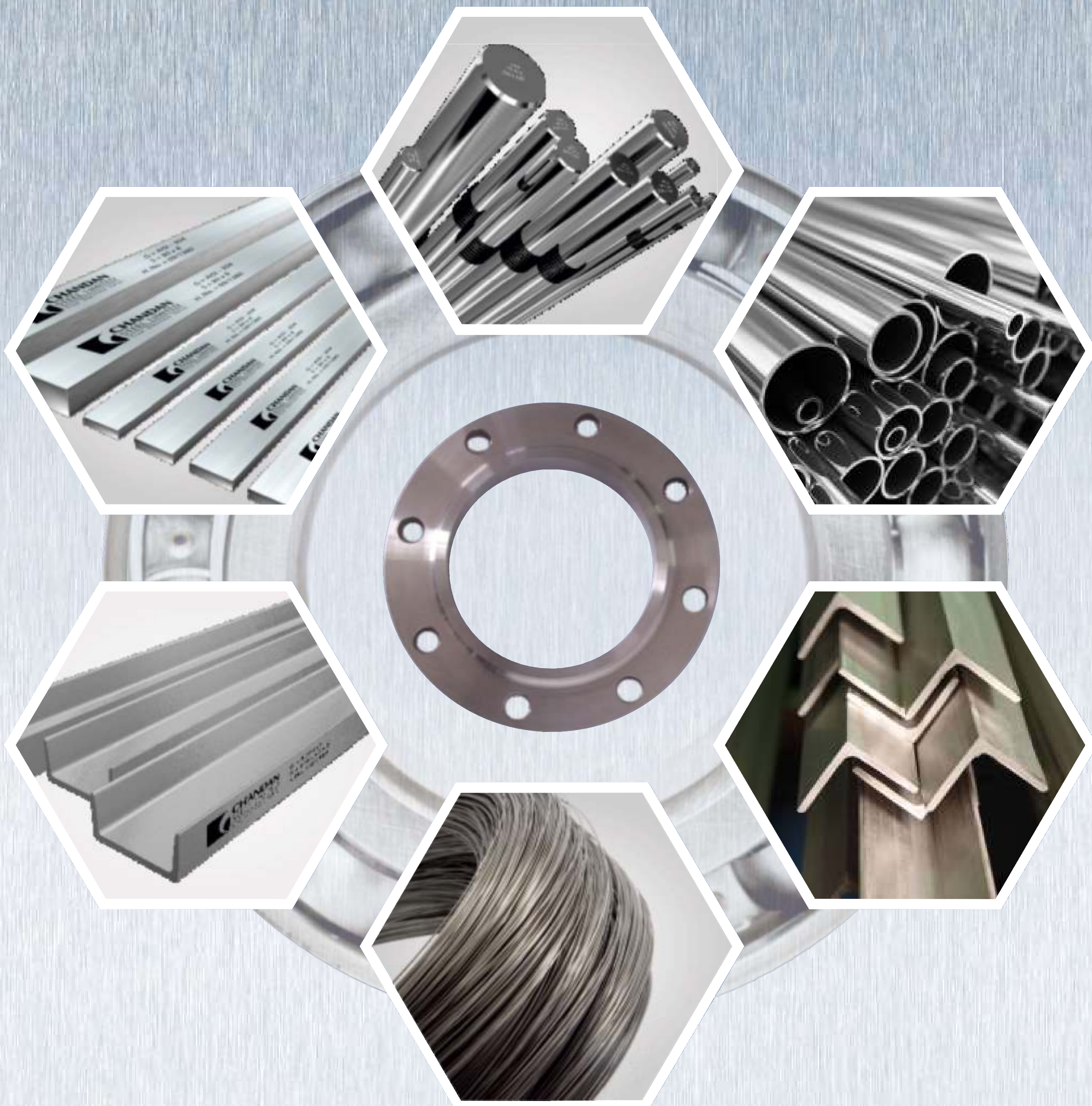
CHANDAN STEEL LIMITED

TRUE STAINLESS VALUE



2021-22
ANNUAL REPORT

Products

We are equipped with 4 Rolling Mills, Capable of rolling 1,00,000 Tons per annum. This in turn helps us in producing the Widest range of stainless steel products under one roof.

LONG PRODUCTS DIVISION

- Round Bars
- Hexagonal Bars
- Square Bars
- Flat Bars
- Equal & Unequal, Angle Bars
- Channels
- T Sections
- I Beams
- Re Bars
- Wire & Threaded Bars

FORGING DIVISION

- Forgings
- Flanges
- Stub Ends
- Tube Sheets
- Specialised Forgings as per customers requirements

SEAMLESS TUBES & PIPES DIVISION

- Intrumentation Tubes
- Heat Exchanger Tubes & U-Tubes
- Boiler Tubes
- Hollow Bars & Mother Pipes
- Process Pipes
- Duplex & Super Duplex Pipes & Tubes
- High Nickel Alloy Pipes & Tubes

List of Tests

LONG PRODUCTS DIVISION

- Radioactivity Test
- Spectro Analysis Test
- Wet Analysis Test for all Ferro Alloys, Fluxes, Carburisers, Refractories
- Billet / Bloom Macro Test
- PMI Test
- Mechanical Properties Test,
- Impact Test at RT & Sub Zero Temperatures YS, TS, Elongation RA, Hardness
- Rolled Products Dimensional Test
- Ultrasonic Soundness Test
- Ferrite Content Test
- IGC Test (A, E & C)
- Metallography Test for Microstructure, Inclusion Rating, Grain Size

FORGING DIVISION

- P. M. I Test
- Spectro Chemical Analysis
- Dye Penetrant Test
- Hardness Test
- Tensile Test
- Impact Test
- IGC Test as per ASTM & 262 PR E
- Ferrite Content Test
- Microstructure Evaluation using Image Analyser
- Volume Fraction of Different Phases
- Ultrasonic Test

SEAMLESS TUBES & PIPES DIVISION

- PMI Test
- Spectro Analysis Test
- Microstructure Evaluation Using Image Analysar
- Miacro Test
- Tenslie Test
- Handness Test
- Flarting Test
- Flattening Test
- Drift Expanding Test
- Ring Expanding Test
- Impact Test at Various Temperature
- IGC Test (Pr. A. E. & C.)
- Ultrasonic Test
- Eddy Current Test
- Hydrostatic Test
- Air Leak Test
- Liquid Penetrant test
- Visual Dimension Inspeaction
- Boroscape Test
- Radioactivity Test

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COMPANY INFORMATION

BOARD OF DIRECTORS :

Shri Chunilal G. Chandan
Chairman (Non Executive)

Shri Dilip C. Chandan
Managing Director

Shri Vijay C. Chandan
Jt. Managing Director

Shri Pravinkumar C. Jain
Additional Director

Shri Gopichand Varanasi
Whole Time Director (Director upto 15.06.2021)

Shri Biswajit Datta
Independent Director

Shri Mukul Tandon
Independent Director

Mrs. Kapila C. Chandan
Woman Director

CHIEF FINANCIAL OFFICER : **Shri Vinod C Sharma**

COMPANY SECRETARY : **Shri Yogesh Dave**

CORPORATE IDENTIFICATION NUMBER : U99999MH1989PLC054206

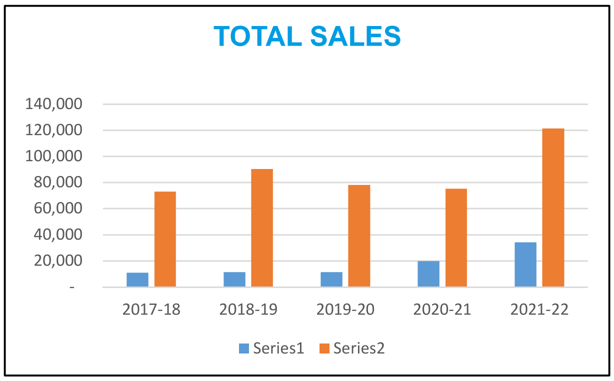
INDEX

OUR BANKERS	:	**Consortium Bankers** **PUNJAB NATIONAL BANK** **(E-UNITED BANK OF INDIA) (Lead Bank)** **Large Corporate Branch** 14^{th} Floor, Maker Tower, "F" Wing, Cuffe Parade, Mumbai – 400 005.
		PUNJAB NATIONAL BANK **(E-ORIENTAL BANK OF COMMERCE)** **Large Corporate Branch** 14^{th} Floor, Maker Tower, F Wing, Cuffe Parade, Mumbai – 400 005.
		BANK OF BARODA **MID Corporate Mumbai (MM SR Branch)** 105, 10^{th} Floor, Maker Chamber - 3, Nariman Point, Mumbai – 400 021.
		BANK OF INDIA Ballard Estate Branch, Darabshaw House, Narrottam Morarji Marg, Ballard Estate, Mumbai – 400 001.
		Term Loan Lenders **PUNJAB NATIONAL BANK** **(E-UNITED BANK OF INDIA)** **Large Corporate Branch** 14^{th} Floor, Maker Tower, "F" Wing, Cuffe Parade, Mumbai – 400 005.
		BANK OF BARODA **MID Corporate Mumbai (MM SR Branch)** 105, 10^{th} Floor, Maker Chamber - 3, Nariman Point, Mumbai – 400 021.
AUDITORS	:	**KPMR & CO.** 203A, Centre Point Premises, 100 Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaugh, Mumbai - 400 012.
REGISTERED AND ADMINISTRATIVE OFFICE	:	504, Sukh Sagar, N. S. Patkar Marg, Mumbai – 400 007.
FACTORY	:	Plot No. 31 to 36, 45 to 49/2, 142 G.I.D.C., Umbergaon, & Survey No. 102/2&3, Village Dehari, Taluka – Umbergaon, Dist. Valsad, Gujarat – 396 171.

FIVE YEAR'S PERFORMANCE AT GLANCE (₹ IN LACK'S)

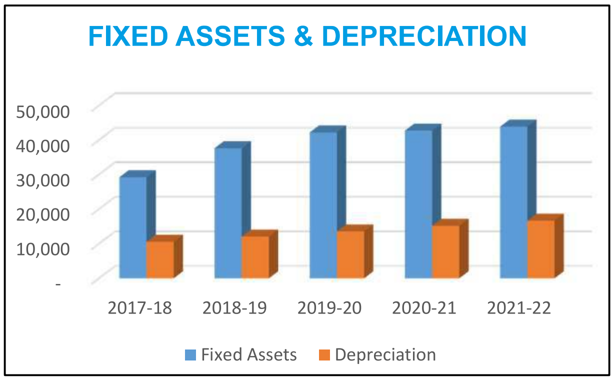
TOTAL SALES

Year	Local	Export
2017-18	10,857	72,927
2018-19	11,402	90,321
2019-20	11,328	78,270
2020-21	19,757	75,427
2021-22	34,133	121,384



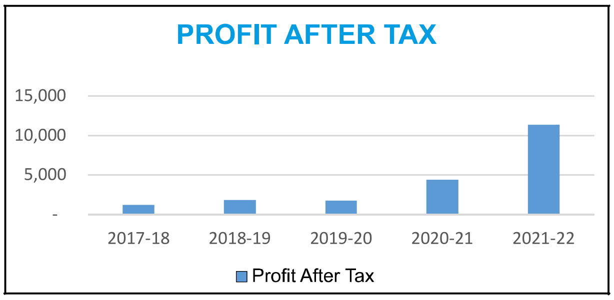
FIXED ASSETS & DEPRECIATION

Year	Fixed Assets	Depreciation
2017-18	29,217	10,542
2018-19	37,631	12,063
2019-20	42,204	13,553
2020-21	42,727	15,186
2021-22	43,878	16,649



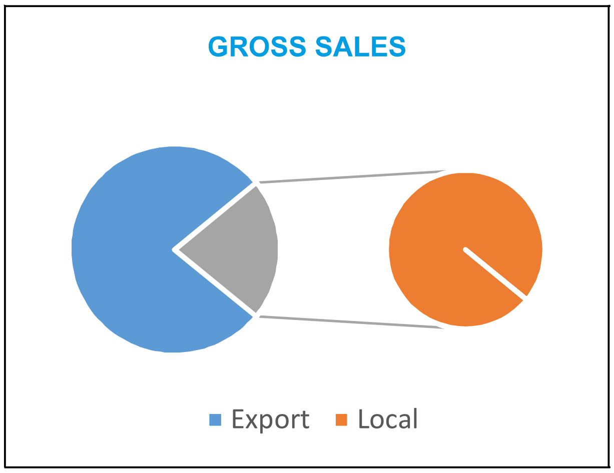
PROFIT AFTER TAX

Year	Profit
2017-18	1,212
2018-19	1,834
2019-20	1,762
2020-21	4,402
2021-22	11,365



GROSS SALES

Export	124,135
Local	34,660



DIRECTORS' REPORT

DIRECTORS' REPORT

To
The Members,
Chandan Steel Limited

Your Directors are pleased to submit the 33nd Annual Report of your Company Chandan Steel Limited ('the Company' or 'CSL') along with the audited financial statements for the Financial Year ended March 31, 2022.

1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total Revenue	**1,61,217.70**	**98,853.02**
Profit before Depreciation	17,160.28	7,528.55
Less: Depreciation / Amortization	1,659.05	1,625.80
Profit before Tax	**15,501.22**	**5,902.74**
Less: Provision for Tax - Current Year	4,037.44	1,355.24
Deferred Tax	(40.80)	(253.52)
MAT Credit Entitlement	0.00	0.00
Income Tax Adjustment of Earlier Years	23.83	1.05
Profit for the Year After Tax	**11,480.76**	**4,292.93**

2. THE STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Company has three main product divisions categorized as **Long Product Division, Forging Division and Seamless Tubes and Pipes Division** at its plant at Umbergaon, Valsad District of Gujarat. Company supplies its products to many industrial buyers including chemical industry, waste management treatment, oil and gas industry among the others in domestic and overseas market. The year gone by, witnessed many economic rolling. The ongoing tussle between some major countries on trade barriers, hardening crude oil prices could pose some challenges to the Indian manufacturing industry and your Company was no exception to it. The pandemic of COVID-19 has affected to your company as well in the first half of the year. Hence, the company has re-started the business with all the safety measures for the employees as per the Government Guidelines and has taken proper precautions for the same.

However, in spite of tough year, your Company's Revenue from Operations (Net) for the year under review was Rs. 1,60,910.21 Lakh compared to Rs. 98,291.55 Lakh in the previous year, registering growth of 63%. The percentage of Profit before Tax (PBT) to Total Revenue (Net) increased to 9% in 2021-22 from 6% in 2020-21. Profit after Tax increased from Rs. 4,292.93 Lakh in 2020-21 to Rs. 11,480.76 Lakh in 2021-22

The Board does not recommend dividend for the financial year 2021-22 and no profit is proposed to be transferred to the general reserve.

Export Sales was Rs. 1,21,384.07 Lakh in 2021-22 compared to Rs. 75,427.36 Lakh in 2020-21 in the corresponding previous year registering growth of 61%.

3. COST CONTROL

In order to enhance profitability of the Company the focus was not only made on maximization of revenue but cost optimization was always given due consideration. Your Company continues to take cost optimization measures in all areas of operations including manufacturing and operating cost. Your Company also takes necessary measures to extend the culture of cost optimization to its suppliers.

DIRECTORS' REPORT

4. SHARE CAPITAL

During the year under review the Company has not increased its Authorised Share Capital and its Authorised Capital is Rs. 50,00,00,000/-.

The paid up capital show changes during the year under review. Company has redeemed 6 % Non Cumulative Redeemable Preference shares amounting Rs.5.00 Cr divided into 50 lakhs Shares of Rs. 10/- Each & 9 % Non Cumulative Redeemable Preference shares amounting Rs.2.00 Cr divided into 20 lakhs Shares of Rs. 10/- Each during the second half of the Financial Year 2021-22.

5. FINANCE

The Company has a term loans amounting to Rs. 5,415.44 Lakh and working capital facilities availed by the Company from its bankers amounting to Rs. 18,664.33 lakhs and current maturities of the long term debt is Rs. 1719.22 Lakhs aggregating to Rs. 20,383.55 Lakh are outstanding as on March 31, 2022.

6. DEPOSITS

The Company has not accepted any fixed deposits including from public and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

7. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in this Annual Report.

8. RISK MANAGEMENT

The Board of Management is responsible for risk management at the level of the organization as a whole. The Company has adopted the Risk Management Policy which inter alia, covers business risk statutory compliances, and environmental risk. The risk management system is continuously reviewed and appropriate measures are taken for corrections wherever required. The Company has also taken adequate insurance policies to mitigate different kinds of risks.

9. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Directors hereby report that, your Company has maintained adequate internal controls commensurate with its size and its nature of operation. There are suitable monitoring procedures in place to provide reasonable assurance for accuracy and timely reporting of the financial information and compliance with the statutory requirements. There are proper policies, guidelines and delegation of powers issued for the compliance of the same across the Company. For the purpose of ensuring accuracy in the preparation of the financials, your company has implemented various checks and balances like periodic reconciliation of major accounts, review of accounts, obtaining confirmation of various balances and proper approval mechanism. Your Company has documented all major processes in the area of expenses, bank transactions, payments, statutory compliances and period end financial accounting process. Your Company is continuously putting its efforts to align the processes and controls with the best practices in the industry.

10. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

Pursuant to first proviso to sub-section (3) of Section129 read with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures are furnished in Annexure 'H' attached to this report.

11. INDUSTRIAL RELATIONS

Industrial relations during the year were cordial.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Chairman of the Board
Mr. Chunilal Chandan, continues to be the Chairman of the Board and the Company.

Inductions
The Board made the following appointments based on the recommendation of the Nomination and Remuneration Committee of the board further approved by members in the last year Annual General Meeting for regularization of Independent Directors, during the year under review.

1. Appointment of Mr. Biswajit Datta as an addition director with effect from 20th April, 2021. &

DIRECTORS' REPORT

2. Appointment of Mr. Mukul Tondan as an addition director with effect from 1st June, 2021.

And thereafter appointed as a director in the last year Annual General Meeting. Held on 30/11/2021
The approval for Resignation of Joint Managing Director of Mr. Vijaykumar Chunilal Chandan accepted by the board with effect from 1st April, 2022.

Re-Appointment of Retiring Directors
As per the provisions of the Companies Act, 2013, Mr. Dilip Chunilal Chandan & Pravinkumar C. Jain are retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Declaration by Independent Director
The Company has received necessary declaration from Independent Directors of the Company, under the provisions of Section 149(7) of the Companies Act, 2013, that they meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013. The Independent Directors are not liable to retire by rotation.

Number of Meetings of the Board of Directors
During the year under review, the Board met 16 (Sixteen) times viz. on 15/04/2021, 20/04/2021, 01/06/2021, 10/06/2021, 14/06/2021, 15/06/2021, 30/06/2021, 20/07/2021, 30/09/2021, 15/10/2021, 30/11/2021, 25/01/2022, 16/02/2022, 28/02/2022, 01/03/2022 and 31/03/2022 respectively, the details of which are provided for in Annexure 'B' forming part of this Board Report. The maximum interval between two meetings did not exceed 120 days, as prescribed in Section 173 of the Companies Act, 2013.

13. AUDIT COMMITTEE

The Audit Committee Comprises Mr. Chunilal Chandan, Director Mr. Biswajit Datta, Independent Director and Mr. Mukul Tondan , Independent Director of the Company.
During the year under review, the Committee met 4 (Four) times i.e. on 01/06/2021, 30/09/2021, 30/11/2021 and 01/03/2022 respectively, the details of which are provided for in Annexure 'B' annexed to this Report.
There were no circumstances requiring reporting where the Board has not accepted the recommendations of the Audit Committee.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVE

Your Company has framed a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the Company's website *(www.chandansteel.net).*
The CSR activities undertaken by your Company primarily focus on education, health environment, and up-liftment of poor. The details of the CSR initiatives undertaken by the Company during the year under review and the amount spent are provided for in Annexure 'C' forming part of this Board Report.
The CSR Committee comprises Mr. Chunilal Chandan, Director Mr. Biswajit Datta, Independent Director and Mr. Mukul Tondan , Independent Director of the Company.
The CSR corpus for the financial year 2021-22 amounted to Rs. 176.59 Lakh. The details of CSR corpus spent on CSR activities approved by the CSR Committee and the Board, including the reason for un-spent amount are provided for in the Annual Report on CSR which forms part of this Report.
During the year under review, the Committee met 2 (Two) times i.e. on 15/06/2021 and 28/02/2022 respectively, details of which are given in **Annexure 'C'** forming part of this Board Report.

15. NOMINATION & REMUNERATION POLICY & COMMITTEE

The Company has in place a Nomination & Remuneration Committee in accordance with the requirements of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014. The Nomination & Remuneration Committee presently comprises Mr. Chunilal Chandan, Director Mr. Mr. Biswajit Datta , Independent Director and Mr. Mukul Tondan , Independent Director of the Company.

DIRECTORS' REPORT

The Committee has formulated a Policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees, composition and the criteria for determining qualifications, positive attributes and independence of a Director are provided for in **Annexure 'D'** forming part of this Board Report.

During the year under review, the Committee met 2 (Two) times i.e. on 14/06/2021 and 16/02/2022 respectively, the details of which are provided for in **Annexure 'B'** forming part of this Board Report.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

1. In the preparation of the annual accounts, the applicable Indian Accounting Standards for the financial year ended March 31, 2022 have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis;
5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties entered into by the Company during the financial year were on arm's length basis and were in the ordinary course of business. The details of the related party transactions as required under Section 188 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in the format prescribed in Form AOC-2 are provided for in **Annexure 'E'** forming part of this Board Report.

18. AUDITORS

STATUORY AUDITORS

M/s KPMR & Co, Chartered Accountants (Firm Registration Number: 104497W) were appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 29th Annual General Meeting of the Company held on 29th September 2018, till the conclusion of the 34th Annual General Meeting of the Company.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Auditors' Report is enclosed with the financial statements in the Annual Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 thereunder, Dipesh Mistry, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year 2021-22 forms part of the Annual Report as Annexure 'H' to the Board's Report.

The Secretarial Auditors in their report has made comment on non-compliance of the provisions of Foreign Exchange Management Act, 1999. The non-compliance pertains to filing of Annual Performance Report (APR) which has mainly occurred on account of non-availability of financial documents of foreign companies, corresponding to the Company's financial year.

The Company is in the process of complying with the requirements of FEMA / RBI and seeking advices of the consultants on this matter.

DIRECTORS' REPORT

The Board has appointed Dipesh Mistry, Practicing Company Secretary, as the Secretarial Auditor of the Company for financial year 2022-23.

19. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, and foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 are provided for in **Annexure 'A'** forming part of this Board Report.

20. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended vide notification dated June 30, 2016 issued by the Ministry of Corporate Affairs, Government of India), the names and other particulars of the employees are set out in the **Annexure 'F'** forming part of this Board Report.

21. EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3) (a) of the Companies Act, 2013 as amended vide the Companies (Amendment) Act, 2017, the Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 in the prescribed Form MGT-7 is placed on Company's website at *www.chandansteel.net.*

22. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION

There have been no material changes and commitments which have occurred between the end of the financial year and the date of this report which can have impact on financial position of the Company.

23. SIGNIFICANT AND MATERIAL ORDER

There have been no significant material orders passed by courts, tribunals or regulatory authorities which can have impact on going concern status of the Company and its operations.

24. PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
During the year no complaints were filed before the said Committee.

25. ACKNOWLEDGMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their enormous efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its Management and look forward to their continued support in the future.

For and on behalf of the Board

Dilip Chunilal Chandan
DIN NO: 00259884
504, Chandralok A,
97, Nepean Sea Road,
Mumbai - 400 006.

Pravinkumar C. Jain
DIN NO: 00345045
A-301, Padmavati Darshan,
N. M. Joshi Marg,
Mumbai 400013

Date : May 12, 2022
Place : Mumbai

DIRECTORS' REPORT

ANNEXURE 'A'

PARTICULARS AS PER ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 134(3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

(A) CONSERVATION OF ENERGY

The Company has given due importance for conservation of energy and environmental sustainability. Persistent efforts are made towards achieving this goal by the Company.

Particulars	2020-21
A. POWER & FUEL CONSUMPTION	
1) Electricity	
(a) Purchased Unit	6,85,40,730
Total Cost Unit (Rs. in Lakh)	6,108.63
Rate per Unit (Rs.)	8.91
(b) Own Generation by/through Captive Power Plant:	
i) Through Diesel Generator Units KWH per units of Fuel	-
Cost Per Unit	-
ii) Through Wind Mill Units	65,90,130
Total Cost (Rs.in Lakhs)	208.29
Cost Per Unit (Rs.)	3.16
2) Gas	
Quantity (SCM)	32,97,502
Cost (Rs.in Lakhs)	1,789.25
Cost per unit (Rs.)	54.26
3) Furnace Oil Consumption	
Quantity (KGS)	83,89,521
Total cost (Rs.in Lakhs)	3,652.02
Average Rate (Rs.)	43.53
B. CONSUMPTION PER UNIT OF PRODUCTION OF BILLETS	
1) Electricity (Kwhr/MT of Billets)	533.51
2) Coal	Nil
3) Gas (SCM/MT of Billets)	20.73
C. FOREIGN EXCHANGE EARNING & OUTGO (RS. IN LACS)	
1) CIF Value of Import of Raw Material	63,434.72
CIF Value of Import of Capital Goods	380.68
2) F.O.B. Value of Export (Including Exchange Rate Diff.)	1,17,148.73

ANNEXURE 'B'

DETAILS OF MEETING OF BOARD OF DIRECTORS OF THE COMPANY AND THEIR COMMITTEES AS PER SECTION 134(3) (b) AND SECRETARIAL STANDARD ON MEETINGS OF THE BOARD OF DIRECTORS (SS-1) (DURING THE FINANCIAL YEAR ENDING ON MARCH 31, 2022)

(A) BOARD MEETING

No.	Name of the Director	Category	No. of Board Meeting Attended	Attendance at last AGM
1.	Mr. Dilip Chunilal Chandan	Managing Director	16	Yes
2.	Mr. Vijaykumar Chunilal Chandan	Jt. Managing Director	16	Yes
3.	Mr. Chunilal Ghamandiram Chandan	Non-Executive Director	16	Yes
4.	Biswajit Datta	Director	14	Yes
5.	Mukul Tandon	Director	13	Yes
6.	Mrs. Kapila Chaitanya Chandan	Director	16	Yes
7.	Mr. Gopichand Varanasi	Director	2	Yes
8.	Mr. Pravin C Jain	Director	16	Yes

B] AUDIT COMMITTEE MEETING

No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Chunilal Chandan	Non-Executive Director	4 out of 4
2.	Mr. Biswajit Datta	Independent Director	4 out of 4
3.	Mr. Mukul Tandon	Independent Director	4 out of 4

C] CORPORATE SOCIAL RESPONSIBILITY [CSR] COMMITTEE MEETING

No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Chunilal Chandan	Non-Executive Director	2 out of 2
2.	Mr. Biswajit Datta	Independent Director	2 out of 2
3.	Mr. Mukul Tandon	Independent Director	2 out of 2

D] NOMINATION & REMUNERATION [NRC] COMMITTEE MEETING

No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Chunilal Chandan	Non-Executive Director	2 out of 2
2.	Mr. Biswajit Datta	Independent Director	2 out of 2
3.	Mr. Mukul Tandon	Independent Director	2 out of 2

DIRECTORS' REPORT

ANNEXURE 'C'

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

2. **The Composition of the CSR Committee.**
The CSR Committee as on March 31, 2022 consists of:

No.	Name of Director	Designation
1.	Mr. Chunilal Chandan	Non-Executive Director
2.	Mr. Biswajit Datta	Independent Director
3.	Mr. Mukul Tandon	Independent Director

3. **Average net profit of the Company for the last three financial years: Rs. 3,636.87 Lakh**

4. **Prescribed CSR Expenditure (two percent of the amount as in item above): Rs. 72.74 Lakh**

5. **Details of CSR spent during the financial year:**
(a) Total amount spent during the financial year: Rs. 176.58 Lakh
(b) Amount unspent, if any: Rs. NIL

Manner in which the amount is spent during the financial year is detailed below.

(Rupees in Million)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where Projects or Progra-ms was under-taken	Amount outlay (budget) Project or Program wise	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expendi-ture on Projects and Programs (2) Over-heads	Cumulative expenditure upto to the reporting period	Amount Spent: direct or through implemen-ting agency
1.							Implemen-ting Agency
Total							

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.: N.A.

Sd/-
Chairman of CSR Committee

ANNEXURE 'D'

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION COMPANY AS PER SECTION 178(4) OF THE COMPANIES ACT, 2013 IS AS FOLLOWS

The Nomination and Remuneration Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, KMP and Senior Management and their remuneration. This policy is accordingly derived from the said Charter.

A] Criteria for Board Membership

Directors

The Company shall take into account following points:

(a) Director must have relevant experience in Finance / Law / Management / Sales / Marketing / Administration / Research / Corporate Governance / Technical Operations / Human Resource or the other disciplines related to Company's business.

(b) Director should possess the highest personal and professional ethics, integrity and values.

(c) Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

Independent Director

Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and the relevant rules made thereunder.

B] Remuneration Policy

Directors

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Directors and other Executive Directors.

Remuneration recommended by the Committee shall be subject to approval of the Board and Shareholders.

Prior approval of the Shareholders will be obtained whenever applicable.

Remuneration to Whole-time directors shall be by way of salary, allowances, perquisites and variable pay. Salary is to be paid within the range approved by the Shareholders. Annual increments to be proposed by the Committee should be within the prescribed ceiling approved by the Shareholders. Annual increments as proposed by the Committee shall be subject to approval of the Board.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company Policy.

Non-Executive Directors receive sitting fees for attending meetings of the Board and Board Committees. Sitting fees to be recommended by the Committee and to be approved by the Board.

Key Managerial Personnel/Other Employees

The remuneration to employees largely consists of basic salary, perquisites, allowances and incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to the prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification and experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

Employees shall be eligible for loan from the Company, not exceeding twelve times of their basic salary, and subject to approval by the Management at such terms and conditions (including rate of interest) deemed appropriate by the Management, considering various factors such as number of years of services, past performance etc.

The annual variable pay of employees is linked to the performance of the Company.

DIRECTORS' REPORT

ANNEXURE 'E'

PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES AS PER SECTION 134(3)(h) OF THE COMPANIES ACT, 2013

Form No AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Dilip C. Chandan	Rent paid	on going	–	–	–
Urmila D. Chandan	Rent paid	on going	–	–	–
Kalikund Investment B.V.	Interest	on going	--	--	--
CSL USA LLC	Sale	on going			

For and on behalf of the Board

Dilip Chunilal Chandan
DIN NO: 00259884
504, Chandralok A,
97, Nepean Sea Road,
Mumbai - 400 006.

Pravinkumar C. Jain
DIN NO: 00345045
A-301, Padmavati Darshan,
N. M. Joshi Marg,
Mumbai 400013

Date : May 12, 2022
Place : Mumbai

ANNEXURE 'F'

INFORMATION AS PER SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (AS AMENDED VIDE NOTIFICATION DATED JUNE 30, 2016 ISSUED BY MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA) AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in ₹ Lakh)

Name of Employee/ Designation / Nature of employment, whether contractual or otherwise	Remuneration received (Subject to Income Tax) (Rs.In Lacs)	Qualification & Experience	Date of Commencement of Employment	Age (Years)	Previous Assignment (Designation / Organization)	% of equity held in the Company (along with spouse and dependent children) (only if it is 2% or more)
Mr. VINOD CHIRANJILAL SHARMA CFO PERMANENT	27.10	C.A. 18 Years	11/06/2020	26/06/1980	-	-
BIKASH CHANDRA NATH SR.GENERAL MANAGER PERMANENT	23.81	MPM 28 Years	18/06/2018	24/01/1971	-	-
DEEPAK KUMAR PATRA GENERAL MANAGER PERMANENT	22.90	B.E MECHANICAL 23 Years	07/05/2018	06/02/1971	-	-
VAIBHAV SANJAY KUMAR JOSHI AGM PERMANENT	21.40	B.Sc. 23 Years	09/11/2017	08/03/1975	-	-
BHAUSAHEB NAMDEO SONAWANE AGM PERMANENT	18.87	B.E PRODUCTION 24 Years	21/08/2019	01/01/1972	-	-
Mr. GOPICHAND VARANASHI VICE PRESIDENT PERMANENT	18.20	MM. TECH - IIT 45 Years	18/11/2014	01/04/1955	-	-
AKASH MODY MANAGER PERMANENT	17.40	BE- MECHNICAL MBA- MARKETING	01/02/2016	15/06/1987	-	-
PRAVINKUMAR C. JAIN DIRECTOR. PERMANENT	16.07	CA 31 Years	01/10/1998	01/06/1964	-	-
Mr. ARIJIT CHAUDHURY AGM PERMANENT	15.34	M.TECH METALLURGY 16 Years	13/04/2021	30/07/1979	-	-

DIRECTORS' REPORT

Name of Employee/ Designation / Nature of employment, whether contractual or otherwise	Remuneration received (Subject to Income Tax) (Rs.In Lacs)	Qualification & Experience	Date of Commencement of Employment	Age (Years)	Previous Assignment (Designation / Organization)	% of equity held in the Company (along with spouse and dependent children) (only if it is 2% or more)
DR. DINANATH SINGH CHIEF PEOPLE OFFICER PERMANENT	15.01	MBA - PHD 28 Years	19/03/2012	06/03/1965	-	-
PRADEEP UTTAM SONJE GENERAL MANAGER PERMANENT	14.96	BE-METALLURGY 27 Years	17/01/2019	27/08/1974	-	-
RAMJEET PATEL GENERAL MANAGER PERMANENT	14.63	DIP. IN ELECTRICAL	15/07/1991	15/07/1959	-	-
Mr. AMIT JAIN ARES SALES MANAGER PERMANENT	14.57	B.A-ECONOMICS 15 Years	26/09/2020	10/07/1992	-	-
Mr. PRAMOD KUMAR SURENDRANATH YADAV AGM PERMANENT	13.96	B.E. MECHANICAL 19 YRS	02/01/2021	15/05/1982	-	-
MILIND RAMBHAU GAIKWAD DEPUTY GENERAL MANAGER PERMANENT	13.73	B.E. 27 YRS	15/02/2020	28/03/1965	-	-
Mr. ANIL CHAURSIYA FORMAN PERMANENT	13.59	H.S.C. 23 Years	27/12/2016	05/01/1985	-	-
RAMESH SANATHARA MANAGER PERMANENT	12.58	B. Sc-CHEMISTRY 23 Years	01/02/2006	02/12/1964	-	-
JAIPRAKASH TEJBAHADUR SINGH VICE PRESIDENT PERMANENT	12.16	DIPLOMA IN MECHANICAL 35 Years	16/12/2019	15/07/1962	-	-
AMIT KUMAR SINHA GENERAL MANAGER PERMANENT	11.62	DIP.IN ELECTRICAL 20 Years	25/09/2011	02/09/1976	-	-

Notes:

1. The remuneration received includes salary, commission, value of perquisites for accommodation and car as per Income Tax Rules, employer's contribution to Provident Fund and Superannuation Fund, reimbursement of medical expenses and all other allowances excluding contribution to gratuity fund and provision for compensated absences for which separate figures are not available.

ANNEXURE 'G'

SECRETARIAL AUDIT REPORT PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION TO MANAGERIAL PERSONNEL) RULES, 2014:

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

**To,
The Members,
CHANDAN STEEL LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CHANDAN STEEL LIMITED. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon. Based on my verification of the CHANDAN STEEL LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by CHANDAN STEEL LIMITED ("The Company") for the financial year ended March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings

(iv) The list of other laws as may be applicable specifically to the company as stated below:

1. The Factories Act, 1960
2. The Industrial (Development & Regulation) Act, 1951
3. Labour Laws and other incidental laws related to labour and employees appointed by the Company as related to wages, gratuity, provident fund, ESIC, compensation etc.
4. Acts prescribed under prevention and control of pollution
5. Acts prescribed under Environmental protection
6. Acts as prescribed under Direct Tax and Indirect Tax
7. Land Revenue Laws
8. Local laws applicable to various branch offices

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

DIRECTORS' REPORT

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. During the year, the Company has not done the mandatory compliance for Public Companies as per Rule 9A of the Chapter III Part I Companies (Prospectus and Allotment of Securities) Rules, 2014, by not converting the preference shares in Demat form and it has also not filed Form PAS-6 half yearly.

2. The Company has not filed Annual Performance Report (Form ODI Part II) for one of the subsidiary company, with Reserve Bank of India under Foreign Exchange Management Act, 2002.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

Place: Surat
Date: 10.08.2022

Signature: sd

Name of Company Secretary in practice: CS DIPESH A. MISTRY
ACS No. 34755
CP No. 15787
Peer Review Certificate Number: 1298/2021
UDIN No. A034755D000776320

ANNEXURE 'H'

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

Part A: Subsidiaries

Sl. No.	(1)	(2)	(3)	(4)	(5)	(6)
Name of the Subsidiary Company	**Kalikund Investment BV**	**CSL USA LLC**	**Gangas Geo Resources Private Limited**	**Indic Geo Resources Private Limited**	**Sach Geo Resources Private Limited**	**Team Geo Resources Private Limited**
Financial Year Ending on	31.12.2021	31.07.2021	31.03.2022	31.03.2022	31.03.2022	31.03.2022
Reporting Currency	Euro	USD	INR	INR	INR	INR
Exchange Rate on the Last Day if the Financial Year (in case of Foreign Company)						
Share Capital	Euro 18,000	NIL	Rs. 200,000	Rs. 210,000	Rs. 210,000	Rs. 210,000
Reserves & Surplus	(923,683.31)	570,188	(6,32,168)	(3,08,648)	(5,37,679)	212,413,393
Total Assets	431,691	5,333,424	75,957,750	150,552	1,01,05,521	26,94,61,513
Total Liabilities	4,727	4,763,235	76,389,918	249,200	10,433,200	56,838,120
Investments	--	4,150,100	--	--	--	--
Turnover	--	49,829,304	--	--	--	--
Profit / (Loss) Before Tax	(1,933)	94,800	62,513	(53,318)	(2,65,413)	(73,94,723)
Provision for Tax	--	(225,488)	(42,920)	--	--	(3,665)
Profit/(Loss) after tax	(1,933)	(130,688)	1,05,433	(53,318)	(2,65,413)	(73,98,388)
Proposed Dividend	--	--	--	--	--	--
% Shareholding	100%	100%	55%	52%	52%	52%

Names of Subsidiaries which are yet to commence operations: N.A.

Names of Subsidiaries which have been liquidated or sold during the year: N.A.

DIRECTORS' REPORT

Part B: Associate Companies / Joint Ventures

(Rs. in Lakh)

Sl. No.	**(1)**
Name of the Associates/Joint Ventures	-
Latest Audited Balance Sheet Date	-
Shares of Associates /Joint Ventures held by the company on the year end	-
No.	-
Amount of Investment in Associates / Joint Ventures	-
Extend of Holding %	-
Description of how there is Significant Influence	-
Reason why the Associate/Joint Venture is not Consolidated	-
Net worth attributable to Shareholding as per the latest Audited Balance Sheet	-
Profit/(Loss) for the year	-
I. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

Names of Associate Companies/Joint Ventures which are yet to commence operations: N.A.

Names of Associate Companies/Joint Ventures which have been liquidated or sold during the year: N.A.

For and on behalf of the Board

Dilip Chunilal Chandan
DIN NO: 00259884
504, Chandralok A,
97, Nepean Sea Road,
Mumbai - 400 006.

Pravinkumar C. Jain
DIN NO: 00345045
A-301, Padmavati Darshan,
N. M. Joshi Marg,
Mumbai 400013

Date : May 12, 2022
Place : Mumbai

AUDITOR’S REPORT

INDEPENDENT AUDITORS' REPORT

To
The Members of Chandan Steel Limited

Report on the Standalone IND AS Financial Statements

Opinion

1. We have audited the accompanying Standalone IND AS Financial Statements of Chandan Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and 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 Standalone 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 31st March 2022, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Standalone IND AS Financial Statements

3. The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone IND AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone IND AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

4. Our objectives are to obtain reasonable assurance about whether the Standalone 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

INDEPENDENT AUDITORS' REPORT

level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone 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 Standalone IND AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone IND AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone IND AS Financial Statements, including the disclosures, and whether the Standalone IND AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

6. (A) As required by section 143(3) of the Act, we further 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 purpose of our audit.
   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c. the Standalone Balance Sheet, Standalone Statement of Profit and Loss, the Standalone statement of changes in equity and Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

INDEPENDENT AUDITORS' REPORT

d. in our opinion, the aforesaid Standalone IND AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

e. on the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**;

(B) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under;

a. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements.

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

c. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

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; and

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

e. The company has neither declared or paid any dividend during the year, hence reporting in respect of compliance under section 123 of the Act is not applicable.

(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

a. In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision 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) of the Act which are required to be commented upon by us.

For K P M R & CO
FRN : 104497W
Chartered Accountants

SANDEEP P RAJGOR
Partner
M.No.122739
Place: Mumbai
Date : May 12, 2022
UDIN : 22122739AJLWYZ3044

ANNEXURE A TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 5 OUR REPORT OF EVEN DATE TO THE MEMBERS OF CHANDAN STEEL LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

i. In respect of Property, plant and equipment and Intangible assets;
   a) (A) The company has generally maintained records showing full particulars including quantitative details and situation of Property, plant and equipment.
      (B) The Company has maintained proper records showing full particulars of Intangible assets.
   b) It has been explained to us that the Company has a regular program for physical verification of Property, plant and equipment on a rotational basis, which in our opinion is reasonable having regard to the size of the company and the nature of its assets and no material discrepancies were noticed on such verification.
   c) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
   d) The Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
   e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. In respect of inventories;
   a) The inventory has been physically verified by the management during the year. 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 10% or more in the aggregate for each class of inventory.
   b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. In respect of Investments, Loans and Advances: the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to a wholly owned subsidiary company, details of the which is stated in sub-clause (a) below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.
   (a) A. In respect of Loan to a subsidiary, the aggregate amount during the year is ` 15.23 Lakhs and , and balance outstanding at the balance sheet date with respect to such loans is ` 1690.31 Lakhs.
   B. The Company has not granted any loans to any other parties.
      (b) In our opinion, the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
      (c) In the case of loans given, the repayment of principal and payment of interest has not been stipulated and as such we are not able to comment whether the the repayments or receipts have been regular.
      (d) As informed to us there is no overdue amount for more than ninety days in respect of loans given.
      (e) There is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
      (f) The loan to Subsidiary company is without specifying the any terms or period of repayment. The agreegate amount of loan is ` 1690.31 Lakhs which is equal to 91.99% of the total loans granted. The agreegate amount of loans granted to Promoters is NIL, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 being a subsidiary company is ` 1690.31 Lakhs;

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

ANNEXURE A TO THE AUDITORS' REPORT

vi. We have broadly reviewed the books of accounts relating to materials, labours and other items of cost maintained by the company as prescribed by the Central Government for the maintenance of cost records sub-section (1) of Section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

vii. In respect of statutory dues;

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below;

Nature of Dues	Amount (₹ Lakhs)	Period to which the Amount Relates	Forum where Dispute is Pending
Excise Duty / Service Tax	53.26	June-05 to May-08	CESTAT
Excise Duty / Service Tax	14.02	June-08 to March-09	CESTAT
Excise Duty / Service Tax	9.27	April-09 to Jan-10	CESTAT
Excise Duty / Service Tax	9.26	Jan-10 to Dec-14	CCE(A)
Income Tax	4102.07	F.Y.2012-2013	CIT(A)
Income Tax	79.91	F.Y.2018-2019	CIT(A)
Income Tax	101.86	F.Y.2017-2018	Assesseing Officer
Income Tax	1665.52	F.Y.2014-2015	Assesseing Officer
Income Tax	0.02	F.Y.2014-2015	Assesseing Officer

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(c) Term loans raised during the year have been applied for the purpose for which they were raised.
(d) On an overall examination of the financial statements of the Company, funds raised on shortterm basis have, prima facie, not been used during the year for long-term purposes by the Company
(e) 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 subsidiaries.
(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central

Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable 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 considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

xxi. The reporting under class (xxi) is not applicable in respect to Audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For K P M R & CO
FRN : 104497W
Chartered Accountants

SANDEEP P RAJGOR
Partner
M.No.122739
Place: Mumbai
Date : May 12, 2022
UDIN : 22122739AJLWYZ3044

ANNEXURE B TO THE AUDITORS’ REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 6 (A) (F) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CHANDAN STEEL LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022.

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

1. We have audited the internal financial controls over financial reporting of Chandan Steel Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the Standalone IND AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone IND AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 Standalone IND AS

ANNEXURE B TO THE AUDITORS' REPORT

Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone IND AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K P M R & CO
FRN : 104497W
Chartered Accountants

SANDEEP P RAJGOR
Partner
M.No.122739
Place: Mumbai
Date : May 12, 2022
UDIN : 22122739AJLWYZ3044

FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

	Particulars	Note No.	As at March 31 2022 (₹Lakhs)	As at March 31 2021 (₹Lakhs)
I	**ASSETS**			
1	**Non- Current Assets**			
	(a) Property, Plant & Equipment	3	27,230	27,540
	(b) Capital Work-In-Progress	3	1,579	393
	(c) Financial Assets			
	(i) Investments	4	25	23
	(ii) Loans	5	523	517
	(iii) Other Financial Assets	6	2,674	2,553
	(d) Other Non-Current Assets	7	316	249
2	**Current Assets**			
	(a) Inventories	8	19,974	18,014
	(b) Financial Assets			
	(i) Trade Receivables	9	36,693	20,394
	(ii) Cash and Cash Equivalents	10	1,224	423
	(iii) Bank Balances other than (ii) above	10	3,355	3,432
	(iv) Loans	11	147	87
	(c) Other Current Assets	12	5,517	3,632
	Total Assets		**99,257**	**77,257**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	13	2,175	2,175
	(b) Other Equity	14	38,350	28,205
2	**Liabilities**			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	5,479	4,526
	(ii) Lease Liabilities	16	56	53
	(b) Provisions	17	373	243
	(c) Deferred Tax Liabilities (Net)	18	2,044	2,124
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	20,384	12,241
	(ii) Lease Liabilities	20	45	46
	(ii) Trade Payables			
	Total outstanding dues of micro enterprises and small enterprises		550	53
	Total outstanding dues of creditors other than micro enterprises and small enterprises		26,468	25,505
	(b) Other Current Liabilities	21	828	720
	(c) Provisions	22	1,952	1,188
	(d) Current Tax Liabilities (Net)	23	554	178
	Total Equity and Liabilities		**99,257**	**77,257**

Significant Accounting Policies
The accompanying notes are an integral part of the financial statements
As per our report of even date attached

For K P M R & CO
Chartered Accountants
F.R.NO. 104497W
Sandeep P Rajgor
Partner
M.No.122739
Place : Mumbai
Date : May 12, 2022

For and on behalf of Board

Dilip C. Chandan
Managing Director

Pravinkumar C Jain
Director

Yogesh Dave
Company Secretary

Vinod C. Sharma
Chief Financial Officer

STATEMENT OF STANDALONE PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Particulars	Note No.	For the year ended March 31, 2022 (₹Lakhs)	For the year ended March 31, 2021 (₹Lakhs)
I	Revenue from Operations	24	160,910	98,292
II	Other Income	25	307	561
III	**Total Income (I + II)**		**161,218**	**98,853**
IV	Expenses:			
	Cost of Materials Consumed	26	105,112	105,112
	Changes in Inventories	27	3,515	3,515
	Employee Benefit Expense	28	6,481	6,481
	Finance Costs	29	2,475	2,475
	Depreciation and Amortisation Expense	3	1,659	1,659
	Other Expenses	30	26,474	26,474
	Total Expenses (IV)		**145,716**	**92,950**
V	Profit / (Loss) after Exceptional Items before Tax (V-VI)		15,501	5,903
VI	Tax Expense:	31	-	-
	Current Tax		4,037	1,355
	Deferred Tax		(41)	254
	Income Tax Adjustment of Earlier Years		24	1
VII	Profit / (Loss) for the Period		11,481	4,293
	a) i. Items that will not be reclassified to Profit or Loss			
	- Net (Loss)/Gain on FVTOCI Equity Securities		2	1
	- Remeasurement (Loss) / Gain on defined Benefit Plans		(156)	144
	ii. Income tax relating to above	31	39	(37)
VIII	Other Comprehensive Income		(115)	109
	Total Comprehensive Income		**11,365**	**4,402**
IX	Earnings Per Equity Share of ₹10 each Basic and Diluted	35	52.78	19.99

Significant Accounting Policies 2

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For K P M R & CO
Chartered Accountants
F.R.NO. 104497W

Sandeep P Rajgor
Partner
M.No.122739

Place : Mumbai
Date : May 12, 2022

For and on behalf of Board

Dilip C. Chandan
Managing Director

Pravinkumar C Jain
Director

Yogesh Dave
Company Secretary

Vinod C. Sharma
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	For the year ended March 31, 2022 (₹Lakhs)	2021 (₹Lakhs)
Net profit before taxation		15,501	5,903
Adjustments for:			
Depreciation		1,659	1,626
Provision for Expected Credit Loss - Receivables		(29)	(289)
Reversal of Lease Liability		(7)	-
Bad Debts w/off		169	479
Finance Cost on Compound Instrument - Pref. Shares		30	43
Accrued Income on Security Deposit - Ind AS		(2)	(1)
Interest Expenses on Lease Liabilities		5	8
Interest Expenses on PV of Lease Deposit		2	1
Profit/loss on Sale of Property, Plant & Equipment		(7)	2
Interest Income		(234)	(234)
Profit on sale of Investments		-	(3)
Interest expense		2,438	2,349
Operating Profit before Working Capital Changes		**19,525**	**9,884**
Changes in Assets & Liabilities			
Inventories		(1,960)	2,824
Trade Receivables		(16,439)	(7,948)
Loans and advances and other assets		(2,204)	(3,408)
Trade Payables, Other liabilities & Provisions		2,417	5,281
Cash Generated from Operations		**1,339**	**6,634**
Income Taxes Paid		(3,710)	(1,177)
Net Cash from Operating Activities		**(2,372)**	**5,457**
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(2,477)	(633)
Sale of Property, Plant & Equipment		9	9
Interest Income		234	234
Sale of Investment		-	3
Purchase of Investment		-	(2)
Net cash from Investing Activities		**(2,235)**	**(388)**
Cash flows from Financing Activities			
Proceeds from share allotment/Redemption of Shares		(1,616)	500
Net Proceeds from short-term borrowings		8,236	(5,503)
Net Proceeds from long-term borrowings		1,225	1,439
Financial Expenses		(2,438)	(2,349)
Net cash from financing activities		5,408	(5,912)
Net increase in Cash and Cash Equivalents		801	(844)
Cash and Cash Equivalents at the Beginning of Period		423	1,267
Cash and Cash Equivalents at the End of Period	10	**1,224**	**423**

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.

Significant Accounting Policies 2

The Accompanying Notes are an Integral Part of the Financial Statements

As per our report of even date attached

For K P M R & CO
Chartered Accountants
F.R.NO. 104497W

Sandeep P Rajgor
Partner
M.No.122739

Place: Mumbai
Date : May 12, 2022

For and on behalf of Board

Dilip C. Chandan
Managing Director

Pravinkumar C Jain
Director

Yogesh Dave
Company Secretary

Vinod C. Sharma
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(a) Equity Share Capital

(Amount in ₹ Lakhs)

As at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	As at March 31, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital due to prior period errors	At at March 31, 2022
2,132	-	2,132	43	2,132	-	2,132	-	2,175

b) Other Equity

(Amount in ₹ Lakhs)

Particulars	Equity component of compound Financial instruments	Reserves and Surplus				Items of Other Comprehensive		Total Other Equity
		Capital Redemption Reserve	Security Premium	General Reserve	Retained Earnings	Remeasurement of FVTOCI Equity Securities	Remeasurement of net defined benefit plan	
Balance as at April 1, 2020	**736**	**-**	**4,844**	**293**	**17,456**	**(1)**	**19**	**23,347**
Proceeds from issue of Equity Shares			457					457
Profit / (loss) for the year					4,293			4,293
Net (loss)/ gain on FVTOCI Equity Securities						1		1
Remeasurement gains/(loss) on defined benefit plan							144	144
Effect of tax on OCI items						(0)	(36)	(37)
Balance as at March 31, 2021	**736**	**-**	**5,301**	**293**	**21,749**	**(1)**	**127**	**28,205**
Proceeds from issue of Equity Shares			-					-
Created on Redemption of Pref Shares		700						700
Utilised on redemption of Pref Shares	(305)		(916)					(1,220)
Creation of Capital Redemption Reserve				(293)	(407)			(700)
Profit / (loss) for the year					11,481			11,481
Reclassification of compound Instruments	(94)				94			-
Net (loss)/ gain on FVTOCI Equity Securities						2		2
Remeasurement gains/(loss) on defined benefit plan							(156)	(156)
Effect of tax on OCI items						(0)	39	39
Balance as at March 31, 2022	**337**	**700**	**4,385**	**-**	**32,916**	**1**	**11**	**38,3350**

As per our audit report of even date

For K P M R & CO
Chartered Accountants
F.R.NO. 104497W
M.No.122739
Place: Mumbai
Date : May 12, 2022

Sandeep P Rajgor
Partner

For and on behalf of Board

Dilip C. Chandan
Managing Director

Yogesh Dave
Company Secretary

Pravinkumar C Jain
Director

Vinod C. Sharma
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Nature and Purpose of Other Equity

(a) Equity component of compound financial instruments

This amount represents the Equity Component of the Compound Financial Instrument - Redeemable Non- Cumulative Preference Shares.

The Non - Cumulative Redeemable Preference Shares issued by the company satisfy the definition of Compound Financial Instrument as described in Ind AS 32 - The liability component being the amount received on issue of the preference shares and the equity component being the premium on the preference shares (which, being non-cumulative are payable at the discretion of the company). The bifurcation of the compound instrument into Liability and Equity Component has been done based on the principles mentioned in Ind AS 32. Details of these instruments are:

i. **6 % Non Cumulative Redeemable Preference Shares**

6 % Non Cumulative Redeemable Preference shares would be redeemable at the option of the company at any time within a period of 20 years from the date of issue. These shares would carry a fixed non-cumulative dividend of 6% per annum. 30,00,000 shares were issued on 22.12.2003, 10,00,000 shares were issued on 15.02.2006 and balance 10,00,000 shares were issued on 31.03.2006. During the current financial year, the company has redeemed all the preference shares.

ii. 9 % Non Cumulative Redeemable Preference Shares

9 % Non Cumulative Redeemable Preference shares would be redeemable at the option of the company at any time within a period of 20 years from the date of issue. These shares would carry a fixed non-cumulative dividend of 9% per annum. 58,30,000 shares were issued on 26.03.2020. During the year, company has redeemed 20,00,000 shares.

(b) <u>Capital Redemption Reserve</u>

As per Companies Act, 2013, capital redemption reserve is created when company redeems or purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so redeemed / purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(c) <u>Securities Premium:</u>

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the section 52 of the Companies Act, 2013.

(d) <u>Other Comprehensive Income:</u>

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.
Actuarial Gains / (Losses) on defined benefit obligations are recognised as a part of Other Comprehensive Income as required by Ind AS 19.

(e) <u>General Reserve:</u>

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(e) <u>Retained Earnings:</u>

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate Overview:

Chandan Steel Limited is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company's registered office is at 504, Sukh Sagar, N. S. Patkar Marg, Mumbai -400007, Maharashtra, India and the principal places of manufacturing are located at Umergaon, Gujarat, India. The company is engaged in the business of production of stainless-steel billets and other long products. It produces industrial and engineering grade stainless steel flats, bars, coils, flanges, tubes etc.

2. Signficant Accounting Policies

This Note provides a list of the significant accounting policies adopted by the Company in preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance:

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on May 12, 2022

2.1 Basis of preparation of financial statements:

i. Compliance with Ind AS

The Standalone Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended

ii. Historical cost convention:

The Standalone Financial Statements have been prepared on a historical cost basis except for the following;

- Financial instruments – measured at fair value;
- Plan assets under defined benefit plans – measured at fair value
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

iii. The Standalone Financial Statements have been prepared on accrual and going concern basis.

Current and 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 satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency.

2.2) Use of estimates and judgments :-

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation. Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Based on current estimates, the Company expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2.3) Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

a) Investments in subsidiaries and associates

The investments in subsidiaries and associates are carried in these financial statements at historical 'cost', except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

b) Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at historical cost.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Subsequent expenditure and componentisation

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only 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. Expenditure on dry docking of rigs and vessels are accounted for as component of relevant assets. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Decommissioning cost
Decommissioning cost includes cost of restoration. Provision for decommissioning costs is recognized when the Company has a legal or constructive obligation to plug and abandon a well, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring sites and other facilities are recognized in respective assets when the site is complete / facilities or Property, Plant and Equipment are installed.

The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk-free discount rate. An amount equivalent to the decommissioning provision is recognized along with the cost of exploratory well or Property, Plant and Equipment.

The decommissioning cost in respect of dry well is expensed as exploratory well cost.

Depreciation and useful life
Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term. Land accounted under finance lease is amortised on a straight-line basis over the primary period of lease.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets
Separately acquired Computer software which provides significant future economic benefits are recongnised as Intangible assets. Computer software cost is amortised over a period of three years using the straight-line method. Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product.

Impairment
At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is

estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment once again.

Derecognition
An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

c) **Inventories**
Raw materials
Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases.

Work in progress and finished goods
Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Fixed overheads are allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to the individual items in a group of inventories on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Stores and spares
Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Provisions are made for obsolete and non-moving inventories.

Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

d) **Government grants:**
Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are me.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

e) **Revenue Recognition :-**
Revenue from contracts with customers: The Company manufactures and sells stainless Steel products in domestic and international markets.

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Revenue from services is recognised upon completion of services.

Revenue is measured based on the consideration to which the Company expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

Other revenue:
Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Ignterest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

f) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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 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.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early

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.

Short-term leases and leases of low-value assets

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 income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

g) Foreign exchange translation

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss. Foreign exchange differences are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks;

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

h) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

i) Borrowing Costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

j) Provisions

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

Provisions are measured at 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 a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

k) Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal benefits.

Short-term employee benefits

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-Employment Benefits

Defined contribution plan

Employee Benefit under defined contribution plans comprises of Contributory provident fund, Post Retirement benefit scheme, Employee pension scheme, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Company to contribute to the plan. The above benefits are classified as defined contribution schemes as the Company has no further defined obligation beyond monthly contributions.

Defined benefit plan : Gratuity

Defined benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

l) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Financial Assets

a) Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b) Classification of financial assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

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

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

d) Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines a the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, he Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

e) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in profit or loss.

f) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original Classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous smortized cost and fiar value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised Cost	FVTOCI	Fair value is measured at reclassification date Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Financial liabilities and equity instruments

a) **Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

c) **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) **Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

i. Derivative financial instruments classified as fair value through profit or loss. This category includes derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

   Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the profit or loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

ii. <u>Derivative financial instruments designated for hedge accounting</u>

   The Company may designate certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes)
- Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- Hedges of a net investment in a foreign operation (net investment hedges).

iii. <u>Fair value hedge</u>

   When a derivative is designated as fair value hedge, changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in profit or loss in the line item relating to the hedged item.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

iv. Cash flow hedge

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the profit or loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the profit or loss.

v. Net investment hedge

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in foreign currency translation reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses). Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

vi. Embedded derivatives

Derivatives embedded in a host contract being financial asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty

m) Segment reporting :-

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director has been identified as being the chief operating decision maker. In the opinion of CODM, the Company has only one reportable segment viz. manufacturing of stainless steel products. Accordingly, the amounts appearing in the financial statements relates to the Company' single business segment.

n) Earnings per share :-

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

2.4 New and Amended standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to tim e. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

i **Ind AS 103 – Reference to Conceptual Framework**

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

ii. **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

iii. **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

iv. **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

v. **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Note No. 3 : Property, Plant & Equipment

(Amount in ₹ Lakhs)

Particulars	Free Hold Land	Lease Hold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Right of Use Asset	Computers	Total
Gross Block : Cost/Deemed Cost										
As at April 1, 2020	3,871	1,067	8,321	27,887	56	574	163	144	206	42,288
Addition	-	-	115	208	-	37	20	94	8	480
Adjustments/Deletions	-	-	-	-	-	42	-	-	-	42
As at March 31, 2021	3,871	1,067	8,436	28,094	56	568	183	238	214	42,727
Addition	-	-		1,188	2	80	8	129	14	1,421
Adjustments/Deletions	-	-	-	-	-	31	-	238	-	269
As at March 31, 2022	3,871	1,067	8,436	29,282	57	617	191	129	228	43,878
Accumulated Depreciation :										
As at April 1, 2020	-	13	1,795	11,035	48	338	117	73	173	13,592
Depreciation for the year	-	13	258	1,204	2	45	13	77	15	1,626
Deductions / Adjustments	-	-	-	-	-	31	-	-	-	31
As at March 31, 2021	-	26	2,052	12,239	51	352	130	149	187	15,186
Depreciation for the year	-	13	258	1,271	1	43	13	50	12	1,659
Deductions / Adjustments	-	-	-	-	-	29	-	167	-	197
As at March 31, 2022	-	39	2,310	13,510	52	365	143	32	199	16,649
NET BOOK VALUE:										
As at March 31, 2021	3,871	1,041	6,383	15,855	5	216	53	88	27	27,540
As at March 31, 2022	3,871	1,029	6,126	15,772	6	252	48	97	29	27,230

CAPITAL WORK IN PROGRESS

As at March 31, 2021	393
As at March 31, 2022	1,579

CWIP AGING SCHEDULE

CWIP PARTICULARS	AMOUNT IN CWIP FOR A PERIOD OF				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
CWIP as at 31.03.2022					
Projects in progress	1,186	267	-	16	1,469
Projects temporarily suspended					
Implementation of ERP System	-	-	-	110	110
As at 31.03.2022	1,186	267	-	126	1,579
CWIP as at 31.03.2021					
Projects in progress	267	-	16	-	283
Projects temporarily suspended					
Implementation of ERP System	-	-	-	110	110
As at 31.03.2021	267	-	16	110	393

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹) Lakhs	As at March 31, 2021 (₹) Lakhs
	FINANCIAL ASSETS		
4	**INVESTMENT**		
	(a) Trade Investments at cost (unquoted)		
	In fully paid equity shares of Subsidiary Companies		
	i. Kalikund Investment BV (18000 shares of €1 Each)	10	10
	ii. Ganges Geo Resources Pvt Ltd (11,000 shares of ₹10 each)	1	1
	iii. Indic Geo Resources Pvt Ltd (11,000 shares of ₹10 each)	1	1
	iv. Sach Geo Resources Pvt Ltd (11,000 shares of ₹10 each)	1	1
	v. Team Geo Resources Pvt Ltd (11,000 shares of ₹10 each)	1	1
	(b) Other Investments at cost (unquoted)		
	In fully paid equity shares		
	i. Shamrao Vithal Co.Op.Bank (4000 shares of ₹25 each)	1	1
	ii. Saraswat Co.Op.Bank (2500 shares of ₹10 each)	0	0
	iii. Park Energy Private Limited	2	2
	Aggregate value of unquoted investments	18	18
	(c) Other Investments at cost (quoted)		
	In fully paid equity shares		
	i. Gujarat State Financial Corp (4700 shares of ₹10 each)	0	0
	ii. Bank of Baroda (3111 shares of ₹2 each)	3	2
	In Government or trust securities		
	(i). Sovereign Gold Bond Scheme- 50 Grams	2	2
	Aggregate value of quoted investments	6	5
	TOTAL	**25**	**23**
	Aggregate market value of quoted investments	6	5
5	**LOANS**		
	Unsecured		
	a) Loans & Advances to related parties		
	to Subsidiary Companies	1,690	1,706
	Less : Considered Good, Unsecured	523	517
	Loans Receivables - credit impaired.	1,167	1,189
	Less :Provision for Impairment	(1,167)	(1,189)
	b) Loans Receivables which have significant increase in Credit Risk	-	-
	TOTAL	**523**	**517**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹) Lakhs	As at March 31, 2021 (₹) Lakhs
6	**OTHER FINANCIAL ASSETS**		
	a) Security Deposits	2,512	2,553
	b) Deposits with banks having remaining maturity of more than 12 months	163	-
	c) Others	-	-
	TOTAL	**2,674**	**2,553**
7	**OTHER NON CURRENT ASSETS**		
	Unsecured, Considered Good :		
	(a) Capital Advances	145	109
	(b) Advances other than Capital Advances		
	i. Advance Income Tax (Net of Provision)	85	59
	ii. Indirect Taxes Refundable	81	81
	(c) Prepaid Expenses	5	-
	TOTAL	**316**	**249**
8	**INVENTORIES**		
	(a) Raw Materials	11,992	6,556
	(b) Work in progress	5,394	8,004
	(c) Finished Goods	2,525	3,431
	(d) Stores & Consumables	63	24
	TOTAL	**19,974**	**18,014**
	Inventories are carried at the lower of cost or net realisable value.		
9	**CASH AND CASH EQUIVALENTS**		
	i Balances with Banks in Current Accounts	1,143	376
	ii Cash on Hand	81	47
	TOTAL	**1,224**	**423**
10	**OTHER BANK BALANCES**		
	Bank Deposits with original maturity of less than 12 months but more than 3 months	3,355	3,432
	TOTAL	**3,355**	**3,432**
	i Bank deposits are given as margin money / security to banks for credit facilities.		
11	**LOANS**		
	Unsecured, Considered Good		
	(a) Loans and Advances to Employees	147	87
	(b) Loans Receivables which have significant increase in Credit Risk	-	-
	(c) Loans Receivables - credit impaired.	-	-
	TOTAL	**147**	**87**
	(d) Additional Disclosure relating to Loans		
	AS AT MARCH 31, 2022	**Outstanding (₹ Lakhs)**	**% of Total**
	Promoters	-	0.00%
	Directors	-	0.00%
	KMPs	-	0.00%
	Related Parties - Subsidiaries #	1,690	91.99%
	Employees and other outside parties *	147	8.01%
	Total of current and non current advances	**1,838**	**100.00%**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹) Lakhs	As at March 31, 2021 (₹) Lakhs
	AS AT MARCH 31, 2021	**Outstanding (₹ Lakhs)**	**% of Total**
	Promoters	-	0.00%
	Directors	-	0.00%
	KMPs	-	0.00%
	Related Parties - Subsidiaries #	1,706	95.17%
	Employees and other outside parties *	87	4.83%
	Total of current and non current advances	**1,792**	**100.00%**
	# Loan to Subsidiaries are without specifying any terms or period of repayment, are for business purposes and interest bearing.		
	* Loans to employees are repayable on demand		
	12 Other Current Assets		
	Unsecured, Considered Good		
	(a) Advances other than capital advances		
	i Advances to Suppliers	1,131	964
	ii Other Advances	0	118
	(b) Others		
	i Export Incentives Receivable	3,243	1,280
	ii Indirect Taxes Refundable	723	858
	iii Prepaid Expenses	297	386
	iv Interest & Other Income Receivable	123	25
	TOTAL	**5,517**	**3,632**
9	**FINANCIAL ASSETS**		
	Trade Receivables		
	(a) **Over six months from the date they were due for payment**		
	Unsecured, Considered Good	554	350
	Unsecured, Considered Doubtful	-	-
	(b) **Others**		
	Unsecured, Considered Good	36,465	20,398
	Unsecured, Considered Doubtful		-
	(c) Trade Receivables which have significant increase in Credit Risk	-	-
		-	-
	(d) Trade Receivables - credit impaired.	37,018	20,748
	Less: Provision for Expected Credit Loss	(325)	(355)
	TOTAL	**36,693**	**20,394**

a) Particulars as at March 31, 2022 (₹)	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Undisputed Trade receivables – considered good	36,465	349	91	4	109	37,018
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv. Disputed Trade receivables – considered good	-	-	-	-	-	-
v. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
TOTAL	**36,465**	**349**	**91**	**4**	**109**	**37,018**

b) Particulars as at March 31, 2021 (₹)	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Undisputed Trade receivables – considered good	20,398	14	97	56	183	20,748
ii. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv. Disputed Trade receivables – considered good	-	-	-	-	-	-
v. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
TOTAL	**20,398**	**14**	**97**	**56**	**183**	**20,748**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹) Lakhs	As at March 31, 2021 (₹) Lakhs
13	**SHARE CAPITAL**		
	(a) Authorized Capital		
	i 3,00,00,000 Equity Share of ₹10/-each	3,000	3,000
	ii 50,00,000, 6% Non Cumulative Redeemable Preference Share of ₹10/-each	500	500
	iii 1,50,00,000, 9% Non Cumulative Redeemable Preference Share of ₹10/-each	1,500	1,500
		5,000	**5,000**
	(b) Issued, Subscribed & Paid Up Capital		
	i 2,17,53,534 Equity Share of ₹10/-each (Previous Year 2,17,53,534 Equity Shares of ₹10 each)	2,175	2,175
	TOTAL	**2,175**	**2,175**

(c) Terms & Rights attached to shares

i Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Reconciliation of No. of shares outstanding in the beginning & at the end of the year

Particulars	No.of Shares	Amount ₹ Lakhs
i Equity Shares		
Shares outstanding at the beginning of the year	21,753,534 (21,318,754)	2,175 (2,132)
Shares issued during the year	- (434,780)	- (43)
Shares outstanding at the end of the year	21,753,534 (21,753,534)	2,175 (2,175)
(Figures in the brackets indicate those of the previous year)		

(e) Details of shareholders holding more than 5% of the aggregate Share Capital and Shares held by promoters at the end of the year

Name of Shareholders and Promoters	No.of Shares	% Share	% Change
i Equity Shares			
Dilip Chunilal Chandan	7,738,822 (7,738,822)	35.58 (35.58)	0.00 (0.67)
Urmila Dilip Chandan	1,388,823 (1,388,823)	6.38 (6.38)	0.00 0.13
Chaitanya Dilip Chandan	6,062,927 (6,062,927)	27.87 (27.87)	0.00 (0.17)
Chirag Dilip Chandan	5,551,311 (5,551,311)	25.52 (25.52)	0.00 0.52

(Figures in the brackets indicate those of the previous year)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹) Lakhs	As at March 31, 2021 (₹) Lakhs
14	**OTHER EQUITY**		
	(a) Equity component of compound financial instruments		
	i NIL (PY 50,00,000), 6 % Non Cumulative Redeemable Preference Share of ₹10/-each	-	500
	Less: Liability portion of Compound Financial Instrument	-	(277)
		-	223
	ii 38,30,000 (PY 58,30,000), 9 % Non Cumulative Redeemable Preference Share of ₹10/-each	383	583
	Less: Liability portion of Compound Financial Instrument	(46)	(70)
		337	513
	TOTAL	**337**	736
	(b) Capital Redemption Reserve;		
	Opening Balance	-	-
	Add : Created on Redemption of Preference Shares	700	-
	Closing Balance	**700**	-
	(c) Securities Premium		
	Opening Balance	5,301	4,844
	Add : Proceeds from issue of Equity Shares	-	457
	Less : Utilised on redemption of Preference Shares	(916)	-
	Closing Balance	**4,385**	**5,301**
	(d) Other Comprehensive Income		
	Opening Balance	127	18
	Net (loss)/ gain on FVTOCI Equity Securities	2	1
	Remeasurement (loss) / gain on defined benefit plans	(156)	144
	Income Tax relating to above	39	(37)
	Closing Balance	**11**	**127**
	(e) General Reserve	293	293
	Less : Utilised for creation of Capital Redemption Reserve	(293)	-
	Closing Balance	**-**	**293**
	(f) Retained Earnings		
	Opening Balance	21,749	17,456
	Add: Profit for the year	11,481	4,293
	Add/(Less):reclassification of compound Instruments	94	-
		33,324	21,749
	Less : Appropriations	-	-
	Utilised for creation of Capital Redemption Reserve	407	-
	Closing Balance	**32,916**	**21,749**
	TOTAL	**38,350**	**28,205**
15	**Financial Liabilities**		
	(i) Borrowings		
	Secured		
	(a) Term Loans from Banks	7,135	5,880
	Less : Current Maturities	1,719	1,796
		5,415	**4,084**
	(b) Term Loans from Other parties	-	29
	Less : Current Maturities	-	16
		-	**13**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2021(₹)	As at March 31, 2022(₹)
	(ii) Liability Component of compound financial instrument	-	
	i. NIL (PY 50,00,000), 6 % Non Cumulative Redeemable Preference Share of ₹10/-each	63	342
	ii. 38,30,000 (PY 58,30,000), 9 % Non Cumulative Redeemable Preference Share of ₹10/-each		86
		63	**429**
	TOTAL	**5,479**	**4,526**

Redeemable Preference Shares

i 9 % Non Cumulative Redeemable Preference Shares

9 % Non Cumulative Redeemable Preference shares would be redeemable at the option of the company at any time within a period of 20 years from the date of issue. These shares would carry a fixed non-cumulative dividend of 9% per annum. Shares were issued on 26.03.2019

Nature of Security & Terms of Repayment of Term Loans

i Term Loans from Bank of Baroda

Term Loan from Bank of Baroda is secured by 1st charge on Land, Factory Building, Plant & Machinery of forging unit and CNC Machines. Terms of repayment are as under;

Term Loan VI : Repayable in 24 quarterly installment of ₹142 each starting from April, 2016. Interest to be paid as and when debited. Till balance sheet date 22 (PY 18) installments have been paid. Rate of interest is 325 bps above 1 year MCLR + Strategic premium with monthly rest.

Additional WC Term Loan under BGECL 2.0 of ₹ 711 Lakhs is repayable in 48 monthly installments of ₹ 15 Lakhs each starting from July 2022. Till balance sheet date NIL (PY NIL) installments have been paid. Interest to be paid as and when debited.

Car Loan : Repayable in 84 monthly EMI of ₹ 15,462/- each starting from December 2020. Till balance sheet date 4 (PY NIL) installments have been paid. Rate of interest is 7.75% p.a.

Car Loan : Repayable in 36 monthly EMI of ₹ 57,126/- each starting from November 2021. Till balance sheet date 5 (PY NIL) installments have been paid. Rate of interest is 7.40% p.a.

ii Term Loans from United Bank of India now merged with Punjab National Bank

Term Loan VII of ₹ 3750 Lakhs is secured by 1st Charge on the entire fixed assets related to new wire rod units on Plot No. 142(52 II) (land admeasuring 38000 sq mtr) at Expansion area of GIDC, Umbergaon, Gujrat. Terms of repayment are as under;

Term Loans VII : Repayable in quarterly installments as under;

Year	No of Installments	Total Amount in ₹ Lakhs
22-23	4	489
23-24	4	618
24-25	4	675
25-26	4	714
26-27	4	768

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Term Loans from banks are further secured by personal guarantee of three promoter directors.

COVID -19 emergency Credit Facility Demand Loan is secured by Extension of existing charge on the primary /collateral security and personal guarantee of promoters as per existing terms of sanction. Loan is repayable in 18 equated monthly instalments after a moratorium period of 6 months from the date of disbursement of the loan. Till balance sheet date 14 (PY 2) installments have been paid. Rate of interest is 8.25% p.a.(1year MCLR+0.50%).

Working Capital Term Loan (WCTL) under GECL 2.0 of ₹.1800 Lakhs is secured second charge with the existing credit facilities in terms of cash flows (including repayments) and security, with charge on the assets financed under the Scheme. Loan is repayable in 60 months including moratorium period of 12 Months. After moratorium period, the loan shall be repaid in 48 Installments of ₹.38 Lakhs and interest shall be served as and when due till full and final adjustment of loan. Till balance sheet date 1 (PY NIL) installments have been paid. Rate of interest is 8.35% p.a.(MCLRY+1%).

iii Term Loans from ICICI Bank

Term Loans from ICICI Bank is vehicle loan is secured by the vehicle acquired against the said loan. Terms of repayments are as under;

1) Repayable in 60 EMIs of ₹60,512/- starting from January 2019. Till Balance Sheet date 39 (PY 27) EMIs have been paid.
2) Repayable in 60 EMIs of ₹51,111/- starting from April, 2018. Till Balance Sheet date 48 (PY 36) EMIs have been paid.
3) Repayable in 36 EMIs of ₹43,796/- starting from January 2021. Till Balance Sheet date 15 (PY 3) EMIs have been paid.
4) Repayable in 36 EMIs of ₹84,709/- starting from January 2021. Till Balance Sheet date 15 (PY 3) EMIs have been paid.
5) Repayable in 36 EMIs of ₹51,170/- starting from October, 2021. Till Balance Sheet date 6 (PY NIL) EMIs have been paid.
6) Repayable in 36 EMIs of ₹41,749/- starting from October, 2021. Till Balance Sheet date 6 (PY NIL) EMIs have been paid.
7) Repayable in 48 EMIs of ₹1,25,000/- starting from April, 2022. Till Balance Sheet date NIL (PY NIL) EMIs have been paid.

iv Term Loans from Bank of India

Term Loans from Bank of India are secured by the hypothecation of Stock and Book debts of the company

1) Working Capital Demand Loan (WCDL) from Bank of India under COVID-19 Emergency Support System Scheme 2021 (CESS-2021) of ₹ 310 Lakhs is repayable in 6 EMIs of ₹ 8 Lakhs starting from January 2021 and 12 installments of ₹ 22 Lakhs. Till Balance Sheet date 15 (PY 3) EMIs have been paid. Rate of Interest is 1 year MCLR i.e. 7.95% p.a. with monthly rest. interest to be serviced as and when applied.
2) Working Capital Term Loan (WCTL) from Bank of India under Star Guaranteed Emergency Credit Line 2.0 (Star GECL) of ₹ 608 Lakhs is repayable after moratorium of 12 months in 48 Equated monthly installments of ₹ 15 Lakhs starting from March 2022. Till Balance Sheet date 1 (PY NIL) EMIs have been paid. Rate of Interest is 1% over MCLR i.e. 8.35% p.a. with monthly rest. Interest to be serviced as and when applied during moratorium period.
3) Working Capital Term Loan (WCTL) from Bank of India under Star Guaranteed Emergency Credit Line 2.0 (Star GECL Extension) of ₹ 305 Lakhs is repayable after moratorium of 24 months in 36 Equated monthly installments of ₹ 10 Lakhs starting from April 2024. Till Balance Sheet date NIL (PY NIL) EMIs have been paid. Rate of Interest is 1% over RBLR with monthly rest. Interest to be serviced as and when applied during moratorium period.

Note No	Particulars	As at March 31, 2022 (₹) Lakhs	As at March 31, 2021 (₹) Lakhs
16	**LEASE LIABILITIES**		
	Lease Liabilities	100	99
	Less : Current Portion	45	46
	TOTAL	**56**	**53**
17	**PROVISIONS**		
	(a) Provision from Employment Benefit		
	Provision for Gratuity	373	243
	TOTAL	**373**	**243**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹) Lakhs	As at March 31, 2021 (₹) Lakhs
18	**Deferred Tax Liabilities (Net)**		
	(a) Deferred Tax Liabilities		
	i Depreciation	2,562	2,496
	Less :		
	(b) Deferred Tax Assets		
	i Expenses allowable in future under Tax Laws	517	372
	ii Unabsorbed Depreciation under tax laws	-	-
	Net	**2,044**	**2,124**
	FINANCIAL LIABILITIES		
19	**Borrowings**		
	(a) Secured		
	i **Loan Repayable on Demand**		
	- Working Capital Loan from Banks	18,664	10,429
	(b) **Current maturities of long-term debt**		
	i Current maturities of long-term debt	1,719	1,812
	TOTAL	**20,384**	**12,241**
	Working Capital Loans from Banks are secured by equitable mortgage of movable & immovable assets and charge of movable assets in favor of consortium of lenders. Secured and Unsecured Working capital Loans from banks are secured by personal guarantee of three promoter directors. Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts and there are no material discrepancies.		
21	**Other Current Liabilities**		
	(a) Interest accrued but not due on borrowings	13	-
	(b) Other Liabilities		
	i Creditors for Capital Goods	245	55
	ii Advance from Customers	365	516
	iii Taxes Payable	206	149
	TOTAL	**828**	**720**
22	**Provisions**		
	(a) Provision for Employees Benefits	133	57
	(b) Others		
	ii Provision for Outstanding Expenses	1,819	1,131
	TOTAL	**1,952**	**1,188**
23	**Current Tax Liabilities (Net)**		
	i Current Income taxes (net of tax paid)	554	178
		554	**178**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹) Lakhs	As at March 31, 2021 (₹) Lakhs
20	**Trades Payable**		
	(a) Total outstanding dues of micro enterprises and small enterprises	550	53
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
	For Goods	21,054	21,000
	For Expenses and Services	5,414	4,505
	Sub-Total	26,468	25,505
	TOTAL	**27,018**	**25,558**

(c) Trade Payables aging schedule : Outstanding for period from date of transaction (Amount in ₹ Lakhs)

	Particulars as at March 31, 2022 (₹)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i	MSME	550	-	-	-	550
ii	Others	25,975	102	264	95	26,437
iii	Disputed dues – MSME	-	-	-	-	-
iv	Disputed dues – Others	-	-	-	32	32
		26,525	**102**	**264**	**127**	**27,018**

	Particulars as at March 31, 2021 (₹)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i	MSME	53	-	-	-	53
ii	Others	24,657	630	122	65	25,473
iii	Disputed dues – MSME	-	-	-	-	-
iv	Disputed dues – Others	-	-	-	32	32
		24,709	**630**	**122**	**96**	**25,558**

(d) "Additional disclosures relating to relating to micro, small and medium enterprises as required by general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2003.

The Company has received intimation from the supplier regarding their status as supplier under the Micro, Small and Medium Enterprises Development Act, 2006. The disclosure is based on the information collected by the company."

Note No	Particulars	As at March 31, 2022 (₹) Lakhs	As at March 31, 2021 (₹) Lakhs
	i The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	550	53
	ii The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
	iii The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid);	-	-
	iv The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
	v The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹ Lakhs)	As at March 31, 2021(₹ Lakhs)
24	**REVENUE FROM OPERATIONS**		
	(a) Sale of Products		
	i Export Sales	121,384	75,427
	ii Domestic Sales	34,133	19,757
	(b) Sale of Services		
	i Job Work & Other Services Sales	527	64
	(c) Other Operating Revenues		
	i Exports Incentives	2,751	1,458
	ii Foreign Exchange Rate Difference (Net)	2,115	1,585
	TOTAL	**160,910**	**98,292**
25	**OTHER INCOME**		
	(a) Interest Income	235	234
	(b) Other Income	28	36
	(c) Profit on sale of Property, Plant & Equipment	7	-
	(d) Profit on sale of Investments	-	3
	(e) Reversal of ECL Provision	29	289
	(f) Reversal of Lease Liability	7	-
	TOTAL	**307**	**561**
26	**COST OF MATERIAL CONSUMED**	6,556	2,876
	(a) Opening Stock		
	(b) Add : Cost of Purchases During the Year	108,729	61,136
	i Purchase	168	481
	ii Customs Duty	924	727
	iii Clearing & Forwarding	727	560
	iv Freight Inward	117,104	65,779
	(c) Less : Closing Stock	11,992	6,556
	TOTAL	**105,112**	**59,224**
27	**CHANGE IN INVENTORIES**		
	(a) Finished & Semi Finished Goods		
	Opening Stock	11,435	17,919
	Less: Closing Stock	7,919	11,435
	TOTAL	**3,515**	**6,484**
28	**EMPLOYEE BENEFIT EXPENSES**		
	(a) Salaries, Wages and Bonus	5,266	3,770
	(b) Directors Remunerations	586	285
	(c) Contribution to Provident & Other Funds	238	200
	(d) Staff Welfare Expenses	391	321
	TOTAL	**6,481**	**4,576**
29	**FINANCE COST**		
	(a) Interest Expenses		
	i Interest to Bank on Working Capital Loans	642	876
	ii Interest to Bank on Term Loans	683	591
	iii Interest to others	78	41
	(b) Other Borrowing Costs		
	i Bank & Other Charges	905	821
	ii Other Financial Expenses	134	42
	(c) Net Gain/loss on Foreign Currency borrowings	3	-14
	(d) Finance Cost on Compound Instrument - Pref. Shares	30	43
	TOTAL	**2,475**	**2,400**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹ Lakhs)	As at March 31, 2021(₹ Lakhs)
30	**OTHER EXPENSES**		
	Manufacturing Expenses		
	(a) Consumption of Stores & Spares	2,737	2,123
	(b) Power & Fuel and Water Charges (see i below)	6,387	5,507
	i Power & Fuel charges are net of energy generated from Windmill ₹ 463 Lakhs (PY ₹ 385 Lakhs)		
	(c) Labour, Loading & Coolie Charges	2,707	2,095
	(d) Conversion Charges	66	249
	(e) Repairs & Maintenance		
	Plant & Machinery	288	195
	Building	74	119
	(f) Facility Charges, Testing & Factory Expenses	113	119
	TOTAL	12,371	10,408
	Other Expenses		
	a) Advertisement Expenses	23	3
	b) Freight & Clearing & Forwarding Outwards	10,309	4,858
	c) Commission & Brokerage	342	295
	d) Packing Material Expenses	632	500
	e) Business Promotion Expenses	142	127
	f) Insurance	196	164
	g) ECGC Premium	168	195
	h) Postage Telephone & Telex	37	29
	i) Vehicle Maintenance	115	77
	j) Travelling & Conveyance	87	55
	k) Repairs & Maintenance	226	179
	l) Rent	173	205
	m) Rates & Taxes	82	64
	n) Legal & Professional Fees	891	805
	o) Printing & Stationery	31	26
	p) Donation	230	15
	q) Contribution towards CSR	177	72
	r) Auditor's Remuneration		
	i Statutory Audit Fees	15	14
	ii Tax Audit Fees	3	3
	iii Certification and Other Services	8	6
	s) Electricity Charges	6	8
	t) Director's Sitting Fees	4	2
	u) Membership & Subscription	6	3
	v) Miscellaneous Expenses	30	46
	w) Balances Write Off	169	479
	x) Loss on sale of Property, Plant & Equipment	-	2
	TOTAL	26,474	18,640
31	**TAX EXPENSES**		
	(a) Current tax	4,037	1,355
	(b) Deferred tax	(80)	290
	TOTAL	3,958	1,645

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No	Particulars	As at March 31, 2022 (₹ Lakhs)	2021(₹ Lakhs)
31	**TAX EXPENSE**		
	A Amount recognised in profit and loss		
	Current income tax:		
	Current tax on profit for the year	4,037	1,355
	Adjustment for current tax for prior periods	24	1
	Total Current Tax Expenses	4,061	1,356
	Deferred tax charge/ (credit):		
	(Decrease) / Increase in Deferred Tax Liabilities		114
	Decrease / (Increase) in Deferred Tax Assets	66	140
	Total Deferred Tax Expenses	(107)	254
		(41)	
	Total income tax expenses reported in statement of profit and loss	4,021	1,610
	B Amount recognised in other comprehensive income		
	On Remeasurement Gain / (Loss) on Defined Benefit Plans	(39)	36
	On Fair Value of Equity Instrument	-	1
	Total income tax expenses reported in other comprehensive	**(39)**	**37**
	C Reconciliation between the Statutory Income Tax Rate applicable to the company and the effective income tax rate of the Company:		
	a. Profit before Tax	15,501	5,903
	b. Statutory Income Tax Rate	25.17%	25.17%
	c. Differences due to:		
	i Non deductible expenses	0.70%	0.39%
	ii. Others	0.07%	1.71%
	Net Effective Income Tax	25.94%	27.27%
	D Components of Current Tax Liabilities		
	Opening Balance	178	1
	Add: Tax Payable for the Year	4,061	1,356
	Less: Taxes Paid	(3,685)	(1,179)
	Closing Balance	**554**	**178**

E Components of deferred tax assets and (liabilities) recognised in the balance sheet, statement of profit and loss statement and statement of other comprehensive income :

For the year ended March 31,2022	Opening	Recognised in profit and Loss	Recognised in OCI	Closing
Property, Plant and Equipment	2,496	66		2,562
Total Deferred Tax Liabilities	**2,496**	**66**	-	**2,562**
Expenses allowable in future under Tax Laws	372	107	39	517
Total Deferred Tax Asset	**371**	**107**	**39**	**517**
TOTAL	**2,124**	**(41)**	**(39)**	**2,045**

For the year ended March 31,2021	Opening	Recognised in profit and Loss	Recognised in OCI	Closing
Property, Plant and Equipment	2,382	114		2,496
Total Deferred Tax Liabilities	**2,382**	**114**	-	**2,496**
Expenses allowable in future under Tax Laws	548	(140)	37	372
Total Deferred Tax Asset	**548**	**(140)**	**37**	**371**
TOTAL	**1,834**	**254**	**(37)**	**2,124**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

32 CONTINGENT LIABILITIES AND PROVISIONS

Contingent liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved. Provisions are recognized when the company has a legal obligation and on management discretion as a result of past events for which it is probable that cash outflow may be required and reliable estimate can be made of the amount of the obligation. Following are the contingent liabilities;

Sr No	Particulars	As at March 31, 2022 (₹ Lakhs)	2021(₹ Lakhs)
i	Disputed demand for Excise duty & Service Tax	99	99
	Amount paid against above	15	15
ii	Disputed demand for Customs Duty	4	4
	Amount paid against above	4	4
iii	Disputed demand for Income Tax	5,975	-
	Amount paid against above	25	-
	TOTAL	103	103

The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

The Income-Tax Assessments of the Company have been completed up to Assessment Year 18-19. The assessed tax liability exceeds the provision made by ₹ 5975 Lakhs (PY ₹ NIL) as on Balance Sheet date. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Capital & Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 34 Lakhs (PY ₹ NIL).

33 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

		As at March 31, 2022 (₹ Lakhs)	2021(₹ Lakhs)
a)	Gross amount required to be spent by the company	73	45
b)	Amount spent:		
(i)	Construction / Acquisition of any asset	-	-
(ii)	On purposes other than (i) above	177	72
c)	Shortfall at the end of the year	-	-
d)	Excess spend for the year to be c/f	104	27
e)	Total of previous years shortfall and reasons thereof	-	-
f)	Nature of CSR activities : Animal Welfare, Disaster Relief, Education, Skilling, Health and Wellness.		

34 LEASES

The Company has taken premises under operating leases. The leases have an average life of less than one year with renewal options included in contracts. Renewals are at the mutual consent of lessor and lessee. Lease payments recognised in the statement of Profit and Loss for the year amounts to ₹ 173 Lakhs (previous year: ₹ 205 Lakhs).

Following is carrying value of right of use assets and the movements thereof till the year ended March 31, 2022

Particulars	Amount (₹ Lakhs)
Balance as at April 1, 2020	71
Additions during the year 2020-2021	94
Deletion during the year 2020-2021	-
Depreciation of Right of use assets 2020-2021	77
Balance as at March 31, 2021	**88**
Additions during the year 2021-2022	129
Deletion during the year 2021-2022	70
Depreciation of Right of use assets 2021-2022	50
Balance as at March 31, 2022	**97**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The following is the carrying value of lease liability and movement thereof till the year ended March 31, 2022:

Particulars	Amount (₹ Lakhs)
Balance as at April 1, 2020	**77**
Additions during the year 2020-2021	94
Finance cost accrued during the year 2020-2021	8
Payment of lease liabilities 2020-2021	80
Deletion during the year 2020-2021	-
Balance as at March 31, 2021	**99**
Additions during the year 2021-2022	129
Finance cost accrued during the year 2021-2022	5
Payment of lease liabilities 2021-2022	56
Deletion during the year 2021-2022	77
Balance as at March 31, 2022	**100**

The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Future minimum lease rentals payable under non-cancellable operating leases are as follows:

Particulars	As at March 31,	
	2022 (₹ Lakhs)	2021(₹ Lakhs)
Within one year	52	53
After one year but not more than five years	59	57
More than five years	-	-

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 9.50%. For the addition in FY 2021-2022, the average incremental borrowing rate applied to lease liability is 9.00%.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

35 EARNINGS PER SHARE (EPS)

The numerators and denominators used to calculate basic and diluted EPS:
Amount in ₹ except number of shares

	Particulars	As at March 31,	
		2022 (₹ Lakhs)	2021(₹ Lakhs)
i	Profit for the year attributable to the equity shareholders (Numerator used for calculation of EPS)	11,481	4,293
ii	Basic / Weighted average number of equity shares outstanding during the year (Denominator used for calculation of EPS)	21,753,534	21,473,035
iii	Basic & Diluted Earnings Per Share	**52.78**	**19.99**
iv	Nominal Value of Shares	₹10/-	₹10/-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

36 SEGMENT REPORTING (IND AS 108) :

The Company has only one reportable segment viz. manufacturing of stainless steel products. Accordingly, the amounts appearing in the financial statements relates to the Company' single business segment. There are no other separate reportable segments.

Geographical information (Amount in ₹ Lakhs)

	Particulars	As at March 31, 2022 (₹ Lakhs)	As at March 31, 2021(₹ Lakhs)
i	Revenue		
	- Domestic revenue - from external customers	34,660	19,821
	- Overseas revenue - from external customers	119,489	41,211
	- Overseas revenue - from related party	4,646	35,674
		158,795	**96,707**

ii Assets : All non current assets are located in India.
No single external customer revenue is more than 10% of the Company's revenue.

37 REVENUE FROM CONTRACTS WITH CUSTOMERS

I. Revenue from Operations

Sr. No.	Particulars	As at March 31, 2022 (₹ Lakhs)	As at March 31, 2021(₹ Lakhs)
(a)	Sale of Products	155,517	95,184
(b)	Sale of Services	527	64
(c)	Other Operating Revenues	4,866	3,043
	TOTAL	**160,910**	**98,292**

II. Disaggregation of revenue from contracts with customers:

Sr. No.	Particulars	As at March 31, 2022 (₹ Lakhs)	As at March 31, 2021(₹ Lakhs)
(a)	Sale of Products		
	i Export Sales	121,384	75,427
	ii Domestic Sales	34,133	19,757
(b)	Sale of Services		
	i Job Work & Consultancy Charges	527	64
(c)	Other Operating Revenues		
	i Exports Incentives	2,751	1,458
	ii Foreign Exchange Rate Difference (Net)	2,115	1,585
	TOTAL	**160,910**	**98,292**

III. Reconciliation of Contract with customers recognised at Contract Price:

Sr. No.	Particulars	As at March 31, 2022 (₹ Lakhs)	As at March 31, 2021(₹ Lakhs)
(a)	Contract Price	160,961	98,497
	Adjustment for :		
(b)	Discounts offered *	(50)	(205)
(c)	Contract price allocated to unsatisfied performance obligation for sale of services	-	-
(d)	**Revenue from Contract with Customers**	**160,910**	**98,292**

* Consideration payable to customers like discounts and price reductions offered to customers are estimated on specific identified basis and reduced from the Contract price when the Company recognises revenue from the transfer of the related goods or services to the customer and the entity pays or promises to pay the consideration.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

38 **EMPLOYEE BENEFIT PLANS**

Defined contribution plan

The Company's contributions paid or payable during the year to the provident fund is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

Gratuity

The Company's employees are covered under the group gratuity scheme funded through a Pool assets with an Insurance Company. Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation are calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

As per actuarial valuation report as at 31 March 2022 as under:

A. Movement in Obligation

	Particulars	Gratuity (funded) as at March 31	
		2022 (₹ Lakhs)	2021(₹ Lakhs)
	Change in present value of obligations		
	Defined Benefit Obligation at the beginning of the year	314	394
	Current Service Cost	52	54
	Interest cost	18	23
	Remeasurements - Actuarial (gains)/ Losses	157	(144)
	Benefits Paid	(23)	(13)
	Defined Benefit Obligation at the end of the year	**516**	**314**

B. Change in Fair value of the planned assets

	Particulars	Gratuity (funded) as at March 31	
		2022 (₹ Lakhs)	2021(₹ Lakhs)
	Change in Fair value of the planned assets		
	Fair Value of the planned assets at the beginning of the year	26	7
	Interest Income	2	0
	Employer contribution	35	32
	Remeasurements - Return on assets	1	0
	Benefits Paid	(23)	(13)
	Defined Benefit Obligation at the end of the year	**40**	**26**

C. Amounts for the year ended 31 March 2022 recognized in Statement of Profit and Loss and Other Comprehensive Income:

Particulars	Gratuity (funded) as at March 31	
	2022 (₹ Lakhs)	2021(₹ Lakhs)
Expenses recognised in Statement of Profit and Loss		
Current service cost	52	54
Past service cost	-	-
(Gain)/Loss on settlements	-	-
Reimbursement service cost	-	-
Total Service cost	**52**	**54**
Interest expense on DBO	18	23
Interest Income on plan assets	(2)	(0)
Total Net Interest cost	**16**	**22**
Defined Benefit cost included in P&L	**68**	**77**
Expenses Recognised in Other Comprehensive Income		
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(10)	2
(Gain)/loss from change in Experience adjustments	167	(146)
Return on plan assets	(1)	(0)
Amount Recognised in OCI outside P & L A/c	**156**	**(144)**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

D. Assumptions

The Principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Particulars	Gratuity (funded) as at March 31	
	2022 (₹ Lakhs)	2021(₹ Lakhs)
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Method	Project unit credit method	Project unit credit method
Retirement Age in years	60	60
Discount rate per annum	6.75%	6.30%
Salary Escalation Rate	5.00%	5.00%

E. Maturity Profile of defined Benefit Obligation:
Expected Future Cashflows

YEAR	as at March 31	
	2022 (₹ Lakhs)	2021(₹ Lakhs)
Year 1	130	71
Year 2	67	39
Year 3	83	38
Year 4	55	47
Year 5	52	31
Year 6 to 10	184	114
Above 10	89	59
Average Expected Future Working Life (years)	6.14	6.23

F. Sensitivity Analysis:

Defined Benefit Obligation	as at March 31	
	2022 (₹ Lakhs)	2021(₹ Lakhs)
Discount rate		
a. Discount rate - 100 basis points	540	329
a. Discount rate - 100 basis points impact (%)	4.48%	4.86%
b. Discount rate + 100 basis points	495	300
b. Discount rate + 100 basis points impact (%)	-4.07%	-4.40%
Salary increase rate		
a. Rate - 100 basis points	497	300
a. Rate - 100 basis points impact (%)	-3.82%	-4.50%
b. Rate + 100 basis points	538	329
b. Rate + 100 basis points impact (%)	4.11%	4.87%

G. Categories of Plan Asset:

Particulars	as at March 31	
	2022 (₹ Lakhs)	2021(₹ Lakhs)
The weighted-average asset allocations at the year end were as follows: Pooled assets with an insurance company	100%	100%
TOTAL	**100%**	**100%**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

H. Risk Exposure

i. Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

ii. Market Risk (Interest Rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

iii. Longevity Risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

iv. Actuarial Risk

Salary Increase Assumption

Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.

Attrition/Withdrawal Assumption

If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions.

v. Regulatory Risk

Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

39 Related Party Disclosure as required by Ind AS - 24

(a) Name of the related party and nature of relationship:

Key Management Personnel

Chunilal Chandan - Chairman (Non Executive)
Dilip Chandan - Managing Director
Vijay Chandan - Joint Managing Director upto 31.03.2022
Pravin C.Jain - Director
Kapila Chandan - Director
Biswajit Datta - Director from 20.04.2021
Mukul Tandon - Director from 01.06.2021
Anil Kumar Dhar - Director upto 31.12.2020
Hiten M Parikh - Director upto 31.12.2020
Gopichand Varanasi - Director upto 15.06.2021
Vinod C Sharma - Chief Financial Officer from 01.06.2020
Yogesh Dave - Company Secretary from 01.06.2020

Relatives of Key Management Personnel

Samuben C.Chandan	-	(Wife of Chunilal Chandan)
Urmila D.Chandan	-	(Wife of Dilip Chandan)
Chetan D.Chandan	-	(Son of Dilip Chandan)
Chirag D.Chandan	-	(Son of Dilip Chandan)
Khushboo C.Chandan	-	(Daughter in law of Dilip Chandan)
Dilip C. Chandan HUF	-	(HUF of Dilip Chandan)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Subsidiary Companies
Kalikund Investment B.V.
CSL USA LLC
Ganges Geo Resources Pvt Ltd
Indic Geo Resources Pvt Ltd
Sach Geo Resources Pvt Ltd
Team Geo Resources Pvt Ltd

(b) Transaction with related party:

Related party transactions during the year	as at March 31	
	2022 (₹ Lakhs)	2021(₹ Lakhs)
b.1 Transactions with Key Management Personnel		
i Salary & Remuneration to Key Management Personnel		
Dilip C. Chandan (Including Perquisites)	497	207
Vijay C. Chandan	90	90
P.C.Jain	16	15
Gopichand Varansi	-	8
Kapila Chandan	90	48
Vinod Sharma	27	14
Yogesh Dave	4	3
Biswajit Datta	2	-
Mukul Tandon	2	-
Hiten Parikh	-	2
Anil Dhar	-	1
ii Rent paid		
Dilip C. Chandan	161	161
iii Sale of Shares of subsidiary company		
Vijay C. Chandan	-	3
b.2 Transactions with relatives of Key Management Personnel		
i Salary		
Chaitanya Chandan	432	120
Chirag Chandan	432	120
Khushboo Chandan	90	48
ii Rent Paid		
Urmila D. Chandan	11	11
b.3 Transactions with Subsidiaries		
i Loans given to subsidiary Company	-	7
Chandan Minerals Pvt. Ltd.-Opening Balance	-	0
Chandan Minerals Pvt. Ltd.-Loan given	-	8
Chandan Minerals Pvt. Ltd.-Loan Received back	-	-
Chandan Minerals Pvt. Ltd.-Closing Balance		
ii Loans given to subsidiary		
Kalikund Investment B.V.-Opening Balance	1,706	1,632
Kalikund Investment B.V.-Loan given (Interest & Exchange Rate Difference)	15	74
Kalikund Investment B.V.-Loan Received back (Exchange Rate Difference)	30	-
Kalikund Investment B.V.-Closing Balance	1,690	1,706
Kalikund Investment B.V.-Interest Received on Loan	15	15
Kalikund Investment B.V.-Provision for impairment	1,167	1,189
iii Sale of Goods		
CSL USA LLC	4,646	35,674
iv Balance outstanding in Debtors account		
CSL USA LLC	926	7,353

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

40 CAPITAL MANAGEMENT

The primary objective of capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. It determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. It is not subject to any externally imposed capital requirements.

41 FINANCIAL INSTRUMENTS

A. Fair Value Measurement

i. Financial Instrument by Category

Particulars	as at March 31 2022 (₹ Lakhs)			as at March 31 2021(₹ Lakhs)		
	FVP	LFVOCI	Amortised Cost	FVP	LFVOCI	Amortised Cost
Financial Assets						
Investments						
- Equity Instruments		10	-		8	-
Trade Receivables			36,693			20,394
Loans			670			604
Security deposit for utilities and premises			2,512			2,553
Deposits with banks having remaining maturity of more than 12 months			163			-
Cash and Bank Balances			4,579			3,855
Total Financial Assets	**-**	**10**	**44,616**	**-**	**8**	**27,406**
Financial Liabilities						
Trade Payables			27,018			25,558
Loans			25,862			16,767
Lease Liability			100			99
Total Financial Liabilities	**-**	**-**	**52,981**	**-**	**-**	**42,423**

ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard. An explanation of each level follows underneath the table:

(Amount in ₹ Lakhs)

Financial assets and liabilities measured at Fair Value as at March 31, 2022	Note No.	Level 1	Level 2	Level 3	TOTAL
Financial Assets					
Financial investments at FVOCI:					
Quoted equity shares	4	4			**4**
Unquoted equity shares	4		2	3	**6**

(Amount in ₹ Lakhs)

Financial assets and liabilities measured at Fair Value as at March 31, 2021	Note No.	Level 1	Level 2	Level 3	TOTAL
Financial Assets					
Financial investments at FVOCI:					
Quoted equity shares	4	2			**2**
Unquoted equity shares	4		2	3	**6**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Level 1: This includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded on the Stock Exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

iii. Valuation technique use to determine fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Techniques used to determine fair value are:

a. "i) the use of quoted market prices or dealer quotes for similar instruments
ii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Standalone Balance Sheet date
iii) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model
iv) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
All of the resulting fair value estimates are included in level 1 and 2."

b. The Finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

iv. Fair value of Financial assets and liabilities measured at amortised cost

	Particulars	Gratuity (funded) as at March 31	
		2022 (₹ Lakhs)	2021(₹ Lakhs)
	Financial Assets		
	Security deposit for utilities and premises	2,512	2,553
	Deposits with banks having remaining maturity of more than 12 months	163	-
	Total Financial Assets	**2,674**	**2,553**
	Financial Liabilities		
	Loans*	63	429
	Lease Liability	100	99
	Total Financial Liabilities	**163**	**528**

*Loans of Rs. 63 Lakhs (PY Rs. 429 Lakhs) represents the Fair value of the Liability component of the Compound Financial Instrument - Redeemable Non - Cumulative Preference Shares

- The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loan receivables, trade payables, balance loan payables (other than those above) are considered to be the same as their fair values due to the current and short-term nature of such balances.

- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values

v. Financial risk management

Risk management is an integral part of the business practices of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. With the help of a consultancy firm, it has developed and implemented a comprehensive risk management system to ensure that risks to its continued existence as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised risk management system, leading standards and practices have been considered. The risk management system is relevant to business reality, pragmatic and simple and involves the following:

i. Risk identification and definition: Focuses on identifying relevant risks, creating / updating clear definitions to ensure undisputed understanding along with details of the underlying root causes / contributing factors.

ii. Risk classification: Focuses on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk interrelationships.

iii. Risk assessment and prioritisation: Focuses on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.

iv. Risk mitigation: Focuses on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.

v. Risk reporting and monitoring: Focuses on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

a. Management of liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. It believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Standalone Balance Sheet date:

(Amount in ₹ Lakhs)

As at March 31, 2022	Note No.	Carrying Amt.	Less than 12m	More than 12m	TOTAL
Trade Payables	20	27,018	27,018	-	27,018
Loans	15 & 19	25,862	20,384	5,479	25,862
Lease Liability	34	100	45	56	100

(Amount in ₹ Lakhs)

As at March 31, 2021	Note No.	Carrying Amt.	Less than 12m	More than 12m	TOTAL
Trade Payables	20	25,558	25,558	-	25,558
Loans	15 & 19	16,767	12,241	4,526	16,767
Lease Liability	34	99	-	99	99

b. <u>Management of market risk</u>

The size and operations of the Company expose it to the following market risks that arise from its use of financial instruments:

- Price Risk
- Foreign Exchange Risk

The above risks may affect income and expenses, or the value of its financial instruments. Its objective for market risk is to maintain this risk within acceptable parameters, while optimising returns. The exposure to these risks and the management of these risks are explained below:

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- **Price Risk**

i. Potential impact of risk

"The Company is mainly exposed to price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments.

Equity price risk is related to the change in market reference price of the investments in equity securities.

In general, equity securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through other comprehensive income as at March 31, 2022 is ₹ 10 Lakhs (March 31, 2021: ₹ 8 Lakhs)."

ii. Management policy

In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management Policy. Any new investment or divestment must be approved by the Board, Chief Financial Officer and Risk Management Committee.

iii. Sensitivity to risk

"As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows.

For equity instruments, a 10% increase in Nifty 50 prices may have led to approximately an additional (₹ 0) gain/(loss) in other comprehensive income (2020-21: ₹ 0). A 10% decrease in Nifty 50 prices may have led to an equal but opposite effect."

- **Foreign Exchange Risk**

i. Potential impact of risk

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not its functional currency (₹). The risk also includes highly probable foreign currency cash flows. The objective of the cash flow hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions

ii. Management policy

The Company has exposure arising out of export, import and other transactions other than functional risks. It hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is as per the guidelines laid down in its Risk Management Policy

iii. Sensitivity to Risk

As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Standalone Financial Statements, the Company has calculated the impact as follows: For derivative and non-derivative financial instruments, 1 % increase in the spot price as on the reporting date may have led to an increase of ₹ 103 Lakhs profit in statement of profit & loss (2020-2021: loss of ₹ 8 Lakhs). A 1 % decrease may have led to loss ₹ 103 Lakhs in statement of profit & loss (2020-2021: profit of ₹ 8 Lakhs).

Foreign Currency Exposure

The exposure to foreign currency risk of the Company at the end of the reporting period expressed is as follows:

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2022							
	US$	₹ Lakhs	€	₹ Lakhs	£	₹ Lakhs	CAD	₹ Lakhs
Financial Assets								
Trade receivable	13,459,168	10,201	13,294,912	11,197	149,977	149	105,688	64
Less :								
Hedged through derivatives								
Net exposure to foreign currency risk (assets)	13,459,168	10,201	13,294,912	11,197	149,977	149	105,688	64
Financial Liabilities								
Trade payables	14,854,454	11,258	10,138	9	-	-	-	-
Hedged through derivatives	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	14,854,454	11,258	10,138	9	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2021							
	US$	₹ Lakhs	€	₹ Lakhs	£	₹ Lakhs	CAD	₹ Lakhs
Financial Assets								
Trade receivable	10,954,012	8,008	5,173,749	4,436	304,490	307	121,237	70
Less :								
Hedged through derivatives								
Net exposure to foreign currency risk (assets)	10,954,012	8,008	5,173,749	4,436	304,490	307	121,237	70
Financial Liabilities								
Trade payables	18,667,892	13,648	10,138	9	-	-	-	-
Hedged through derivatives	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	18,667,892	13,648	10,138	9	-	-	-	-

c. **Management of Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. A portion of trade receivables are secured by insurance policies or ECGC schemes. All trade receivables are reviewed and assessed for default on a quarterly basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Reconciliation of Loss allowance provision - trade receivables

(Amount in ₹ Lakhs)

Particulars	Loss allowance on trade receivables
Loss allowance as on April 01, 2020	644
Change in loss allowance	(289)
Loss allowance as on March 31, 2021	355
Change in loss allowance	(29)
Loss allowance as on March 31, 2022	**325**

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments and loans to subsidiary companies. It has a diversified portfolio of investments with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by its treasury department

vi. Impact of hedging activities

a. Disclosure of effects of hedge accounting on financial position:

As at March 31, 2022

(Amount in ₹ Lakhs)

Type of Hedge and Risks	Notional Value		Carrying Amount of Hedging Instrument		Maturity (Months)	Weighted Average Strike Price / Interest Rate	Changes in Fair Value of Hedging Instrument	Change in the Value of Hedged Item Used as the basis for Recognising Hedge Effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash Flow Hedge	-	-	-	-	-	-	-	-
Foreign exchange risk	-	-	-	-	-	-	-	-
Currency range options	-	-	-	-	-	-	-	-

As at March 31, 2021

(Amount in ₹ Lakhs)

Type of Hedge and Risks	Notional Value		Carrying Amount of Hedging Instrument		Maturity (Months)	Weighted Average Strike Price / Interest Rate	Changes in Fair Value of Hedging Instrument	Change in the Value of Hedged Item Used as the basis for Recognising Hedge Effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash Flow Hedge	-	-	-	-	-	-	-	-
Foreign exchange risk	-	-	-	-	-	-	-	-
Currency range options	-	-	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

b. Disclosure of Effects of Hedge Accounting on Financial Performance

As at March 31, 2022

(Amount in ₹ Lakhs)

Type of hedge	Change in the Value of the Hedging Instrument Recognised in Other Comprehensive	Hdege Ineffectiveness Recognised in Profit or Loss	Amount Reclassified from Cash Flow Hedging Reserve to Profit or Loss	Financial Statement Line Item Affected
Cashflow hedge				
Foreign Exchange Risk	-	-	-	-

(Amount in ₹ Lakhs)

Type of hedge	Change in the Value of the Hedging Instrument Recognised in Other Comprehensive	Hdege Ineffectiveness Recognised in Profit or Loss	Amount Reclassified from Cash Flow Hedging Reserve to Profit or Loss	Financial Statement Line Item Affected
Cashflow hedge				
Foreign exchange risk	-	-	-	-

c. Movements in Cash Flow Hedging Reserve

Risk Category **Foreign Currency Risk (Amount in ₹ Lakhs)**

Derivative Instruments	**As at March 31,**	
	2022	**2021**
Balance at the beginning of the year	-	-
Gain | (Loss) recognised in other comprehensive income during the year	-	-
Amount reclassified to revenue during the year	-	-
Tax impact on above	-	-
Balance at the end of the year	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

42 ADDITIONAL REGULATORY INFORMATION

a) Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance
Current ratio (in times)	Total current assets	Total current Liabilities	1.32	1.15	14%
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.64	0.56	15%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	3.57	2.59	38%
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	32%	16%	103%
Inventory turnover ratio (in times)	Revenue from operations	Average Inventories	8.47	5.06	67%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	5.64	5.95	-5%
Trade payables turnover ratio (in times)	Total Purchases + Other Expenses	Average trade payables	5.21	3.58	46%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	14.51	23.91	-39%
Net profit ratio (in %)	Profit for the year	Revenue from operations	7%	4%	63%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	33%	21%	59%
Return on investment (in %)	Income generated from invested funds	Average invested funds in investments	-	-	0%

b) Explanation for changes (whether positive or negative) in the ratio by more than 25% as compared to the ratio of preceding year.

iii Debt service coverage ratio (in times)There is an improvement in DSCR during the year due to increase in profit during the year.

iv Return on equity ratio (in %)There is an improvement in ROE during the year due to increase in profit during the year.

v Inventory turnover ratio (in times)There is an improvement in this ratio during the year due to increase in revenue from operations.

vii Trade payables turnover ratio (in times)There is an increase in this ratio during the year due to increase in purchases and expenses.

viii Net capital turnover ratio (in times)There is an reduction in this ratio during the year due to increase in revenue from operations.

ix Net profit ratio (in %)There is an improvement in this ratio during the year due to increase in revenue from operations.

x Return on capital employed (in %)There is an improvement in this ratio during the year due to increase in revenue from operations and profit.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

42 ADDITIONAL REGULATORY INFORMATION

b There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.

c The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

d Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022	Relationship with the Struck off company
NIL			

e The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.

f Utilisation of Borrowed funds and share premium;

"A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."

"The Company has not received any fund from any person(s) or entity(ies), including foreign entities (“Funding Party”) with the understanding (whether recorded in writing or otherwise) that the company shall

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

g "Undisclosed Income : The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year."

h Details of Crypto Currency or Virtual Currency : The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

43 OFFSETTING FINANCIAL ASSETS AND LIABILITIES

a The Company has not offset any financial asset and financial liability. It offsets a financial asset and a financial liability when it currently has a legal enforceable right to set off the recognised amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b Collateral against borrowings : The Company has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit (Refer to Note 15 for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement such collateral can be adjusted against the amounts due.

44 EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the end of the reporting period which requires any adjustment or disclosure in the Standalone Financial Statements.

45 The Company has considered the possible effect that may result from the pandemic relating to covid-19 on the carrying amounts of Investments, Loans and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as of the date of approval of these financial statements has used internal information and based on the current estimates, the company has adjusted the carrying amount of the receivables, loans and investments. The impact of covid-19 on the company's financials statements may differ from that estimated as at the date of approval of these financial statements.

46 Previous periods' figures have been reworked / restated / regrouped to the extent practicable, whenever necessary.

As per our report of even date attached
For K P M R & CO
Chartered Accountants
F.R.NO. 104497W
Sandeep P Rajgor
Partner
M.No.122739
Place: Mumbai
Date : May 12, 2022

For and on behalf of Board

Dilip C. Chandan
Managing Director

Pravinkumar C Jain
Director

Yogesh Dave
Company Secretary

Vinod C. Sharma
Chief Financial Officer

QUANTITATIVE DETAILS

SCHEDULE FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

Note to the Accounts

Annexure - "A"

PURCHASE OF FINISHED GOODS -

M.T.	Amount (Lakhs)
-	-

SALES OF FINIISHED GOODS -

M.T.	Amount (Lakhs)
-	-

PARTICULARS	Unit	Licence Capacity	Installed Capacity	Actual Prod. (M.T.)
Stainless Steel Billets	M.T.	N.A.	N.A.	65,898.590
				(53,060.562)

PARTICULARS	Opening Stock		Closing Stock	
	Qty (M.T.)	Amount (Lakhs)	Qty (M.T.)	Amount (Lakhs)
Billets/Bars/Flats/Rounds/Angles/	10,350.881	10,913	10,132.172	7,806
Flanges/Hex etc.(Mannufacturing)	(15,307.855)	(17,682)	(10,350.881)	(10,913)

QUANTITATIVE DETAILS OF THE PRINCIPAL ITEMS OF RAW MATERIALS

	2021-22	2020-21
Opening Stock	5344.311	2573.522
Add : Receipts during the year	56602.209	46412.701
Add : Scrap, Defective & Rejection (Captive Consumption)	18159.297	14531.425
	80105.817	63517.648
Less : Consumption during the period	73867.479	58173.337
Closing Stock	**6238.339**	**5344.311**
Yield of Finished Products	**89.21%**	**91.21%**

QUANTITATIVE DETAILS OF THE PRINCIPAL ITEMS OF FINISHED GOODS

(In. M.T)

	2021-22	2020-21
Opening Stock	10350.881	15307.855
Add : Production during the year	67843.314	52237.714
	78194.195	67545.569
Less : Sales during the year	49902.726	42663.263
	28291.469	24882.306
Less : Captive Consumption	18159.297	14531.425
Closing Stock	**10132.172**	**10350.881**

SCHEDULE FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

QUANTITATIVE DETAILS OF RAW MATERIAL : (QUANTITY IN M.T.)

A	PRINCIPAL ITEMS	OPENING	RECEIPT	TOTAL	ISSUE	CLOSING
1	S. S. Scrap	**2,746.672**	25,834.560	28,581.232	28,185.223	**396.009**
2	M. S. Scrap	**-**	226.060	226.060	211.711	**14.349**
3	Ferro Chrome	**300.738**	9,214.032	9,514.770	8,546.845	**967.925**
4	Ferro Manganese / Metal	**112.360**	1,400.000	1,512.360	1,318.770	**193.590**
5	Ferro Silicon / Metal	**51.730**	2,364.665	2,416.395	2,277.650	**138.745**
6	Nickel Cathod	**0.931**	34.480	35.411	35.407	**0.004**
7	Ferro Molybdenum / Metal	**16.808**	219.431	236.239	210.646	**25.593**
8	Ferro Nickel	**837.000**	17,182.087	18,019.087	14,218.849	**3,800.238**
9	Ferro Boron	**0.083**	1.200	1.283	1.227	**0.056**
10	Alluminium Ingot	**3.330**	125.694	129.024	122.715	**6.309**
11	Ferro Tungsten	**0.122**	-	0.122	-	**0.122**
12	Ferro Titanium	**1.315**	-	1.315	0.005	**1.310**
	TOTAL (M.T.)	**4,071.089**	**56,602.209**	**60,673.298**	**55,129.048**	**5,544.251**
13	S. S. Scrap (Captive Consume)	**1,223.372**	14,202.507	15,425.879	15,239.785	186.094
14	S. S. Def. & Rej. (Captive Cons.)	**49.850**	1,728.203	1,778.053	1,701.746	76.307
15	M. S. Scrap Captive	**-**	720.767	720.767	687.243	33.524
16	S. S. Scrap Chilli Remelt	**-**	311.340	311.340	311.340	-
17	Old Used Plate Cutting Scrap	**-**	1,196.480	1,196.480	798.317	398.163
	TOTAL (M.T.)	**1,273.222**	**18,159.297**	**19,432.519**	**18,738.431**	**694.088**
	GRAND TOTAL (M.T.)	**5,344.311**	**74,761.506**	**80,105.817**	**73,867.479**	**6,238.339**

B	OTHER ITEMS	OPENING	RECEIPT	TOTAL	ISSUE	CLOSING
1	Iron Powder	**3.550**	66.500	70.050	67.000	**3.050**
2	Casting Powder	**9.260**	38.400	47.660	38.095	**9.565**
3	Ferro Silico Calcium	**3.028**	22.000	25.028	23.429	**1.599**
4	Ferro Silico Calcium corred Wire	**1.486**	10.915	12.401	10.921	**1.480**
5	Ferro Silico Titanium corred Wire	**1.916**	22.908	24.824	22.870	**1.954**
6	Flourspar Lumps Powder	**30.714**	807.658	838.372	807.022	**31.350**
7	Steel Shots	**-**	119.000	119.000	119.000	**-**
8	Misch Metal	**0.342**	-	0.342	-	**0.342**
9	Ferro Niobium	**1.669**	1.500	3.169	2.130	**1.039**
	TOTAL (M.T.)	**51.965**	**1,088.881**	**1,140.846**	**1,090.467**	**50.379**

C	SEMI-FINISHED GOODS	OPENING	RECEIPT	TOTAL	ISSUE	CLOSING
1	S. S. Hollow Section	**44.260**	56.025	100.285	89.998	**10.287**
2	S. S. Billets	**12.045**	507.036	519.081	297.985	**221.096**
3	S. S. Round Bar	**15.703**	166.818	182.521	137.381	**45.140**
4	S. S. Flanges	**10.499**	15.022	25.521	0.398	**25.123**
	TOTAL (M.T.)	**82.507**	**744.901**	**827.408**	**525.762**	**301.646**

D	FUEL	OPENING	RECEIPT	TOTAL	ISSUE	CLOSING
1	FURNACE OIL (M.T.)	**96.383**	8,395.228	8,491.611	8,389.521	102.090
	TOTAL (M.T.)	**96.383**	**8,395.228**	**8,491.611**	**8,389.521**	**102.090**