INDEPENDENT AUDITORS' 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 31 March 2022, and 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) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, its cash flows and the changes in equity 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) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility* 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 during the course of our 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.

Management and Board of Director's Responsibility for the Ind AS Financial Statements

The Company's Management and 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility 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 financial 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 the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Director'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.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. (A) 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 Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(B) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Ind AS financial statements – Refer Note 12 to the Ind AS financial statements.

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

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

   - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or

   - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

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

e. As stated in note 11 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

For **Singhi & Co.**
Chartered Accountants
Firm’s Registration No.: 302049E

Milind Agal
Partner
Membership No.123314
UDIN: 22123314AKCLXR5880

Place: Visakhapatnam
Date: 10 May 2022

Annexure "A" to the Independent Auditor's Report

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

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)

a) A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any Intangible Assets and hence reporting under paragraph 3(i)(a) of the Order is not applicable to the Company.

b) As per information and explanations given to us the Property, Plant and Equipment have been physically verified by the management at reasonable intervals under a phased programme of verification and no material discrepancies has been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.

d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment during the year.

e) According to the information and explanations given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

a) The inventories have been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

b) As per the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees by four banks and is 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 and the quarterly returns / statements filed by the company are in agreement with the books of account of the Company.

(iii) a) According to information and explanations provided to us, the company has provided loans or advances in the nature of loans. The details of the same are provided below:

	Loans
Aggregate amount granted/ provided during the year - Sarda Energy & Minerals Limited (SEML)	Rs. 245.70 Crores
Balance outstanding as at balance sheet date in respect of above cases	Nil

b) According to information and explanations provided to us, the Company has made loans and advances which are not prima facie prejudicial to the Company's interest. During the year no investments, security or guarantee have been given by the Company.

c) In case of loans and advances in the nature of loans, there is no stipulation of schedule of repayment of principal and payment of interest and report that we are unable to make specific comment on the regularity of repayment of principal & payment of interest, in such cases.

d) In case of loans and advances in the nature of loans, there is no stipulation of repayment of principal and payment of interest and hence we are unable to make specific comment on overdue amount for more than ninety days and reasonable steps taken by the Company for recovery of principal and interest.

e) In respect of loans granted and advances in the nature of loans provided by the Company, there is no renewal or extension or fresh loans granted to settle the overdues of existing loans given to the same parties and hence reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company.

f) In respect of loans and advances in the nature of loans provided by the Company to Promoter are either repayable on demand or without specifying any terms or period of repayment and details of the same are mentioned below:

	Promoter - SEML
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	Rs. 245.70 Crores
Percentage of loans/ advances in nature of loans to the total loans	100%

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments or provided guarantees and securities which attract the provisions of sections 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of loans, investments made, to the extent applicable, to the parties covered under section 186 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(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 account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Custom Duty, Cess, Goods and Service tax, and other material statutory dues as applicable.

No undisputed amounts 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 other material statutory dues is outstanding as at 31 March 2022, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Customs Duty, Excise Duty, Cess, Goods and 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 12-13	Commissioner of Income Tax (Appeals)	86.57
Income Tax Act, 1961	AY 15-16	Income Tax Appellate Tribunal (ITAT)	87.52
Income Tax Act, 1961	AY 18-19	Commissioner of Income Tax (Appeals)	645.00
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
Goods and Service Tax Act, 2017	FY 17-18	Joint Commissioner (ST)	459.69

(viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to banks.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis do not seem to have used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its associates as defined under Companies Act, 2013. There are no subsidiaries or joint ventures of the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies. Accordingly, reporting this clause is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(b) According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditor's) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi company and hence reporting under paragraph 3 (xii)(a), (b) and (c) 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 applicable Indian Accounting Standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date while determining the nature, timing and extent of audit procedures.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

(b) As the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence reporting under paragraph 3 (xvi)(b) of the Order is not applicable to the Company.

(c) As the Company is not a Core Investment Company(CIC) as defined in the regulation made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given by the management, there are no CICs in the Group of the Company.

(xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the company, the Company has not incurred the cash losses in the current financial year and in the immediately preceding financial year and hence reporting under paragraph 3 (xvii) of the Order is not applicable to the Company.

(xviii) According to the information and explanations given to us, there has been no resignation of the Statutory Auditor and hence reporting under paragraph 3 (xviii) of the Order is not applicable to the Company

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) and (b) of the Order is not applicable to the Company.

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No.: 302049E

Milind Agal
Partner
Membership No. 123314
UDIN: 22123314AKCLXR5880

Place: Visakhapatnam
Date: 10 May 2022

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 (A) (f) under '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")

We have audited the Internal Financial Controls Over Financial Reporting of Sarda Metals & Alloys Limited (the "Company") as of 31 March 2022 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 Over Financial Reporting

The Company's management and the Board of Directors is responsible for establishing and maintaining Internal Financial Controls based on the Internal Financial Controls Over Financial Reporting with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls Over Financial Reporting with reference to these financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to Ind AS financial statements

A Company's Internal Financial Controls Over Financial Reporting with reference to Ind AS 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 with reference to Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting with reference to Ind AS 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls Over Financial Reporting with reference to Ind AS financial statements and such Internal Financial Controls Over Financial Reporting were operating effectively as at 31 March 2022, based on the internal Ind AS financial controls over financial reporting with reference to Ind AS 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 (the “Guidance Note”).

For **Singhi & Co.**
Chartered Accountants
Firm’s Registration No.: 302049E

Milind Agal
Partner
Membership No. 123314
UDIN: 22123314AKCLXR5880

Place: Visakhapatnam
Date: 10 May 2022

SARDA METALS & ALLOYS LIMITED
Balance Sheet as at 31.03.2022

(Amount in Rs. Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
ASSETS			
(I) Non-current assets			
(a) Property, plant and equipment	4.1	465.11	489.40
(b) Capital work-in-progress	4.1	38.13	5.89
(c) Financial assets			
(i) Investments	4.2	-	0.003
(ii) Other financial assets	4.3	0.42	0.28
(d) Other non current assets	4.4	11.04	1.85
(e) Income tax assets (net)	4.5	0.65	0.66
		515.35	**498.08**
(II) Current assets			
(a) Inventories	4.6	183.80	139.59
(b) Financial assets			
(i) Investments	4.7	48.99	-
(ii) Trade receivables	4.8	56.34	52.35
(iii) Cash and cash equivalents	4.9	43.97	33.32
(iv) Bank balances other than (iii) above	4.10	31.67	15.52
(v) Other financial assets	4.11	33.22	11.62
(c) Other current assets	4.12	26.58	18.11
		424.57	**270.51**
Total Assets		**939.92**	**768.59**
EQUITY AND LIABILITIES			
(I) EQUITY			
(a) Equity share capital	4.13	21.02	21.02
(b) Other equity	4.14	404.02	256.83
		425.04	**277.85**
LIABILITIES			
(II) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	4.15	217.06	264.95
(ii) Other financial liabilities	4.16	0.33	0.31
(b) Provisions	4.17	2.11	1.56
(c) Deferred tax liabilities (net)	4.18	49.01	12.05
		268.51	**278.87**
(III) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	4.19	130.02	131.89
(ii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	4.20	2.02	3.08
B) total outstanding dues of creditors other than micro enterprises and small enterprises	4.20	68.19	37.56
(iii) Other financial liabilities	4.21	37.09	33.93
(b) Other current liabilities	4.22	5.07	3.04
(c) Provisions	4.23	0.23	0.16
(d) Current tax liabilities (net)	4.24	3.75	2.21
		246.37	**211.87**
Total Equity and Liabilities		**939.92**	**768.59**

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	**NEERAJ SARDA**	**SONAL SARDA**	**GAURAV THAKKAR**	**SANJAYA SABAT**
Partner	Dy. Managing Director	Whole-time Director	CFO	Company Secretary
M No: 123314	DIN: 00040884	DIN: 06965306		
Place: Visakhapatnam	Place:Visakhapatnam			
Date:10.05.2022	Date:10.05.2022			

SARDA METALS & ALLOYS LIMITED
Statement of Profit and Loss for the year ended 31.03.2022

(Amount In Rs. Crores)

	Particulars	Notes	For the year ended 31.03.2022	For the year ended 31.03.2021
I	Revenue from operations	4.25	1,064.16	576.40
II	Other income	4.26	17.22	12.22
III	**Total Income (I + II)**		**1,081.38**	**588.62**
IV	Expenses:			
	Cost of materials consumed	4.27	602.66	372.98
	Purchases of Stock-in-Trade		77.64	3.25
	Changes in inventories of finished goods and Stock-in-Trade	4.28	(17.27)	11.84
	Employee benefits expense	4.29	22.96	16.88
	Finance costs	4.30	26.98	37.11
	Depreciation and amortization expense	4.31	21.84	21.58
	Other expenses	4.32	123.19	77.11
	Total Expenses		**858.00**	**540.75**
V	**Profit before Tax (III - IV)**		**223.38**	**47.87**
VI	**Tax expense:**			
	(1) Current tax		39.13	8.41
	(2) Deferred tax		37.07	6.45
	(3) Tax pertaining to (Excess)/Short Provision of earlier Year		0.21	0.11
	Total Tax		**76.41**	**14.97**
VII	**Profit for the Year (V - VI)**		**146.97**	**32.90**
	Other comprehensive income			
	(i)Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of defined benefit obligations		(0.33)	0.16
	(ii)Income tax relating to items that will not be reclassified subsequently to profit or loss		0.11	(0.05)
	Total comprehensive income for the period		**146.75**	**33.01**
	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)		69.93	15.66
	Diluted earnings per share (Rs. Per Share)		69.93	15.66

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
Partner
M No: 123314
Place: Visakhapatnam
Date:10.05.2022

NEERAJ SARDA
Dy. Managing Director
DIN: 00040884
Place:Visakhapatnam
Date:10.05.2022

SONAL SARDA
Whole-time Director
DIN: 06965306

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary

SARDA METALS & ALLOYS LIMITED
Cash Flow Statement for the year ended 31.03.2022

(Amount In Rs. Crores)

	Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) before tax	223.38	47.87
	Adjusted for :		
	Depreciation and Amortisation expenses	21.84	21.58
	Provision for doubtful debts	0.32	0.39
	Interest Income	(1.50)	(1.18)
	Net (Gain)/Loss on sale of Investments	(0.07)	-
	Net (Gain)/Loss on sale of Property,Plant and Equipment	(0.08)	-
	Fair value gain on investments in mutual funds & bonds	(0.15)	
	Finance Costs	26.98	37.11
	Unrealised Foreign Exchange (Gain)/Loss	(0.91)	(2.55)
	Liability no longer payable write back	(3.20)	-
	Loss on scrapping of Property,Plant and Equipment	6.14	3.76
		49.37	**59.10**
	Operating profit before changes in non current /current asset and liabilities	272.75	106.97
	Adjusted for:		
	Increase/ (Decrease) in trade payables	33.84	(35.08)
	Increase in other financial liabilities	4.10	1.47
	(Decrease)/ Increase in other current liabilities	2.03	(2.89)
	Increase in Long term provisions	0.22	0.13
	(Decrease)/ Increase in short term provisions	0.07	0.04
	(Increase) in security deposits	(0.14)	0.66
	(Increase) in inventories	(44.21)	(8.53)
	Decrease/ (Increase) in trade receivables	(3.65)	(1.00)
	(Increase) in Other financial assets	(21.51)	0.52
	(Increase)/ Decrease in other current assets	(8.41)	(5.38)
	Cash generated from Operating activities	**235.09**	**56.91**
	Income taxes paid (net)	(37.96)	(7.38)
	Net cash generated from operating activities	**197.13**	**49.53**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets including Capital work in progress	(37.16)	(7.11)
	Interest income received	1.39	1.24
	Proceeds from sale of Property,Plant and Equipment	0.20	0.01
	Proceeds from sale of Investments	0.08	-
	Investment in Mutual funds	(37.99)	-
	(Increase)/Decrease in Fixed Deposit	(16.15)	(0.05)
	(Increase) /Decrease in Capital Advances	(9.19)	(0.77)
	Net Cash (used in) investing activities	**(98.82)**	**(6.68)**
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from long term borrowings	-	56.97
	Repayment of long term borrowings	(47.70)	(35.06)
	Repayment of Short Term Borrowings (net)	(1.01)	37.18
	Repayment of Loan from holding company (net)	(1.39)	(38.39)
	Interest paid	(26.70)	(36.27)
	Net Cash (used in) financing activities	**(76.80)**	**(15.57)**
	NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	21.51	27.29
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	33.32	6.03
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	**54.83**	**33.32**
	Notes to the cash flow statement		
1	Cash & Cash Equivalents consist of the following:		
	Cash on hand	0.01	0.07
	Balances with Banks	-	-
	In Current Accounts	7.08	33.26
	In Cash Credit Accounts	0.38	-
	Fixed Deposits With Banks	36.50	-
	Investment in Corporate Bonds	10.85	-
		54.83	**33.32**

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 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 01.04.2021	Cash flow		Non Cash changes		As at 31.03.2022
		Proceeds	(Repayments)	Fair value Changes	Classification changes	
Non Current Borrowings	264.95	-	(12.43)	-	(35.46)	217.06
Current Borrowings	131.89	9.62	(47.28)	0.33	35.46	130.02
Total	**396.84**	**9.62**	**(59.71)**	**0.33**	**-**	**347.08**

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 and on behalf of the Board

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

MILIND AGAL
Partner
M No: 123314
Place: Visakhapatnam
Date:10.05.2022

NEERAJ SARDA
Dy. Managing Director
DIN: 00040884
Place:Visakhapatnam
Date:10.05.2022

SONAL SARDA
Whole-time Director
DIN: 06965306

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary

Statement of Changes in Equity for the year ended 31.03.2022

(a) Equity Share Capital

(Amount in Rs. Crores)

	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	2,10,16,000	21.02	2,10,16,000	21.02
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	**2,10,16,000**	**21.02**	**2,10,16,000**	**21.02**

b) Other Equity

Particulars	Reserves and Surplus			Total Other Equity
	Securities premium	Retained Earnings	Other reserves	
Balance at 1 April 2020	188.69	32.22	2.45	223.36
Additions during the year				
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	65.23	2.91	256.83
Dividends	-	-	-	-
Total contributions and distributions	-	-	-	-
Balance at 31 March 2021	**188.69**	**65.23**	**2.91**	**256.83**

Particulars	Reserves and Surplus			Total Other Equity
	Securities Premium	Retained Earnings	Other reserves	
Balance at 1 April 2021	188.69	65.23	2.91	256.83
Additions during the year				
Profit /(Loss) for the year	-	146.97	-	146.97
Other comprehensive income	-	(0.22)	-	(0.22)
Equity contribution on account of corporate guarantees	-	-	0.44	0.44
Total comprehensive income	188.69	211.98	3.35	404.02
Dividends	-	-	-	-
Total contributions and distributions	**-**	**-**		**-**
Balance at 31 March 2022	**188.69**	**211.98**	**3.35**	**404.02**

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: Visakhapatnam
Date:10.05.2022

NEERAJ SARDA
Dy. Managing Director
DIN: 00040884
Place:Visakhapatnam
Date:10.05.2022

SONAL SARDA
Whole-time Director
DIN: 06965306

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary

Significant accounting policies and notes to the accounts
For financial year ended 31.03.2022

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 Three 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. 12

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 in accordance with Ind As 27. Investment in mutual funds are measured at fair value through profit and loss(FVTPL) and that in bonds are measured at amortised cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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.

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-21	Additions	Sale/ Transfer/ Adjustments	As at 31-Mar-22	As at 1-Apr-21	For the Year	Sale/ Transfer/ Adjustments	As at 31-Mar-22	As at 31-Mar-22
Freehold Land (Owned)	20.07	-	-	20.07	-	-	-	-	20.07
Buildings	99.92	0.14	-	100.06	24.33	3.50	-	27.83	72.23
Plant & Machinery	490.71	3.25	10.81	483.15	98.27	17.64	3.54	112.37	370.78
Computer & Accessories	0.30	0.30	-	0.60	0.19	0.17	-	0.36	0.24
Furniture & fixtures	0.52	0.19	-	0.71	0.39	0.04	-	0.43	0.28
Office Equipment	0.35	0.08	-	0.43	0.11	0.12	-	0.23	0.20
Vehicles	1.77	0.98	0.37	2.38	0.95	0.37	0.25	1.07	1.31
Total	**613.64**	**4.94**	**11.18**	**607.40**	**124.24**	**21.84**	**3.79**	**142.29**	**465.11**
Capital work in progress *	**5.89**	**-**	**-**	**38.13**	**-**	**-**	**-**	**-**	**38.13**

(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	-	-	20.07	-	-	-	-	20.07
Buildings	99.14	0.78	-	99.92	20.64	3.69	-	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 & fixtures	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**	**-**	**-**	**5.89**	**-**	**-**	**-**	**-**	**5.89**

Notes*:
a) The ageing schedule presenting the assets/projects comprising of capital work in progress in to separate time brackets as at 31.03.2022 and 31.03.2021 is given under note no. 25(iv)
b)The amount of borrowing cost capitalised during the year ended March 31, 2022 is Rs.1.15 Crores (March 31, 2021:Nil).

(Amount in Rs Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
4.2 Non Current Investments		
Investment in Equity Instruments of Associate Company		
Natural Resources Energy Pvt Ltd.	-	0.003
(2,845 Equity shares of Rs. 10 each)		
	-	**0.003**
Aggregate amount of unquoted investments	-	0.003
Investment carried at cost	-	0.003
4.3 Other Non-Current Financial Assets		
Considered good-Unsecured		
Security Deposits	0.42	0.28
	0.42	**0.28**
4.4 Other Non-Current Assets		
Balances with tax authorities	1.07	1.07
(Deposit with Sales Tax department towards Appeal)		
Capital advances	9.97	0.78
	11.04	**1.85**
4.5 Income Tax Assets(Net)		
Advance tax, TDS and TCS (net of Provision for taxation)	0.65	0.66
	0.65	**0.66**
4.6 Inventories		
(valued at lower of cost and net realisable value)		
a. Raw Materials and components	114.25	91.93
b. Finished goods / By - Products	58.73	41.46
c. Stores, spares and Consumables	8.76	6.20
d. Stock in Trade	2.06	-
	183.80	**139.59**
Included above goods - in - transit		
a. Raw Materials and components	0.52	-
b. Finished goods / By - Products	20.22	13.02
c. Stores, spares and Consumables	-	-
d. Stock in Trade	2.06	-
	22.80	**13.02**
4.7 Current Investments		
Investment in Mutual Funds - Quoted (at FVTPL)		
Baroda BNP Paribas Liquid Fund Regular Growth	38.14	-
1,56,888 units (Previous year: Nil) and NAV/unit:Rs.2,431.20		
(Note: The Repurchase Price/NAV has been considered as the quoted market price)		
Investment in Corporate Bonds - Quoted (at Amortised Cost)		
9.08% Union 3-May-22 Perpetual	10.85	-
100 units(Previous year: Nil),Coupon Rate:9.08% and Face value/unit:Rs.10 Lacs		
	48.99	**-**
Aggregate book value of quoted investments	48.99	-
Aggregate market value of quoted investments	48.99	-
Aggregate provision for diminution in value of investments	-	-
Investment carried at amortized cost	10.85	-
Investment carried at fair value through Profit & Loss	38.14	-

(Amount in Rs Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
4.8 Trade Receivables		
a)Trade Receivables considered good - Unsecured	56.34	52.35
b)Trade Receivables - Credit Impaired	0.63	0.30
	56.97	**52.65**
c) Less :Allowance for bad and doubtful debts	(0.63)	(0.30)
	56.34	**52.35**
Notes:		
(i) There are no outstanding trade or other receivables due from directors or other officers of the company either severally or jointly with any other person.		
(ii) The ageing schedule presenting the summary of trade receivables in to separate time brackets that rank the receivables based upon the days past due is given in note no.20		
4.9 Cash and Cash Equivalents		
Cash on hand	0.01	0.07
Balances with Banks		
In current accounts	7.08	33.25
In cash credit accounts	0.38	-
Fixed Deposits with Banks	36.50	-
(Bank deposits with original maturity up to 3 months)	**43.97**	**33.32**
4.10 Bank balances other than 4.9 above		
Fixed Deposit	31.67	15.52
(Under lien with the banks as Margin Money & Debt Service Reserve Account and with original maturity of more than 3 months but less than 12 months)		
	31.67	**15.52**
4.11 Other Current Financial Assets		
Interest accrued but not due on deposits	0.40	0.29
Export incentive receivables	2.34	3.92
Loans and advances to employees	0.19	0.13
Other receivables	30.29	7.28
	33.22	**11.62**
4.12 Other Current Assets		
Advances to vendors	13.57	13.58
GST input credit	11.78	3.72
Prepaid expenditure	1.23	0.81
	26.58	**18.11**

(Amount in Rs Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
4.13	**Equity Share Capital**		
(a)	**AUTHORISED**		
	Authorised Equity Shares of Rs 10 each (Nos)	2,50,00,000	2,50,00,000
	Authorised Equity Share Capital (in Rs Crores)	25.00	25.00
	Issued, Subscribed and fully paid up Equity Shares of Rs 10 (Nos)	2,10,16,000	2,10,16,000
	Issued, Subscribed and fully paid up Equity Shares of Rs 10 (In Rs Crores)	21.02	21.02
		21.02	**21.02**
(b)	**Reconciliation of shares at the beginning and at the end of reporting period**		
	Equity Shares		
	At the beginning of the year in Nos	2,10,16,000	2,10,16,000
	Issued during the year in Nos	-	-
	Out standing at the end of the year in Nos	2,10,16,000	2,10,16,000
	Equity Shares		
	At the beginning of the year in Rs Crores	21.02	21.02
	Issued during the year in Rs Crores	-	-
	Out standing at the end of the year in Rs Crores	21.02	21.02
(c)	**Shares held by each share holder holding more than 5 % shares**		
	Sarda Energy & Minerals Limited, Holding Company (No's)	2,10,16,000	2,10,16,000
	% of holding	100%	100%
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)		
(d)	**Shares held by holding Company**		
	Sarda Energy & Minerals Ltd Equity shares of Rs 10 each fully paid (in Nos)	2,10,16,000	2,10,16,000
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)		
	Sarda Energy & Minerals Ltd Equity shares of Rs 10 each fully paid (in Rs Crores)	21.02	21.02
	(Includes 45,000 shares held by nominees, on the behalf of the Company)		
(e)	**Shares issued for consideration other than cash (last five years)** In the period of five years immediately preceding 31st March 2022, the company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash.	-	-
(f)	**Terms/ rights attached to equity shares** The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the sales proceeds of the remaining assets of the company after distribution of all the preferential amounts. The distribution shall be in proportion to the number of equity shares held by the shareholders.	-	-
(g)	There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment	-	-
(h)	Sarda Energy & Minerals Limited is the promoter of the Company & holding 2,10,16,000 shares, being 100% shares, including 45,000 shares held by nominees on behalf of the promoter as at the beginning and end of the current year and previous year also. Further there is no change in promoter share holding during the current year and previous year.	-	-

(Amount in Rs Crores)

Particulars		As at 31.03.2022	As at 31.03.2021
4.14	**Other Equity**		
a)	**Securities Premium**		
	Balance at the beginning of the year	188.69	188.69
	Add: Changes during the year	-	-
	Balance at the end of the year	**188.69**	**188.69**
b)	**Other Reserves**		
	Balance at the beginning of the year	2.91	2.45
	Add: Equity contribution on account of corporate guarantees	0.44	0.46
	Balance at the end of the year	**3.35**	**2.91**
c)	**Retained Earnings**		
	Balance at the beginning of the year	65.23	32.22
	Add: Profit for the year	146.97	32.90
	Add: Remeasurement of net defined benefit plans	(0.22)	0.11
	Balance at the end of the year	**211.98**	**65.23**
	Total Other Equity	**404.02**	**256.83**

Notes:

(i) Securities premium is used to record the premium received on issue of shares. It is to be utilised in accordance with the provisions of Companies Act,2013.

(ii) Other reserves represents equity contribution on account of corporate guarantee commission given by holding company, Sarda Energy & Minerals Limited.

Particulars		As at 31.03.2022	As at 31.03.2021
4.15	**Non Current Borrowings**		
	A. Term loans (Secured)		
	<u>From banks</u>		
	Indian Rupee Loan	217.06	264.86
	Hire Purchase Obligations - Car Loan	-	0.09
		217.06	**264.95**

Term Loans are Secured by the following As at 31st March 2022 & As at 31st March 2021

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 Limited

D Apart from above, the Term Loans were also secured by Personal Guarantee of Director Mr. K K Sarda as at 31st March 2021.

For Working Capital Term Loan

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.

For Hire Purchase Obligations

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

Terms of Repayment & interest as at 31st March 2022

A Indian Rupee Term Loan sanctioned from Axis Bank of Rs.144.78 Crores and IDFC First Bank of 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 the Company has been granted Moratorium 1 by Axis Bank and Moratorium 1 & 2 by IDFC First Bank, besides this company has repaid the terminal instalment of Term Loan of IDFC First Bank during the FY 2020-21. 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.Further during the year the company has also repaid the instalments pertaining to quarter ended June'22 & September'22 and December'22 of IDFC First Bank. Out of the 41 unequal quarterly instalments of both the banks 18 and 21 instalments of Axis Bank and IDFC Bank respectively have been repaid up to 31.03.2022

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. Further , during the year the company has also repaid the instalment pertaining to quarter ended June 22. Out of the 27 unequal quarterly instalments, 11 instalments have been repaid up to 31.03.2022.

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. Further , during the year the company has also repaid the instalment pertaining to quarter ended June 22. Out of the 24 unequal quarterly instalments, 11 instalments have been repaid up to 31.03.2022.

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 May 2022 and ending on March 2026 with 2 instalments being repayable in March 2026.

Term Loans - Rate of Interest :

A Axis Bank O/s Rs 86.99 Crores (PY Rs 100.59 Crores)
Rate of Interest - 1 Yr MCLR i.e. 7.40% (PY 1 Yr MCLR + 0.60% i.e. 8.00%)

B IDFC First Bank - O/S Rs 78.86 Crores (PY Rs 103.28 Crores)
Rate of Interest - 1 Yr MCLR i.e. 8.35% (PY 1 Yr MCLR + 1.25% i.e. 9.80%)

C HDFC Bank TL 1 & 2 - O/S Rs 30.88 Crores (PY - 40.31 Crores)
Rate of Interest - 1 Yr MCLR i.e. 7.20% (PY 1 Yr MCLR + 0.85% i.e. 8.15 %)

D HDFC Bank - TL - O/S Rs 56.97 Crores (PY Rs.56.97 Crores)
Rate of Interest - 3 month bench Mark + 2.50 % i.e. 6.50%

Terms of Repayment 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 instalments 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 instalments 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 May 2022 and ending on March 2026 with 2 instalments being repayable in March 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 February 2018. Out of the 48 instalments, 38 instalments have been repaid up to 31.03.2021. 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 December 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.

(Amount in Rs Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
4.16	**Other Financial Liabilities**		
	Deposit from Employees	0.20	0.23
	Deposit from Vendors	0.13	0.08
		0.33	**0.31**
4.17	**Long - term Provisions**		
	Provision for employee benefits		
	Gratuity	1.60	1.14
	Leave Encashment	0.51	0.42
		2.11	**1.56**
	Note: Detailed disclosure in respect of post employment defined benefit scheme is given in note 9.		
4.18	**Deferred Tax Liabilities (Net)**		
	Deferred tax liability (A)		
	Tax effect On Depreciation on fixed assets	114.51	104.97
	Tax effect on change in borrowings due to effective interest rate	0.00	0.02
	Total Deferred Tax Liabilities	**114.51**	**104.99**
	Deferred Tax Asset (B)		
	Tax Effect of Provision for Doubt Debts	(0.30)	(0.17)
	Tax Effect of Provision for Leave Salary	(0.23)	(0.17)
	Tax Effect of Provision for Gratuity	(0.60)	(0.37)
	Tax Effect of Provision for Bonus & Exgratia	(0.24)	(0.17)
	Tax Effect of Carried Forward Loss	-	(72.44)
	Tax Effect on land	(4.09)	(3.66)
	Total Deferred Tax Assets	**(5.46)**	**(76.98)**
	MAT Credit Entitlement (C)	(60.04)	(15.96)
	Deferred tax liability (Net) at the end of the year (A+B+C)	**49.01**	**12.05**
4.19	**Current Borrowings**		
	Secured		
	From Banks		
	Working capital loans from banks	-	10.63
	Buyers' credits	94.56	85.04
	(Secured by Standby Letter of credit)		
	Current maturities of long term borrowings	35.46	34.83
	Unsecured		
	From Other Parties		
	Loans and Advances from related parties		
	Sarda Energy & Minerals Ltd - Holding Company	-	1.39
		130.02	**131.89**

Terms of repayment & Security:

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 Director, Mr.K.K.Sarda .

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 and Yes Bank Ltd.

(Amount in Rs Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
4.20 Trade Payables		
Due to Micro and Small Enterprises	2.02	3.08
Due to Others	68.19	37.56
	70.21	**40.64**
Note: The ageing schedule presenting the summary of trade payables in to separate time brackets that rank the payables based upon the days past due and disclosures relating to Micro and Small Enterprises is given in note no.21 and 23 respectively.		
4.21 Other Financial Liabilities		
Interest accrued but not due on borrowings	1.12	2.04
Employee related payable	6.52	2.30
Creditors for capital goods	1.09	3.89
Other expenses payable	28.36	25.70
	37.09	**33.93**
4.22 Other Current Liabilities		
Statutory dues payable	0.86	1.13
Advances from customers	4.08	1.56
Open access UI Charges payable	0.14	0.35
	5.07	**3.04**
4.23 Short -Term Provisions		
Provision for employee benefits		
Leave encashment	0.13	0.11
Gratuity	0.10	0.05
	0.23	**0.16**
Note: Detailed disclosure in respect of post employment defined benefit scheme is given in note 9.		
4.24 Current Tax Liabilities(net)		
Provision for taxation (net of Advance tax,TDS and TCS)	3.75	2.21
	3.75	**2.21**

(Amount in Rs Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
4.25	**Revenue from Operations**		
	Revenue :		
	On sale of products		
	-ferro alloys	954.95	523.75
	-coal & coke	23.94	2.72
	-manganese ore	16.29	0.10
	Total (A)	**995.18**	**526.57**
	On sale of power	44.36	35.28
	Total (B)	**44.36**	**35.28**
	Other operating revenue		
	Export incentives	22.78	12.69
	Others	1.84	1.86
	Total (C)	**24.62**	**14.55**
		1,064.16	**576.40**
4.26	**Other Income**		
	Interest income	1.50	1.18
	Foreign exchange rate difference gain	11.93	10.78
	Profit on sale of Property, plant and Equipment	0.08	-
	Net gain on sale of Investments	0.07	-
	Fair value gain on investment in mutual funds & bonds	0.15	-
	Other Non-operating Income	3.49	0.26
		17.22	**12.22**
4.27	**Cost of material consumed**		
	Raw Materials Consumed - Coal	322.55	158.97
	Raw Materials Consumed - Manganese Ore	237.93	186.88
	Raw Materials Consumed - Others	42.18	27.13
		602.66	**372.98**
4.28	**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	58.73	41.46
	Inventories at the beginning of the year		
	Finished , By -Products and Stock in Trade	41.46	53.30
		(17.27)	**11.84**

(Amount in Rs Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
4.29	**Employee benefits expense**		
	Salaries & managerial remuneration	20.06	14.72
	Contributions to Provident Fund & NPS	0.90	0.78
	Staff welfare expenses	1.63	1.08
	Gratuity expenses	0.27	0.21
	Leave encashment expenses	0.10	0.09
		22.96	**16.88**
4.30	**Finance Costs**		
	Interest expense on borrowings	21.95	32.85
	Other borrowing Cost	3.49	2.85
	Amortization of ancillary borrowing costs	0.43	0.50
	Exchange Difference to the extent considered as an adjustment to borrowing costs	1.11	0.91
		26.98	**37.11**
4.31	**Depreciation**		
	Depreciation on Property, Plant & Equipment (Refer note no.4.1)	21.84	21.58
		21.84	**21.58**
4.32	**Other expenses**		
	Stores , spares and consumables	26.92	19.85
	Material handling expenses	9.43	7.96
	Plant operation and maintenance expenditure	8.77	8.38
	Other manufacturing expenses	0.39	0.29
	RPPO expenses	1.93	1.78
	Repairs and maintenance		
	- building	0.01	0.02
	- plant and machinery	2.27	1.75
	- others	3.37	3.20
	Power & fuel	0.73	0.57
	Rent	0.92	0.76
	Rates and taxes	2.70	2.41
	Insurance charges	1.37	1.31
	Travelling and conveyance expenses	1.85	1.21
	Legal and professional expenses	2.48	0.95
	Corporate social responsibility expenses (Refer note no.17)	0.44	0.25
	Carriage outward	46.60	13.21
	Open access UI charges	0.51	0.66
	Transmission charges and others	2.66	5.71
	Allowance for credit losses/Provision for doubtful advances	0.32	0.39
	Payment to auditors (Refer note 4.33)	0.17	0.14
	Loss on Destruction/Scrapping of Property, Plant & Equipment	6.14	3.76
	Misc. expenses	3.21	2.55
		123.19	**77.11**

(Amount in Rs Crores)

	Particulars	As at 31.03.2022	As at 31.03.2021
4.33	**Payment to auditors**		
	As auditor:		
	Statutory audit fees	0.11	0.10
	Tax audit fees	0.05	0.02
	For other services	0.00	-
	Out of pocket expenses	0.01	0.02
		0.17	**0.14**

5. Financial instruments

A. Accounting classification and fair values

(Amount In Rs Crores)

31.03.2022	Carrying amount				Fair value			
INR	**FVTPL**	**FVTOCI**	**Amortised Cost***	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents(A)	-	-	43.97	43.97	-	-	-	-
Bank balances other than(A) above	-	-	31.67	31.67	-			
Current investments	38.14	-	10.85	48.99	48.99	-	-	48.99
Trade receivables	-	-	56.34	56.34	-	-	-	-
Other non current financial assets	-	-	0.42	0.42				
Other current financial assets	-	-	33.22	33.22	-	-	-	-
	38.14	-	**176.47**	**214.62**	**48.99**	-	-	**48.99**
Financial liabilities								
Non current borrowings	-	-	217.06	217.06	-	-	-	-
Current borrowings	-	-	130.02	130.02	-	-	-	-
Trade payables	-	-	70.21	70.21	-	-	-	-
Other non-current financial liabilities	-	-	0.33	0.33	-	-	-	-
Other current financial liabilities	-	-	37.09	37.09	-	-	-	-
	-	-	**454.71**	**454.71**	**-**	**-**	**-**	**-**

(Amount In Rs Crores)

31.03.2021	Carrying amount				Fair value			
INR	**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	-	-	-	-
Trade receivables	-	-	52.35	52.35	-	-	-	-
Other non current financial assets	-	-	0.28	0.28	-	-	-	-
Other current financial assets	-	-	11.62	11.62	-	-	-	-
	-	-	**113.09**	**113.09**	**-**	-	-	-
Financial liabilities								
Non current borrowings	-	-	264.95	264.95	-	-	-	-
Current borrowings	-	-	131.89	131.89	-	-	-	-
Trade payables	-	-	40.64	40.64	-	-	-	-
Other non-current financial liabilities	-	-	0.31	0.31	-	-	-	-
Other current financial liabilities	-	-	33.93	33.93	-	-	-	-
	-	-	**471.72**	**471.72**	**-**	**-**	**-**	**-**

* 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
- Market risk
- Interest rate risk
-Currency 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. The credit risk on investment in mutual funds and bonds is limited because the counter parties are reputed banks or funds sponsored by reputed bank.

Trade receivables

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

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)

	31.03.2022	31.03.2021
Trade receivables	56.34	52.35
Investments	48.99	0.003
Cash and cash equivalents	43.97	33.32

Impairment losses

(Amount In Rs. Crores)

	31.03.2022	31.03.2021
Trade and other receivables (measured under life time excepted credit loss model)		
Opening balance	(0.30)	-
Provision during the year	(0.33)	(0.30)
Reversal of provision	-	-
Closing balance	(0.63)	(0.30)

Ageing analysis

(Amount In Rs. Crores)

	31.03.2022	31.03.2021
Up to 3 months	56.08	52.05
3-6 months	0.04	-
More than 6 months	0.22	0.30

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)

	31.03.2022	31.03.2021
Cash Credit Facility	50.00	39.37

Maturities of financial liabilities

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

(Amount In Rs. Crores)

As at 31.03.2022	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings from Banks	130.37	217.88	-	348.25
Trade payables	70.21	-	-	70.21
Other financial liabilities	37.09	-	-	37.09
	237.67	**217.88**	**-**	**455.55**

(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**

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. 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:

Market Risk

a) Interest rate risk exposure

(Amount In Rs. Crores)

	31.03.2022	31.03.2021
Variable rate borrowings	253.69	302.53
Fixed rate borrowings	94.56	95.92

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)

	31.03.2022	31.03.2021
Interest rates - increase by 70 basis points	(1.22)	(1.46)
Interest rates - decrease by 70 basis points	1.22	1.46

c) Currency Risk

The company operates internationally and portion of business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods in respective currencies. The company evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Forex risk exposure *(Amount In Rs. Crores)*

Particulars	31.03.2022	31.03.2021
Export Debtors/Export Orders in hand	180.12	115.02
Less: Financial Hedge	-	-
Net FCY Receivables (A)	**180.12**	**115.02**
Imports/Creditors	160.55	110.77
Import order of Raw Materials	50.90	18.31
Other FCY loans	-	10.63
Net FCY Payables (B)	**211.45**	**139.71**
Unhedged Foreign Currency Exposure (A-B)	**(31.33)**	**(24.69)**

d) Sensitivity analysis

Impact on profit after tax

(Amount In Rs. Crores)

Particulars	31.03.2022	31.03.2021
Foreign exchange rates - increase by 1%	(0.20)	(0.17)
Foreign exchange rates - decrease by 1%	0.20	0.17

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)

	31.03.2022	**31.03.2021**
Total liabilities	347.08	396.84
Less : Cash and cash equivalents	54.83	33.32
Net debt	**292.25**	**363.52**
Total equity	425.04	277.85
Net debt to equity ratio	**0.69**	**1.31**

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 31.03.2022	Year ended 31.03.2021
Current year	39.13	8.41
Adjustment for prior periods	0.21	0.11
Deferred tax expense		
Origination and reversal of temporary differences	37.07	6.45
Total income tax expense	**76.41**	**14.97**

ii) Income tax recognised in OCI *(Amount In Rs Crores)*

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Remeasurements of defined benefit plans	(0.11)	0.05
Total income tax expense relating to OCI items	**(0.11)**	**0.05**

b) Reconciliation of tax expense and accounting profit *(Amount In Rs Crores)*

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Accounting profit before tax from continuing operations	223.38	47.87
Accounting profit before tax from discontinued operations	-	-
Accounting profit before tax	**223.38**	**47.87**
Expected Tax Rate	34.94%	31.20%
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 31.20%)	78.06	14.92
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	0.21	0.11
Utilisation of previously unrecognised tax losses	(81.52)	(17.20)
Difference in tax due to MAT	38.33	8.41
Income not considered for tax purpose	-	-
Exp Allowable for tax purpose	(6.58)	(6.36)
Expense not allowed for tax purpose	10.84	8.64
Deduction under Chapter VI	-	-
Mat Credit entitlement written off	-	-
Other temporary differences	37.07	6.45
The effective income tax rate	33.76%	31.04%
Income tax reported in the statement of profit and loss	**76.41**	**14.97**
Income tax attributed to discontinued operations	-	-
Total	**76.41**	**14.97**

c) Amounts recognised directly in equity *(Amount In Rs Crores)*

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Current tax	-	-
Deferred tax	(0.11)	0.05
Total	**(0.11)**	**0.05**

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 2022	31st March 2021
Principal actuarial assumptions		
Discount rate	7.48%	7.10%
Salary Escalation	6.66%	5.00%
Attrition rate	5.00%	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	0.18	0.14
Interest cost	0.08	0.08
Recognition of past service cost	-	-
Settlement/curtailment/termination loss	(0.06)	(0.09)
Total charged to consolidated statement of profit or loss	**0.20**	**0.13**
Movements in net liability/(asset)		
Net liability at the beginning of the year	1.19	1.13
Employer contributions	(0.06)	(0.09)
Total expense recognised in the statement of profit or loss	0.26	0.21
Acquisition /Divestures/Transfer	-	-
Total amount recognised in OCI	0.31	(0.06)
Net liability at the end of the year	**1.70**	**1.19**
Reconciliation of benefit obligations		
Obligation at start of the year	1.19	1.13
Current service cost	0.18	0.13
Interest cost	0.08	0.08
Benefits paid directly by the Group	(0.06)	(0.09)
Acquisition /Divestures/Transfer	-	-
Obligation of past service cost	-	-
Actuarial loss / (Gain)	0.31	(0.06)
Defined benefits obligations at the end of the year	**1.70**	**1.19**
Re-measurements of defined benefit plans		
Actuarial gain/(loss) due to changes in Demographic changes	(0.01)	-
Actuarial gain/(loss) due to changes in inancial assumptions	(0.15)	0.02
Actuarial gain/(loss) on account of experience adjustments	(0.15)	0.04
Total actuarial gain/(loss) recognised in OCI	**(0.31)**	**0.06**
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 2022	31st March 2021
Discount rate		
+ 1% discount rate	1.59	1.10
- 1% discount rate	1.84	1.29
Salary increase		
+ 1% salary growth	1.82	1.28
- 1% salary growth	1.60	1.11

d) Experience adjustments

(Amount In Rs. Crores)

Particulars	31st March 2022	31st March 2021	31st March 2020	31st March 2019	31st March 2018
Defined benefit obligation	1.70	1.19	1.13	0.93	0.73
Fair value of plan assets					
(Surplus)/deficit in plan assets	(1.19)	(1.19)	(1.13)	(0.93)	(0.73)
Experience adjustment on plan liabilities	(0.15)	0.04	0.03	(0.01)	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. 0.75 Crores (previous year : Rs 0.67 Crores).

g) The liability towards compensated absences (Earned leave) for the year ended 31st March, 2022 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase/(decrease) in liability by Rs. 0.11 Crores. [Previous year (0.04) Crores]

Earned Leave assumptions:

Sl. No	Particulars	31st March 2022	31st March 2021
i)	**Financial Assumptions**		
	Discount rate	7.48%	7.10%
	Salary Escalation Rate	6.66%	5.00%
	Attrition Rate	5.00%	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 (2012-14) Ultimate		

10 RELATED PARTY TRANSACTIONS

(a) Parent entity

Name	Type	Ownership interest 31.03.2022
Sarda Energy & Minerals Limited	Listed Company	100%

(b) Entities under significant influence of Director(s)

Sr. No	Name	Relationship	Place of incorporation	Principal activities
1	Vizvac Arma Infrastructure Pvt. Ltd.	Director's Significant Influence	Andhra Pradesh	Manufacturing of Brick, Block, Tiles
2	Geschaft Formulae India Private Limited	Director's Significant Influence	Mumbai	Information Technology Services
3	Sarda Agriculture & Properties Pvt. Ltd	Director's Significant Influence	Chhattisgarh	Agriculture
4	Svan Capital Management LLP	Director's Significant Influence	Andhra Pradesh	Investment
5	Prachi Agricultural & Properties Pvt. Ltd	Director's Significant Influence	Chhattisgarh	Agriculture
6	Comienzo Agri Science Limited	Director's Significant Influence	Mumbai	Seeds Development
7	R R Sarda & Co.	Director's Significant Influence	Nagpur	Services of renting of property
8	Chhattisgarh Investments Limited	Director's Significant Influence	Nagpur	Investment
9	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	31.03.2022	31.03.2021
Compensation Paid to Directors		
Short-term employee benefits	6.28	2.65
Post-employment benefits	0.38	0.33
Compensation Paid to Key Managerial Personnel		
Remuneration paid	0.36	0.34
Sitting fees & Commission paid to Independent Directors	0.22	0.13

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

Particulars	31.03.2022	31.03.2021
with Parent Entity :		
Interest Paid/(Received)	(0.30)	1.89
Purchase of Goods	32.16	14.80
Sale of Goods	9.21	0.46
Sale of Power	7.94	21.52
Sale of Non Current Investments	0.05	-
Corporate Guarantee Commission	0.39	0.39
With Entities where Director's Significant Influence Exist		
Geschaft Formulae India Private Limited - IT Services	0.48	0.40
R. R. Sarda & Co - Rent Paid	0.13	0.07
Chhattisgarh Investments Limited - Rent Paid	0.05	0.05

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

Particulars	31.03.2022	31.03.2021
Geschaft Formulae India Private Limited	(0.04)	(0.04)
R R Sarda & Co	(0.14)	(0.07)
Chhattisgarh Investments Limited	(0.04)	(0.04)
Loan from Sarda Energy & Minerals Limited	-	(1.39)
Trade payable to Sarda Energy & Minerals Limited	(0.27)	(12.07)

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

Particulars	31.03.2022	31.03.2021
Loans Taken*	244.31	150.83
Loans Given**	245.70	173.28

*Loans taken during FY 2021-22 has been fully repaid during the year ended 31.03.2022

**Loans given during FY 2021-22 has been fully received back during the year ended 31.03.2022

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

Particulars	31.03.2022	31.03.2021
Personal Guarantee of Mr K K Sarda	254.30	786.44
Corporate Guarantees of Sarda Energy & Minerals Limited	51.64	51.64

11 Events after the Reporting Period

The Board of Directors has recommended final equity dividend of Rs.10 per share(face value:Rs.10/- per share) for the financial year 2021-22.The proposed dividend is subject to approval of share holders in Annual General Meeting.

12 <u>Contingent liabilities (to the extent not provided for)</u>

(Amount In Rs Crores)

Sr No.	Particulars	31.03.2022	31.03.2021
i)	Other money for which the company is contingently liable	30.34	19.29
ii)	Guarantees given by Company's Bankers	0.13	2.63

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. The company has filed appeals with Commissioner Appeals which is pending.

b) 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 Income Tax Appellate Tribunal (ITAT) which is pending.

c) For Assessment year 2018-19,addition of Rs.20.61 Crores has been made on account of difference in arm's length price (ALP) as adopted by the company and tax authorities w.r.t specified domestic transactions of sale of power and demand has been raised for Rs.6.45 Crores. The company has filed appeal with Commissioner Appeals and also filed application for rectification of assessment order and granting stay of demand with income tax officer which are pending.

d) During the financial year 2015-16 Commercial Tax disallowed Input Tax credit of Rs 3.39 Crores on equipment's 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.

e) During the financial year 2018-19 Asst Commissioner has passed order for the Financial years 2014-15 to 17-18 (Up to 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 writ 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.

f) During the financial year 2021-22 Asst Commissioner has imposed penalty of Rs 4.59 Crores for claiming transitional input Credit by filing GST Tran 1.The Company has filed appeal before Appellant Joint Commissioner (ST) against the order of Penalty which is pending.

g) Electricity Duty - Rs 11.26 Crores (PY Rs 11.26 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.

13 Commitments

(Amount In Rs Crores)

Sr No.	Particulars	31.03.2022	31.03.2021
i)	Estimated amount of contracts remaining to be executed on capital account, net of advance given and not provided for	43.01	2.03
ii)	Uncalled liability on shares and other investments partly paid	Nil	Nil
iii)	Other commitments	Nil	Nil

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

SrNo.	Particulars	31.03.2022	31.03.2021
i)	Capital goods , Stores & Consumables	0.83	0.24
ii)	Raw Materials	338.78	273.40

15 Earnings in foreign exchange ***(Amount In Rs Crores)***

Sr .No	Particulars	31.03.2022	31.03.2021
i)	FOB Value of Exports	839.16	309.82

16 Undisclosed Income

All the transactions are recorded in the books of accounts and there was no income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also there was no previously unrecorded income and related assets which has been recorded in the books of accounts during the year.

17 Corporate Social Responsibility (CSR)

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 to the Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is Rs 0.42 Crores (FY 2020-21 is Rs 0.25 Crores)

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

Particulars	Spent	Yet to be spent	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	0.44	-	0.44

There was no short fall in the amount of CSR expenditure required to be spent either in current year or in earlier years. Further all the expenditure on CSR activities has been spent by the company either on its own account or by way of contribution to implementing agencies through Institutions, not being related parties, with established track record of not less than three years.

18 Details of Crypto Currency or Virtual Currency

The company has neither traded nor invested in Crypto Currency or Virtual Currency during the financial year.

19 Earning Per Share (EPS) ***(Amount In Rs)***

Sr. No.	Particulars	31.03.2022	31.03.2021
a)	Net profit after tax as per statement of profit & loss attributable to Equity share holders (Rs. In Crores)	146.97	32.90
b)	Nominal value of Equity Shares (Rs.)	10	10
c)	Weighted average number of Equity shares used as denominator for calculating Basic EPS (No. In Crores)	2.10	2.10
d)	Weighted average number of Equity shares used as denominator for calculating Diluted EPS (No. In Crores)	2.10	2.10
e)	Basic earnings per share (Rs.)	69.93	15.66
f)	Diluted earnings per share (Rs.)	69.93	15.66

20 Trade Receivables Ageing Schedule

The following ageing schedule presents the summary of trade receivables in to separate time brackets that rank the receivables based upon the days past due. The total amount of trade receivables categorized in to secured, unsecured and doubtful is disclosed separately under note no 4.8.

As at 31.03.2022 *(Amount In Rs Crores)*

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables							
(a) Considered good	55.94	0.18	0.22	-	-	-	56.34
(b) Significant increase in credit risk		-	-	-	-	-	-
(c) Credit impaired		-	-	-	-	-	-
Disputed Trade Receivables					-		
(a) Considered good		-	-	-	-	-	-
(b) Significant increase in credit risk		-	-	-	-	-	-
(c) Credit impaired		-	-	-	-	0.63	0.63
	55.94	**0.18**	**0.22**	**-**	**-**	**0.63**	**56.97**
Less :Allowance for bad & doubtful debts	-	-	-	-	-	-	(0.63)
Total Trade Receivables							**56.34**

As at 31.03.2021 *(Amount In Rs Crores)*

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables							
(a) Considered good	35.43	16.62	-	-	-	-	52.05
(b) Significant increase in credit risk		-	-	-	-	-	-
(c) Credit impaired		-	-	-	-	-	-
Disputed Trade Receivables							
(a) Considered good		-	-	-	-	-	-
(b) Significant increase in credit risk		-	-	-	-	-	-
(c) Credit impaired		-	-	-	0.61	-	0.61
	35.43	**16.62**	**-**	**-**	**0.61**	**-**	**52.65**
Less :Allowance for bad & doubtful debts	-	-	-	-		-	(0.30)
Total Trade Receivables							**52.35**

Note: There are no unbilled trade receivables as on 31.03.2022 and 31.03.2021.

21 Trade Payables Ageing Schedule:

The following ageing schedule presents the summary of trade payables in to separate time brackets that rank the payables based upon the days past due. The total amount of trade payables categorized in to due to MSME and due to others is disclosed separately under note no 4.20.

As at 31.03.2022 *(Amount In Rs Crores)*

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) MSME	2.02	-	-	-	-	2.02
(b) Others	68.07	0.10	0.02	-	-	68.19
(c) Disputed dues - MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	**70.09**	**0.10**	**0.02**	**-**	**-**	**70.21**

As at 31.03.2021 *(Amount In Rs Crores)*

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) MSME	3.08	-	-	-	-	3.08
(b) Others	37.28	0.15	-	-	0.13	37.56
(c) Disputed dues - MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	**40.36**	**0.15**	**-**	**-**	**0.13**	**40.64**

Note: There are no unbilled trade payables as on 31.03.2022 and 31.03.2021.

22 Borrowing from Banks and Financial Institutions for Specific Purpose

All the borrowings from banks and financial institutions have been used for the specific purposes for which they have been obtained and a half yearly due diligence report certified by Practicing Company Secretary to the same effect has also been submitted to banks and financial institutions.

23 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 Act"). The company has received the same from some of the vendors. There is no amount outstanding for more than 45 days to those MSME Vendors from whom the information regarding their registration under the act 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 31.03.2022	As at 31.03.2021	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	2.02	3.08	Refer note below
	- 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.	-	-	

Note: There are no outstanding dues to MSME vendors beyond 45 days from the date of transaction.

24 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, 2022.

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 22-23.

25 Additional Regulatory Information

The following additional disclosures are made pursuant to notification of Ministry of Corporate Affairs dated 24th March 2021.

i) Title deeds of Immovable Properties

The title deeds of all the immovable properties(other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company itself.

ii) Revaluation of Property, Plant & Equipment

The company has not carried out revaluation of items of Property, Plant & Equipment during the year and accordingly the disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

iii) Loans / Advances in the nature of loans to Promoters,Directors,KMP's and Related Parties

The Company has not made any loans or advances in the nature of loans to Promoters,Directors,KMP's and the related parties which are outstanding as at the end of the current year and previous year.

iv) (a) Capital Work In Progress Ageing Schedule:

The Capital work in progress as at the balance sheet date mainly consists of :

I) Construction and erection costs, equipment to be installed and other project development expenditure of additional 1X36 MVA ferro alloys furnace.

II)Replacements,extentions to existing plant and machinery used in captive power plant and 2X33 MVA ferro alloys furnaces(herein after referred to as "Other Works"). Such costs are added to the related items of Property, Plant & Equipment and are classified to the appropriate categories when completed and ready for its intended use.

As at 31.03.2022 ***(Amount In Rs Crores)***

Capital Work In Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress					
1X 36 MVA Ferro Alloys Furnace	26.35	0.08	1.17	2.59	30.19
Other Works	6.20	1.20	0.02	0.52	7.94
Total	**32.55**	**1.28**	**1.19**	**3.11**	**38.13**
Projects temporarily suspended					
Nil					

b) As at the balance sheet date, the assets/projects forming part of capital work in progress are neither exceeded its estimated cost nor its estimated completion time line.

As at 31.03.2021 ***(Amount In Rs Crores)***

Capital Work In Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress					
1X 36 MVA Ferro Alloys Furnace	0.12	1.17	2.59	-	3.88
Other Works	1.48	0.02	0.51	-	2.01
Total	**1.60**	**1.19**	**3.10**	**-**	**5.89**
Projects temporarily suspended					
Nil					

b) As at the balance sheet date, the assets/projects forming part of capital work in progress are neither exceeded its estimated cost nor its estimated completion time line.

v) Details of Benami Property held

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

vi) Wilful Defaulter

None of the banks, financial institutions or other lenders from whom the company has borrowed funds has declared the company as a wilful defaulter at any time during the current year or in previous year.

vii) Relationship with Struck off Companies

The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956 during the current year or in previous year.

viii) Registration of charges or satisfaction with Registrar of Companies (ROC)

All the charges or satisfaction of which is required to be registered with Registrar of Companies(ROC) have been duly registered within the statutory time limit provided under the provisions of Companies Act 2013 and rules made thereunder.

ix) Compliance with number of layers of companies

The company does not have investment in subsidiary companies and accordingly the disclosure as to whether the company has complied with the number of layers of companies prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

x) Compliance with Approved Scheme of Arrangements

No scheme of compromise or arrangement has been proposed between the company & its members or the company & its creditors under section 230 of the companies act 2013("The Act") and accordingly the disclosure as to whether the scheme of compromise or arrangement has been approved or not by the competent authority in terms of provisions of sections 230 to 237 of the act is not applicable.

xi) Utilisation of Borrowed funds and Share Premium

a) The company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding , whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xii) Borrowings on the basis of security of Current Assets

The Company has working capital facilities from banks on the basis of security of current assets & submitting quarterly Financial Follow up Report as per the terms & conditions of sanction letters. There are no material discrepancies in the amount of current assets between Financial Follow Reports and books of accounts.

xiii) Financial Ratios

The change in the key inancial ratios as compared to previous year is stated below:

Ratio	2021-22	2020-21	% Variance	Reason for variance
(a) Current Ratio (Times)	1.72	1.28	35%	Increased primarily on account of higher current assets reflecting improved liquidity on the back of strong profitability and higher investment in short term securities.
(b) Debt-Equity Ratio (Times)	0.82	1.43	-43%	Decreased primarily on account of prepayment and repayment of borrowings during the year coupled with increased net worth on the back of improved profitability.
(c) Debt Service Coverage Ratio (Times)	3.20	1.41	127%	Increased primarily on account of increase in net profits mainly attributable to higher operating profits and lower finance cost.
(d) Return on Equity Ratio (%)	42%	13%	232%	Increased primarily on account of increase in net profits mainly attributable to higher operating profits driven by strengthening demand from steelmakers globally.
(e) Inventory Turnover Ratio (Times)	4.27	3.01	42%	Increased primarily on account of higher export sales driven by strengthening demand from steelmakers globally.
(f) Trade Receivables Turnover Ratio (Times)	19.42	11.11	75%	Increased primarily on account of higher revenue from operations, effective collection of receivables, conservative credit policy and high quality customer base.
(g) Trade Payables Turnover Ratio (Times)	13.21	7.13	85%	Increased primarily on account of higher purchases and lower credit period.
(h) Net Capital Turnover Ratio (Times)	8.99	26.13	-66%	Decreased primarily on account of increase in working capital mainly attributable to higher operating profits on the back of improved profitability and higher investment in short term securities.
(i) Net Profit Ratio (%)	14%	6%	142%	Increased primarily on account of increase in net profits mainly attributable to higher operating profits and lower finance cost.
(j) Return on Capital Employed (%)	33%	13%	156%	Increased primarily on account of increase in net profits mainly attributable to higher operating profits and lower finance cost.
(k) Return on Investment (%)				
(i) Fixed Deposits	3.07%	-	0%	-
(ii) Mutual Funds	3.09%	-	0%	-
(iii) Corporate Bonds	5.65%	-	0%	-

Explanation of items included in numerator and denominator for computation of above ratios are as follows :

a) Current Ratio: Current Assets including current investments/Current Liabilities including Current maturities of non current borrowings.

b) Debt-Equity Ratio: Total Debt/Shareholder's Equity
(i) Total Debt:Non current borrowings + Current borrowings + Current maturities of non current borrowings
(ii) Share holder's Equity :Equity Share Capital + Other Equity

c) Debt Service Coverage Ratio: Earnings Available for Debt Service /Debt Service
(i)Earnings Available for Debt Service :Profit After Tax +Deferred Tax Expense+ Finance costs + Depreciation+ Loss on scraping of Property, Plant and Equipment (ii)Debt Service: Interest + Principal Repayments

d) Return on Equity Ratio: Profit After Tax/Average Net Worth
Average Net Worth:(Opening Net Worth + Closing Net Worth)/2

e) Inventory Turnover Ratio: Cost of goods sold/Average Inventory
(i) Cost of goods sold: Cost of material consumed + Purchase of stock in trade + Changes in inventories of finished goods & stock in trade + Consumption of Stores and Spares
(ii) Average Inventory:(Opening Inventory + Closing Inventory)/2

f) Trade Receivables Turnover Ratio: Net Credit Sales/Average Trade Receivables
(i) Net Credit Sales :Revenue from Operations - Other Operating Income
(ii) Average Trade Receivables:(Opening Trade Receivables + Closing Trade Receivables)/2

g) Trade Payables Turnover Ratio: Net Credit Purchases/Average Trade Payables
(i) Net Credit Purchases: Purchases of Raw Materials and Stores & Spares + Purchase of Stock in trade
(ii) Average Trade Payables:(Opening Trade Payables + Closing Trade Payables)/2

h) Net Capital Turnover Ratio: Net Sales/Working capital
(i) Net Sales: Revenue from Operations (ii) Working Capital: Current Assets - Current Liabilities

i) Net Profit Ratio: Profit after Tax/Net Sales

j) Return on Capital Employed:EBIT/Average Capital Employed
(i)EBIT:Profit before tax + Finance Cost
(ii)Capital Employed: Net Worth + Total Debt + Deferred Tax Liabilities

k) Return on Investment: Net Return on Investment/Cost of Investment
(i)Net Return on Investment: Sale value of Investment + Dividend Income + Interest Income - Cost of Investment
(ii) Cost of Investment: Purchase Cost+ Acquisition charges such as brokerage, fees and duties.

26. 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	2021-22			2020-21		
	Power	Ferro	Total	Power	Ferro	Total
Revenue						
Sales & Other Income	52.21	1,011.94	1,064.15	36.33	540.06	576.39
Inter Segment Sales	236.86	-	236.86	126.80	-	126.80
Others Unallocated	-	-	0.01	-	-	0.01
Less: Inter Segment Sales	(236.86)	-	(236.86)	(126.80)	-	(126.80)
Total Revenue	**52.21**	**1,011.94**	**1,064.16**	**36.33**	**540.06**	**576.40**
Result						
Segment Result	0.75	266.25	267.00	(0.56)	95.68	95.12
Unallocated Expenses net off Unallocated Income	-	-	(28.57)	-	-	(20.89)
Operating Profit			**238.43**			**74.23**
Interest & Forex Fluctuation Loss (Net)			15.05			26.36
Profit Before Tax & Extraordinary Items			**223.38**			**47.87**
Provision for Taxation						
For Current Tax			39.13			8.41
Tax pertaining to Short Provision of earlier year			0.21			0.11
For Deferred Tax			37.07			6.45
Profit After Taxation			**146.97**			**32.90**
Add: Other comprehensive income			(0.22)			0.11
Total comprehensive income for the period			**146.75**			**33.01**
Other Information						
Segment Assets	330.23	468.31	798.54	326.53	381.55	708.08
Unallocated Assets			141.38	-		60.51
Total Assets			**939.92**			**768.59**
Segment Liabilities	65.20	127.98	193.18	6.91	64.37	71.28
Unallocated Liabilities			321.70	-	-	419.46
Equity and Reserves			425.04			277.85
Total Liabilities			**939.92**			**768.59**
Capital Expenditure	2.13	30.70	32.83	0.25	5.21	5.46
Depreciation/Amortisation	11.15	9.44	20.59	11.18	8.94	20.12
Unallocated Capital Expenditure & Depreciation	-	-	5.58	-	-	3.10

27. 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: Visakhapatnam
Date:10.05.2022

NEERAJ SARDA
Dy. Managing Director
DIN: 00040884
Place:Visakhapatnam
Date:10.05.2022

SONAL SARDA
Whole-time Director
DIN: 06965306

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary