are secured by first pari-passu charge on stocks & book debt and second pari-passu charge on all present and future movable plant and machinery of the Company . These facilities are also secured by personal guarantee of Mr.K.K.Sarda , Director .

C. These securities are created in favour of M/s Axis Trustee Services Ltd, appointed as Security Trustee for working capital facilities by consortium of Banks comprising Bank of Baroda, & RBL Bank Ltd.

D. First pari-passu charge created by way of hypothecation of current assets in favour of Yes Bank Ltd. has been created on Bilateral basis. Second pari-passu charge in favour of Yes Bank is yet to be created

(Amount in Rs Crores)

Particulars		As at 31.03.2021	As at 31.03.2020
4.18	**Trade Payables**		
	Due to Micro and Small Enterprises	3.08	0.33
	Due to Others	37.56	75.83
		40.64	**76.16**
4.19	**Other financial Liabilities**		
	Current maturities of long-term debt	34.83	27.88
	Other Short Term borrowings	-	1.85
	Interest accrued but not due on borrowings	2.04	2.38
	Employee related payable	2.30	1.60
	Creditors for capital goods	3.89	3.83
	Other expenses payable	25.70	24.97
		68.76	**62.51**
4.20	**Other Current Liabilities**		
	Statutory dues payable	1.13	1.06
	Advances from customers	1.56	4.73
	Open access UI Charges payable	0.35	0.15
		3.04	**5.94**
4.21	**Short -Term Provisions**		
	Provision for employee benefits		
	Leave encashment	0.11	0.06
	Gratuity	0.05	0.06
		0.16	**0.12**
4.22	**Current tax liabilities(net)**		
	Provision for taxation (net)	2.21	0.75
		2.21	**0.75**

(Amount in Rs Crores)

	Particulars	As at 31.03.2021	As at 31.03.2020
4.23	**Revenue from Operations**		
	Revenue :		
	On sale of materials		
	-ferro alloys	523.75	456.58
	-coal & coke	2.72	11.21
	-manganese ore	0.10	14.84
	Total (A)	**526.57**	**482.63**
	On sale of power	35.28	49.45
	Total (B)	**35.28**	**49.45**
	Other operating revenue		
	Export incentives	12.69	19.95
	Others	1.86	2.16
	Total (C)	**14.55**	**22.11**
		576.40	**554.19**
4.24	**Other Income**		
	Interest income	1.18	0.89
	Foreign exchange rate difference gain A/c	10.78	-
	Profit/ Loss on sale/ destruction of fixed asset (Net)	-	0.00
	Other Non-operating Income	0.26	1.39
		12.22	**2.28**
4.25	**Cost of material consumed**		
	Raw Materials Consumed - Coal	158.97	166.48
	Raw Materials Consumed - Manganese Ore	186.88	169.07
	Raw Materials Consumed - others	27.13	16.80
		372.98	**352.35**
4.26	**Changes in inventories of finished goods, By- Products and Stock-in-Trade**		
	Inventories at the end of the year		
	Finished , By -Products and Stock in Trade	41.46	53.30
	Inventories at the beginning of the year		
	Finished , By -Products and Stock in Trade	53.30	59.95
		11.84	**6.65**

(Amount in Rs Crores)

	Particulars	As at 31.03.2021	As at 31.03.2020
4.27	**Employee benefits expense**		
	Salaries & managerial remuneration	14.82	13.92
	Contributions to Provident Fund & NPS	0.78	0.79
	Staff welfare expenses	1.08	1.04
	Gratuity expenses	0.21	0.16
	Leave encashment expenses	0.09	0.10
		16.98	**16.01**
4.28	**Finance Costs**		
	Interest expense on borrowings	32.85	41.14
	Other borrowing Cost	2.85	3.63
	Amortization of ancillary borrowing costs	0.50	1.48
	Exchange Difference to the extent considered as an adjustment to borrowing costs	0.91	0.77
		37.11	**47.02**
4.29	**Depreciation**		
	Depreciation on Property, Plant & Equipment	21.58	21.24
		21.58	**21.24**
4.30	**Other expenses**		
	Stores , spares and consumables	19.85	18.19
	Material handling expenses	7.96	7.92
	Plant operation and maintenance expenditure	8.38	8.31
	Other manufacturing expenses	0.29	0.16
	RPPO expenses	1.78	2.49
	Repairs and maintenance		
	- building	0.02	0.09
	- plant and machinery	1.75	1.88
	- others	3.20	2.42
	Power & fuel	0.57	0.38
	Rent	0.76	0.77
	Rates and taxes	2.41	2.00
	Insurance charges	1.31	1.43
	Travelling and conveyance expenses	1.21	1.88
	Legal and professional expenses	0.85	0.79
	Corporate social responsibility expenses	0.25	0.17
	Carriage outward	13.21	9.15
	Cash discount expenses	0.00	0.04
	Open access UI charges	0.66	2.66
	Transmission charges and others	5.71	3.06
	Exchange differences (net)	-	2.51
	Provision for doubtful debts	0.39	(0.05)
	Payment to auditors	0.14	0.15
	Loss on Destruction/Scrapping of Asset	3.76	2.95
	Misc. expenses	2.55	2.55
		77.01	**71.90**

(Amount in Rs Crores)

	Particulars	As at 31.03.2021	As at 31.03.2020
	Payment to auditors		
	As auditor:		
	Statutory Audit fee	0.10	0.11
	Tax Audit fees	0.02	0.02
	Others	0.02	0.02
		0.14	**0.15**
4.31	**Other comprehensive income**		
	A (i) Items that will not be reclassified to profit or loss		
	Remeasurements of the defined benefit plans	0.16	(0.11)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.05)	0.04
	B (i) Items that will be reclassified to profit or loss	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		
	Total Other Comprehensive Income	**0.11**	**(0.07)**

5. Financial instruments

A. Accounting classification and fair values

(Amount In Rs Crores)

31.03.2021 INR	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents(A)	-	-	33.32	33.32	-	-	-	-
Bank balances other than(A) above	-	-	15.52	15.52				
Non-current investments	-	-	0.003	0.003	-	-	-	-
Long-term loans and advances	-	-	0.28	0.28	-	-	-	-
Trade and other receivables	-	-	52.35	52.35	-	-	-	-
Other current financial asset	-	-	11.62	11.62	-	-	-	-
	-	-	**113.09**	**113.09**	**-**	-	-	-
Financial liabilities								
Long term borrowings	-	-	264.95	264.95	-	-	-	-
Short term borrowings	-	-	97.06	97.06	-	-	-	-
Trade and other payables	-	-	40.64	40.64	-	-	-	-
Other non-current financial liabilities	-	-	0.31	0.31	-	-	-	-
Other current financial liabilities	-	-	68.76	68.76	-	-	-	-
	-	-	**471.72**	**471.72**	**-**	**-**	**-**	**-**

(Amount In Rs Crores)

31.03.2020 INR	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents(A)	-	-	6.03	6.03	-	-	-	-
Bank balances other than(A) above	-	-	15.47	15.47				
Non-current investments	-	-	0.003	0.003	-	-	-	-
Long-term loans and advances	-	-	0.94	0.94	-	-	-	-
Trade and other receivables	-	-	51.10	51.10	-	-	-	-
Other current financial asset	-	-	12.19	12.19	-	-	-	-
	-	-	**85.73**	**85.73**	**-**	-	-	-
Financial liabilities								
Long term borrowings	-	-	249.82	249.82	-	-	-	-
Short term borrowings	-	-	97.57	97.57	-	-	-	-
Trade and other payables	-	-	76.16	76.16	-	-	-	-
Other non-current financial liabilities	-	-	0.33	0.33	-	-	-	-
Other current financial liabilities	-	-	62.51	62.51	-	-	-	-
	-	-	**486.39**	**486.39**	**-**	**-**	**-**	**-**

* Carrying Value and the fair value approximates.

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

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

1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.

2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

6 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings in foreign currency as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this, the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	(Amount In Rs. Crores)	
	31.03.2021	**31.03.2020**
Trade and other receivables	52.35	51.10
Investments	0.003	0.003
Cash and cash equivalents	33.32	6.03

Impairment losses	*(Amount In Rs. Crores)*	
	31.03.2021	**31.03.2020**
Trade and other receivables (measured under life time excepted credit loss model		
Opening balance	-	(0.09)
Provided during the year	(0.30)	-
Reversal of provision	-	(0.09)
Closing balance	(0.30)	-

Ageing analysis	*(Amount In Rs. Crores)*	
	31.03.2021	**31.03.2020**
Up to 3 months	52.05	40.32
3-6 months	-	4.80
More than 6 months	0.30	5.98

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

(Amount In Rs. Crores)

	31.03.2021	31.03.2020
Cash Credit Facility	39.37	33.51

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

(Amount In Rs. Crores)

As at 31.03.2021	Less than 1 year	1-5 years	More than 5 Years	Total
Borrowings from Banks	130.93	242.76	23.37	397.06
Borrowings from Sarda Energy & Minerals Ltd	1.39	-	-	1.39
Trade payables	40.64	-	-	40.64
Other financial liabilities	33.92	-	-	33.92
	206.88	**242.76**	**23.37**	**473.01**

(Amount In Rs. Crores)

As at 31.03.2020	Less than 1 year	1-5 years	More than 5 Years	Total
Borrowings from Banks	88.03	186.90	64.53	339.46
Borrowings from Sarda Energy & Minerals Ltd	39.78	-	-	39.78
Trade payables	76.16	-	-	76.16
Other financial liabilities	34.63	-	-	34.63
	238.60	**186.90**	**64.53**	**490.03**

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure

(Amount In Rs. Crores)

	31.03.2021	31.03.2020
Variable rate borrowings	302.53	329.75
Fixed rate borrowings	95.92	47.31

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

Impact on profit after tax
(Amount In Rs. Crores)

	31.03.2021	31.03.2020
Interest rates - increase by 70 basis points	(1.46)	(1.61)
Interest rates - decrease by 70 basis points	1.46	1.61

c) Forex risk exposure

(Amount In Rs. Crores)

Particulars	31.03.2021	31.03.2020
Export Debtors/Export Orders in hand	115.02	70.72
Less: Financial Hedge	-	-
Net FCY Receivables (A)	**115.02**	**70.72**
Imports/Creditors	110.77	104.82
Import order of Raw Materials	18.31	17.90
Other FCY loans	10.63	5.59
Net FCY Payables (B)	**139.71**	**128.31**
Unhedged Foreign Currency Exposure (A-B)	**(24.69)**	**(57.59)**

d) Sensitivity analysis

Impact on profit after tax
(Amount In Rs. Crores)

Particulars	31.03.2021	31.03.2020
Foreign exchange rates - increase by 1%	(0.17)	(0.40)
Foreign exchange rates - decrease by 1%	0.17	0.40

7 **a) CAPITAL MANAGEMENT**

The Company's main objectives when managing capital are to:

· ensure ongoing access to funding to maintain, refurbish and expand the Business

. ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;

· ensure compliance with covenants related to its credit facilities and

· minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.

· safeguard its ability to continue as a going concern

· to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

(Amount In Rs. Crores)

	31.03.2021	31.03.2020
Total liabilities	396.84	377.13
Less : Cash and cash equivalents	33.32	6.03
Net debt	**363.52**	**371.10**
Total equity	277.85	244.38
Net debt to equity ratio	**1.31**	**1.52**

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

8 INCOME TAX EXPENSES

i) Income tax recognised in profit or loss

(Amount In Rs Crores)

a) Current tax expense	Year ended 31.03.2021	Year ended 31.03.2020
Current year	8.41	0.79
Adjustment for prior periods	0.11	0.14
Deferred tax expense		
Origination and reversal of temporary differences	6.45	0.88
Total income tax expense	**14.97**	**1.81**

ii) Income tax recognised in OCI

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Remeasurements of defined benefit plans	0.05	(0.04)
Total income tax expense relating to OCI items	**0.05**	**(0.04)**

b) Reconciliation of tax expense and accounting profit

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Accounting profit before tax from continuing operations	47.87	4.67
Accounting profit before tax from discontinued operations	**-**	**-**
Accounting profit before tax	**47.87**	**4.67**
Expected Tax Rate	31.20%	31.20%
Tax using the Company's domestic tax rate (Current year 31.20% and Previous Year 31.20%)	14.92	1.46
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	-	-
Adjustments in respect of current income tax of previous years	0.114	0.14
Utilisation of previously unrecognised tax losses	(17.20)	(2.50)
Difference in tax due to MAT	8.41	0.79
Income not considered for tax purpose		
Exp Allowable for tax purpose	(6.36)	(7.50)
Expense not allowed for tax purpose	8.64	8.53
Deduction under Chapter VI		
Mat Credit entitlement written off		
Other temporary differences	6.45	0.88
The effective income tax rate	31.05%	35.85%
Income tax reported in the statement of profit and loss	**14.97**	**1.81**
Income tax attributed to discontinued operations		
Total	**14.97**	**1.81**

c) Amounts recognised directly in equity

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Current tax	-	-
Deferred tax	0.05	(0.04)
Total	**0.05**	**(0.04)**

9 EMPLOYEE BENEFITS

a) Defined Benefit Plan :

Employee benefit in the form of Gratuity is a defined benefit obligation. Gratuity Liability at each balance sheet date is ascertained on Actuarial Valuation basis using projected unit credit method. Actuarial gains/losses are not deferred and are taken to other Comprehensive income in the statement of Profit & Loss for the Year.

b) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

(Amount In Rs. Crores)

Actuarial study analysis	**31st March 2021**	**31st March 2020**
Principal actuarial assumptions		
Discount rate	7.10%	6.85%
Salary Escalation	5.00%	5.00%
Attrition rate	4.00%	4.00%
Expected rate of return on plan assets	NA	NA
Plan duration	NA	NA
Components of statement of income statement charge		
Current service cost	0.14	0.15
Interest cost	0.08	0.06
Recognition of past service cost	-	
Settlement/curtailment/termination loss	(0.09)	(0.06)
Total charged to consolidated statement of profit or loss	**0.13**	**0.15**
Movements in net liability/(asset)		
Net liability at the beginning of the year	1.13	0.93
Employer contributions	(0.09)	(0.09)
Total expense recognised in the statement of profit or loss	0.21	0.16
Acquisition /Divestures/Transfer	-	
Total amount recognised in OCI	(0.06)	0.13
Net liability at the end of the year	**1.19**	**1.13**
Reconciliation of benefit obligations		
Obligation at start of the year	1.13	0.93
Current service cost	0.13	0.15
Interest cost	0.08	0.07
Benefits paid directly by the Group	(0.09)	(0.09)
Acquisition /Divestures/Transfer	-	-
Obligation of past service cost	-	(0.06)
Actuarial loss / (Gain)	(0.06)	0.13
Defined benefits obligations at the end of the year	**1.19**	**1.13**
Re-measurements of defined benefit plans		
Actuarial gain/(loss) due to changes in Demographic changes	-	0.01
Actuarial gain/(loss) due to changes in financial assumptions	0.02	0.09
Actuarial gain/(loss) on account of experience adjustments	0.04	0.03
Total actuarial gain/(loss) recognised in OCI	**0.06**	**0.13**
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	NA	NA
Interest on plan assets	NA	NA
Contributions made	NA	NA
Benefits paid	NA	NA
Actuarial (loss)/gain on plan assets	NA	NA
Fair value of plan assets at the end of the year	NA	NA

c) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

(Amount In Rs. Crores)

Particulars	31st March 2021	31st March 2020
Discount rate		
+ 1% discount rate	1.10	1.05
- 1% discount rate	1.29	1.23
Salary increase		
+ 1% salary growth	1.28	1.22
- 1% salary growth	1.11	1.06

d) Experience adjustments

(Amount In Rs. Crores)

Particulars	31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017
Defined benefit obligation	1.19	1.13	0.93	0.73	0.79
Fair value of plan assets					
(Surplus)/deficit in plan assets	(1.19)	(1.13)	(0.93)	(0.73)	(0.79)
Experience adjustment on plan liabilities	0.04	0.03	(0.01)	0.04	(0.04)
Actual return on plan assets less interest on plan assets	-	-			

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

e) Details of plan assets : NA

f) Defined contribution plan :

The Company has recognized the following amount in the statement of profit and loss contribution to provident fund (Employers contribution) during the year is Rs. 0.67 Crores (previous year : Rs 0.49 Crores).

g) The liability towards compensated absences (Earned leave) for the year ended 31st March, 2021 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase/(decrease) in liability by Rs. 0.06 Crores. [Previous year (0.01) Crores]

Earned Leave assumptions:

Sl. No	Particulars	31st March 2021	31st March 2020
i)	**Financial Assumptions**		
	Discount rate	7.10%	6.85%
	Salary Escalation Rate	5.00%	5.00%
	Attrition Rate	4.00%	4.00%
ii)	**Demographic Assumptions**		
	Leave Accounting & Consumption Technique	LIFO	LIFO
	Proportion of Leave Availment	5.00%	5.00%
	Proportion of encashment in service/Lapse		
	Proportion of encashment on separation	95.00%	95.00%
	Published rates under the Indian Assured Lives Mortality (2006-08) Ult table		

10 RELATED PARTY TRANSACTIONS

(a) Parent entity

Name	Type	Ownership interest 31.03.2021
Sarda Energy & Minerals Limited	Listed Company	100%

(b) Subsidiaries, associates, joint ventures

Sr. No	Name	Relationship	Place of incorporation	Principal activities
1	Natural Resources Energy Pvt. Ltd.	Associate	Chhattisgarh	Acquire coal mines through auctions for captive use of shareholding companies (as an SPV)
2	Vizvac Arma Infrastructure Pvt. Ltd.	Director's Significant Influence	Andhra Pradesh	Manufacturing of Brick, Block, Tiles
3	Geschaft Formulae India Private Limited	Director's Significant Influence	Mumbai	Information Technology Services
4	Sarda Agriculture & Properties Pvt. Ltd	Director's Significant Influence	Chhattisgarh	Agriculture
5	Svan Capital Management LLP	Director's Significant Influence	Andhra Pradesh	Investment
6	Prachi Agricultural & Properties Pvt. Ltd	Director's Significant Influence	Chhattisgarh	Agriculture
7	Comienzo Agri Science Limited	Director's Significant Influence	Mumbai	Seeds Development
8	R R Sarda & Co.	Director's Significant Influence	Nagpur	Services of renting of property
9	Chhattisgarh Investments Limited	Director's Significant Influence	Nagpur	Investment
10	Sarda Power & Steel Limited	Director's Significant Influence	Nagpur	Manufacturing of Steel

(c) Directors / Other Key Management personnel of the company

Name	Designation
Mr. K K Sarda	Chairman
Mr. Manish Sarda	Dy Managing Director
Mr. Neeraj Sarda	Dy Managing Director
Mrs. Sonal Sarda	Whole Time Director
Mr. V Sridar	Independent Director
Mr. C.K. Lakshminarayanan	Independent Director
Mr. Gaurav Thakkar	CFO
Mr. Sanjaya Sabat	Company Secretary

(d) Key Management personnel of the parent entity:

Name	Nature
Mr. K K Sarda	CMD
Mr Padam Kumar Jain	WTD & CFO
Mr Manish Sethi	Company Secretary

(e) Compensation Paid to Directors/Other Key Managerial Personnel of the company

(Amount In Rs Crores)

Particulars	31.03.2021	31.03.2020
Compensation Paid to Directors		
Short-term employee benefits	2.65	1.65
Post-employment benefits	0.33	0.31
Compensation Paid to Key Managerial Personnel		
Remuneration paid	0.34	0.32
Sitting fees & Commission paid to Independent Directors	0.13	0.06

(f) Transactions with related parties *(Amount In Rs Crores)*

Particulars	31.03.2021	31.03.2020
with Parent Entity :		
Interest paid/(Received)	1.89	2.65
Purchase of Goods	14.80	10.66
Sale of Goods	0.46	12.50
Sale of power	21.52	9.66
Sale of MEIS License		1.63
Corporate Guarantee Commission	0.39	0.67
With Entities where Director's Significant Influence Exist		-
Geschaft Formulae India Private Limited - IT Services	0.40	0.40
R. R. Sarda & Co - Rent Paid	0.07	0.07
Chhattisgarh Investments Limited - Rent Paid	0.05	0.05

(g) Outstanding balances receivables / (payables) *(Amount In Rs Crores)*

Particulars	31.03.2021	31.03.2020
Geschaft Formulae India Private Limited	(0.04)	(0.04)
R R Sarda & Co	(0.07)	(0.07)
Chhattisgarh Investments Limited	(0.04)	(0.08)
Loan from Sarda Energy & Minerals Limited	(1.39)	(39.78)
Trade payable to Sarda Energy & Minerals Limited	(12.07)	-

(h) Loans to/ from related parties *(Amount In Rs Crores)*

Particulars	31.03.2021	31.03.2020
Loan Received	150.83	160.65
Loans Repaid	173.28	129.95

(I) Outstanding balances of Guarantees received *(Amount In Rs Crores)*

Particulars	31.03.2021	31.03.2020
Personal Guarantee of Mr K K Sarda	786.44	786.44
Corporate Guarantees of Sarda Energy & Minerals Limited	51.64	52.07

11 Contingent liabilities and commitments (to the extent not provided for)

(Amount In Rs Crores)

Sr No.	Particulars	31.03.2021	31.03.2020
i)	Other money for which the company is contingently liable	19.29	16.86
ii)	Guarantees given by Company's Bankers	2.63	7.73

a) During the financial year 2014-15, Income tax department has conducted a search operation U/s 132 of Income Tax Act, 1961, covering the block periods from AY 2009-10 to 2014-15. The assessment has been completed by the tax authorities and a demand has been raised for the A.Y. 2012-13 for Rs. 0.87 Crores on account of disallowance of expenditure and addition of Forex gain. For Assessment year 2015-16 addition of Rs 7.97 Crores has been made on account of discrepancies in stocks and demand has been raised for Rs 0.88 Crores after adjustment of advance tax . The company has filed appeals with Commissioner Appeals and ITAT respectively for both the assessment years which is pending.

b) During the financial year 2015-16 Commercial Tax disallowed Input Tax credit of Rs 3.39 Crores on equipments of Power Plant and imposed Penalty of Rs 0.85 Crores . The company has filed appeal challenging disallowance of input tax credit with Commercial Tax Appellate Tribunal. The company has filed a writ petition for stay of recovery proceedings of penalty with the Hon'ble High court of AP which was granted by AP High court.

c) During the financial year 2018-19 Asst Commissioner has passed order for the Financial years 2014-15 to 17-18 (Upto June 2017) wherein the VAT input credit to the extent of Rs 1.63 Crores has been disallowed. The Company has filed appeal with Commercial Tax Appellate Tribunal against the order of disallowance of input credit which is pending. The Company has also filed an write petition before Hon'ble High court of AP which is pending .During the financial year 2019-20 Asst Commissioner has imposed penalty of Rs 0.42 Crores against which stay has been granted by Hon'ble High court of AP.

d) Electricity Duty - Rs 11.26 Crores (PY Rs 8.84 Crores) for the period from January 2013 to March 2020 for sale of Electricity. The company has sought legal opinion from experts and has been advised that the same is not applicable to the company and hence no liability provided.

12 Commitments

(Amount In Rs Crores)

Sr No.	Particulars	31.03.2021	31.03.2020
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	2.03	
ii)	Uncalled liability on shares and other investments partly paid	Nil	Nil
iii)	Other commitments	Nil	Nil

13 Value of imports on CIF basis *(Amount In Rs Crores)*

Sr No.	Particulars	31.03.2021	31.03.2020
i)	Capital goods , Stores & Consumables	0.24	2.96
ii)	Raw Materials	273.40	232.03

14 Expenditure in foreign currency

(Amount In Rs Crores)

Sr No.	Particulars	31.03.2021	31.03.2020
i)	Travelling	Nil	0.13
ii)	Others	Nil	0.10

15 Earnings in foreign exchange

(Amount In Rs Crores)

Sr .No	Particulars	31.03.2021	31.03.2020
i)	FOB Value of Exports	309.82	273.77

16 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013

a) Gross amount required to be spent by the company during the year is Rs 25.19 Lacs (FY 2019-20 is Rs 5.52 Lacs)

b) Amount spent during the year on: *(Amount In Rs Crores)*

Sl. No.	Particulars	Spent	Yet to be spent	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	0.25	-	0.25

17 Earning Per Shares

(Amount In Rs)

Sr. No.	Particulars	31.03.2021	31.03.2020
i)	**Basic earnings per share**		
	From continuing operations attributable to the equity holders of the company	15.66	1.32
	From discontinued operation		
	Total basic earnings per share attributable to the equity holders of the company	**15.66**	**1.32**
ii)	**Diluted earnings per share**		
	From continuing operations attributable to the equity holders of the company	15.66	1.32
	From discontinued operation		
	Total diluted earnings per share attributable to the equity holders of the company	**15.66**	**1.32**

iii) Reconciliations of earnings used in calculating earnings per share

(Amount In Rs Crores)

Sr. No.	Particulars	31.03.2021	31.03.2020
a)	**Basic earnings per share**		
	Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
	From continuing operations	33.01	2.79
	From discontinued operation	-	-
		33.01	**2.79**
b)	**Diluted earnings per share**		
	Profit from continuing operations attributable to the equity holders of the company:	33.01	2.79
	Add: interest savings on convertible bonds	-	-
	Others (specify)	-	-
	Used in calculating diluted earnings per share	-	-
	Profit from discontinued operation	-	-
	Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**33.01**	**2.79**

iv) Weighted average number of shares used as the denominator

(In No's Crores)

Sr. No.	Particulars	31.03.2021	31.03.2020
a)	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2.10	2.10
b)	Adjustments for calculation of diluted earnings per share:	-	
c)	Options	-	
d)	Convertible bonds	-	
e)	Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	2.10	2.10

18 Dues to Micro and Small enterprises as defined under the MSMED Act,2006

The Company has sent requests to all the vendors for confirmation regarding their registration with notified authority under the Micro, Small and Medium Enterprises Development Act,2006). The company has received the same from some of the vendors. There is no amount outstanding to MSME Vendors for more than 45 days to the vendors information regarding which has been received by the company. The principal amount outstanding pertaining to MSME vendors is disclosed separately under note no 4.18.

(Amount In Rs Crores)

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020	Remarks
i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)			
	- Principal amount due to micro and small enterprise	3.08	0.33	There are no Outstanding to MSME vendors for more than 45 days.
	- Interest due on above	-	-	
ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.			
	- Payment made beyond the Appointed date	-	-	
	- Interest paid beyond the Appointed date	-	-	
iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-	
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	
v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-	

19 COVID - 19 - Financial Disclosure:

Assessment of the impact of COVID-19 by the Company is based on the internal and external information as also the economic outlook and forecasts available as on the date of approval of financial statements. The Company has taken into consideration such assessment in its revenue recognition and in determining the recoverability of receivables and valuation of inventories. The Company expects to recover the carrying amount of assets as recognized in its financial statements for the year ended March 31, 2021.

Given the uncertainties around COVID-19, the assessment is a continuous process. The Company shall continue to conduct an assessment of the impact of COVID-19 on its business in the coming quarters during financial year 21-22.

20. Segment Reporting

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company.

(Amount In Rs Crores)

Particulars	2020-21			2019-20		
	Power	Ferro	Total	Power	Ferro	Total
Revenue						
Sales & Other Income	36.33	540.06	576.39	49.51	504.68	554.19
Inter Segment Sales	126.80	-	126.80	115.88	-	115.88
Others Unallocated	-	-	0.01	-	-	-
Less: Inter Segment Sales	(126.80)	-	(126.80)	(115.88)	-	(115.88)
Total Revenue	**36.33**	**540.06**	**576.40**	**49.51**	**504.68**	**554.19**
Result						
Segment Result	(0.56)	95.68	95.12	(0.77)	75.14	74.37
Unallocated Expenses net off Unallocated Income	-	-	(20.89)	-	-	(20.15)
Operating Profit			**74.23**			**54.22**
Interest & Forex Fluctuation Loss (Net)			26.36			49.55
Profit Before Tax & Extraordinary Items			**47.87**			**4.67**
Provision for Taxation						
For Current Tax			8.41			0.79
Tax pertaining to Short Provision of earlier Year			0.11			0.14
For Deferred Tax			6.45			0.88
Profit After Taxation			**32.90**			**2.86**
Add: Other comprehensive income			0.11			(0.07)
Total comprehensive income for the period			**33.01**			**2.79**
Other Information						
Segment Assets	326.53	381.55	708.08	362.92	343.94	706.86
Unallocated Assets			60.51	-		37.85
Total Assets			**768.59**			**744.71**
Segment Liabilities	6.91	64.37	71.28	15.61	92.38	108.00
Unallocated Liabilities			419.46	-	-	392.34
Equity and Reserves			277.85			244.37
Total Liabilities			**768.59**			**744.71**
Capital Expenditure	0.25	5.21	5.46	0.40	13.65	14.04
Depreciation/Amortisation	11.18	8.94	20.12	11.17	8.52	19.69
Unallocated Capital Expenditure & Depreciation	-	-	3.10	-	-	2.17

21. Figures of the Previous year have been regrouped / reclassified / rearranged wherever necessary to confirm to the Current Year's presentation.

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

As per our report of even date attached

for ***Singhi & CO.***

CHARTERED ACCOUNTANTS

FRN: 302049E

for and on behalf of the Board

MILIND AGAL
Partner
M No : 123314
Place: Mumbai
Date: 12.05.2021

K K SARDA
Director
DIN: 00008170
Place: Raipur
Date: 11.05.2021

NEERAJ SARDA
Dy. Managing Director
DIN: 00040884
Place: Visakhapatnam
Date:10.05.2021

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary