



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
SKY ALLOYS AND POWER PRIVATE LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of **SKY ALLOYS AND POWER PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the 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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





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

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

In preparing the standalone financial statements, 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 Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

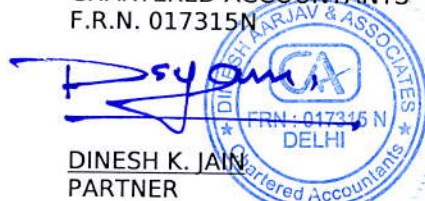




(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 25(2)(G)(i) to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts, which is required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The management has represented that, other than those disclosed in the notes to accounts, to the best of its knowledge and belief:
  - a) 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, whether directly or indirectly, lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries;
  - b) no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries;
  - c) 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 (iv)(a) and (iv)(b) contain any material mis-statement;
- v. The company did not declare or pay any dividend during the year ended 31<sup>st</sup> March, 2022.

For DINESH AARJAV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N. 017315N



DINESH K. JAIN  
PARTNER  
Membership No. 084901  
UDIN: 22084901AYXRGY7168

Place : Delhi  
Date : September 05, 2022



## ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in the Independent Auditor's Report of even date to the members of M/s SKY ALLOYS AND POWER PRIVATE LIMITED ("the Company") on the standalone financial statements for the year ended 31st March, 2022, we report that:

- i. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The company does not own any intangible asset. Accordingly, reporting under this clause of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company's practice of physical verification of Property, Plant and Equipment, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, immovable properties disclosed in the financial statement are held in the name of the Company.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not revalued any of its Property, Plant and Equipment during the year.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) As explained to us & on the basis of the records examined by us, in our opinion, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. Further, during the verification we come across the instance where the discrepancy between physical verification of stocks by the management and as per book records is more than 10% which have been properly dealt in the books of accounts.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the unaudited books of account of the Company.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to other entities:
  - (A) the aggregate amount during the year with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates is Rs. 46.77 Lacs and balance outstanding at the balance sheet date is Rs. 46.77 Lacs ;





(B) the aggregate amount during the year with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates is Rs. 302.09 Lacs and balance outstanding at the balance sheet date is Rs. 197.68 Lacs.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the company's interest.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no stipulation of schedule of repayment of principal and payment of interest and therefore we are unable to comment on the regularity of repayment of principal & payment of interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, since the term of arrangement do not stipulate any repayment schedule we are unable to comment whether the amount is overdue or not.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no stipulation of schedule of repayment of principal and therefore we are unable to comment on loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment:

Particulars	Total Loans / Advances	Loan to Related Parties
Aggregate amount of loans or advances in nature of loan	244.44 Lacs	46.76 Lacs
Percentage thereof to the total loans granted is	100 %	19.13 %

- iv. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has complied with provisions of section 185 and the company has not fully complied with provisions of section 186 of the Companies Act 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits, in terms of the provisions of section 73 to 76 of the Companies Act. Therefore, the provisions of clause 3(v) of the order are not applicable to the Company.
- vi. We have broadly reviewed the books of account and records maintained by company pursuant to rules prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013, related to the manufacture of certain products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we are not required to carry out a detailed examination of the same.





vii. According to the information and explanation given to us, and according to the books and records as produced and examined by us, in our opinion:

- (a) 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) There are no dues pending on account of income tax, sales tax, wealth tax, GST, service tax, custom duty, excise duty, VAT or cess, which have not been deposited on account of any dispute, except following demand on account of disputed matters pending before appropriate authority are as under: -

Statute	Nature of Dues	Forum where dispute is pending	Period of Demand	Amount Involved	Amount Deposited / Adjusted
Income Tax Act, 1961	Income Tax	Income tax Appellate Tribunal, Raipur	F.Y. 2010-11	249.26 Lacs	51.63 Lacs

viii. According to the information and explanation given to us, and according to the books and records as produced and examined by us, the company has surrendered or disclosed as income during the year search u/s 132 of the Income Tax Act 1961 conducted as on 22/12/2021, as per the details given below :

S. No.	Particulars	Amount (In Lacs)	Remarks
1	On Account of variation between inventory	637.92 Lacs	Recorded in books of accounts
2	Unrecorded Income during FY 2021-22	156.44 Lacs	Not recorded in books of Accounts

- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the loans raised during the year were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term 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 loans during the year on the pledge of securities held in its subsidiaries.





- x. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that:
- (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) According to the information and explanations given to us and based on our examination of the records, the Company has duly complied the provisions of Company Act 2013 for allotment of preferential shares during the year.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received during the year by the company and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us the company is in process of appointment of internal auditor of the company and accordingly we are unable to comment on clause 3(xiv)(b) of the Order.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, 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. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion,
- (a) 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) of the Order is not applicable.
- (b) the company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) 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 realization 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. No other Company's Financial Statements have been consolidated in this financial statement. Accordingly, the provision of clause 3 (xxi) of the order are not applicable to the company.

Place: Delhi  
Date: 05<sup>th</sup> September, 2022

For DINESH AARJAV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N. 017315N

  
  
DINESH K. JAIN  
PARTNER  
Membership No. 084901



## **ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of M/s **SKY ALLOYS AND POWER PRIVATE LIMITED** ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls bases on 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**

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 were 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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





## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 31st March 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 DINESH AARJAV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N. 017315N

  
DINESH K. JAIN  
PARTNER  
Membership No. 084901



Place : Delhi  
Date : September 5, 2022



**SKY ALLOYS AND POWER PRIVATE LIMITED**

(CIN: U27100CT2009PTC021184)

PLOT NO-16, H NO. 15/1049, NEAR C.G. GRAMIN BANK, CHOUBEY COLONY, RAIPUR (C.G)

**Balance Sheet as at 31st March, 2022**

(₹ in Lacs, unless otherwise stated)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholder's Funds</b>			
	Share Capital	1	6526.19	5642.79
	Reserves and Surplus	2	1216.41	-76.61
(2)	Share Application Money Pending Allotment		-	883.40
(3)	<b>Non-Current Liabilities</b>			
	Long-Term Borrowings	3	8638.06	6700.69
	Deferred Tax Liabilities (Net)		603.88	635.22
(4)	<b>Current Liabilities</b>			
	Short-Term Borrowings	4	6370.35	6408.20
	Trade Payables	5	1768.88	1864.63
	Other Current Liabilities	6	1352.80	1552.89
	Short-Term Provisions	7	219.50	4.63
	<b>TOTAL</b>		<b>26696.06</b>	<b>23615.83</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	Property, Plant & Equipments and Intangible Assets	8		
	- Property, Plant & Equipments		10752.95	12144.74
	- Capital work in progress		2138.20	-
	Non-Current Investments	9	18.79	18.79
	Long-Term Loans and Advances	10	241.96	197.55
(2)	<b>Current Assets</b>			
	Inventories	11	9751.70	7971.26
	Trade Receivables	12	933.62	1351.26
	Cash and Cash Equivalents	13	582.11	906.28
	Short-Term Loans and Advances	14	1809.13	728.14
	Other Current Assets	15	467.61	297.80
	<b>TOTAL</b>		<b>26696.06</b>	<b>23615.83</b>
	Significant Accounting Policies & Notes to Financial Statements	25		

As per our Report of even date  
FOR DINESH AARIY & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N.017315N

**DINESH K. JAIN**  
PARTNER  
Membership No. 084901

For and on behalf of the Board

**RAVI SINGHAL**  
DIRECTOR  
(DIN: 01197349)

**SANJAY GOYAL**  
DIRECTOR  
(DIN: 01197272)

**ANKITA HALWAI**  
COMPANY SECRETARY  
(M. No. 21176)

Place: Delhi  
Date: 05/09/2022



**SKY ALLOYS AND POWER PRIVATE LIMITED**

(CIN: U27100CT2009PTC021184)


PLOT NO-16, H NO. 15/1049, NEAR C.G. GRAMIN BANK, CHOUBEY COLONY, RAIPUR (C.G)

**Statement of Profit and Loss for the year ended on 31st March, 2022**

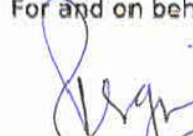
(₹ In Lacs, unless otherwise stated)

Particulars	Note No.	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>Income :</b>			
Revenue from Operations	16	48139.28	25515.23
Other Incomes	17	179.07	176.14
<b>Total Income</b>		<b>48318.35</b>	<b>25691.37</b>
<b>Expenses :</b>			
Cost of Raw Material Consumed	18	34470.38	17444.67
Purchase of Trading Goods		5461.33	4823.57
Changes in Inventories of Finished Goods	19	728.33	-754.68
Manufacturing Expenses	20	2115.19	845.73
Employee Benefit Expenses	21	131.54	105.89
Finance Costs	22	1255.67	1027.64
Administrative & Selling Expenses	23	286.05	175.67
Depreciation	24	1486.03	875.21
<b>Total Expenses</b>		<b>45934.53</b>	<b>24543.70</b>
Profit before extraordinary items and tax		2383.83	1147.66
Extraordinary Items : Prior Period Income		-	545.71
Profit before Tax		2383.83	1693.37
Tax Expense:			
Current tax		215.00	-
Deferred Tax		-31.34	87.62
Earlier Year Taxes		907.15	450.57
Profit/ (Loss) for the period		1293.02	1155.18
Earnings Per Equity Share			
Basic		2.13	3.40
Diluted		2.13	3.40
Significant Accounting Policies & Notes to Financial Statements	25		

As per our Report of even date  
FOR DINESH AARJAV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N.017315N


  
DINESH K. JAIN  
PARTNER  
Membership No. 084901

For and on behalf of the Board

  
RAVI SINGH  
DIRECTOR  
(DIN: 01197349)

  
SANJAY GOYAL  
DIRECTOR  
(DIN: 01197272)

Place: Delhi  
Date: 05/09/2022

  
ANKITA HALWAI  
COMPANY SECRETARY  
(M. No. 21176)



**SKY ALLOYS AND POWER PRIVATE LIMITED**  
PLOT NO-16, H NO. 15/1049, NEAR C.G. GRAMIN BANK, CHOUBEY COLONY, RAIPUR (C.G.)

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2022**

(₹ in Lacs, unless otherwise stated)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	2383.83	1693.37
Adjustment for:		
Depreciation	1486.03	875.21
Interest / Processing Fees	1255.67	1027.64
Profit / (Loss) on Sale of Fixed Assets	.03	-
Interest Income	-40.27	-54.58
Operating Profit before Working Capital Changes	2701.46	1848.27
Adjustment for:		
Increase (-) / Decrease in Inventories	-1780.44	-3055.97
Increase (-) / Decrease in Trade Receivables	417.64	-188.27
Increase (-) / Decrease in Current Assets	-169.81	230.76
Increase (-) / Decrease in Advances	-1054.59	427.96
Increase / Decrease(-) in Trade Payables	-27.60	547.52
Increase / Decrease(-) in Current Liabilities & Provisions	-200.22	-364.13
Cash Generated from Operations	2270.29	1139.50
Less: Income Tax Paid	907.15	450.57
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1363.14</b>	<b>688.93</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	-2232.86	-3811.18
Payables for Capital Assets	-68.16	-907.41
Advances for Capital Assets	-8.61	115.79
Sale of Fixed Assets	.40	-
Unsecured Loans & Advances	-26.40	209.69
Security Deposit	-35.79	-86.23
Interest on FDR	40.27	54.58
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-2331.15</b>	<b>-4424.75</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	-	3339.96
Proceeds / (Refund) of Share Application Money	-	-1337.38
Proceeds / (Repayment) of Bank Term Loan (Net)	1228.03	122.74
Proceeds from Working Capital Limit	186.67	-112.30
Proceeds / (Repayment) from Unsecured Loan	484.82	2995.90
Interest/Processing Fees on Loans	-1255.67	-1027.64
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>643.85</b>	<b>3981.28</b>
<b>D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>-324.17</b>	<b>245.46</b>
CASH AND CASH EQUIVALENTS, beginning of the year	906.28	660.82
<b>CASH AND CASH EQUIVALENTS, end of the year</b>	<b>582.11</b>	<b>906.28</b>

(0)

Notes: (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by The Institute Of Chartered Accountants of India.

(2) Cash & Cash Equivalents at the year end includes FDR of ₹ 486.29 Lacs (P.Y. ₹ 741.62 Lacs) pledged with bank.

(3) Figures in brackets represent cash out flow.

As per our Report of even date  
FOR DINESH AARJAV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 017315N)

DINESH K. JAIN  
PARTNER  
M. NO. 084901



FOR AND ON BEHALF OF THE BOARD

RAVI SINGHAL      SANJAY GOYAL  
DIRECTOR      DIRECTOR  
(DIN: 01197349)      (DIN: 01197272)

ANKITA HALWAI  
COMPANY SECRETARY  
(M. No. 21176)

Place: Delhi  
Date: 05/09/2022



**SKY ALLOYS AND POWER PRIVATE LIMITED**  
Notes forming parts of the financial statement

(₹ in Lacs, unless otherwise stated)

**NOTE 1. Share Capital**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised Capital</b> 7,00,00,000 Equity Shares of Rs.10/- each (P.Y. 6,00,00,000 Equity Shares of Rs.10/- each)	7000.00	6000.00
<b>Issued, Subscribed and Paid up</b> 6,52,61,880 Equity Shares of Rs.10/- each (P.Y. 5,64,27,880 Equity Shares of Rs.10/- each)	6526.19	5642.79
<b>Total</b>	<b>6526.19</b>	<b>5642.79</b>

**1 (i) Reconciliation Of Number Of Share**

Particulars	As at 31st March, 2022	
	Equity Shares	
	Number	Amount (₹)
Balance as at the beginning of the year	5,64,27,880	56,42,78,800
(+) Shares issued During the year	88,34,000	8,83,40,000
(-) Shares Brought back during the year	-	-
Balance at end of the Year	6,52,61,880	65,26,18,800

**1 (ii) Details of shares held by shareholders holding more than 5% of the aggregate**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Equity Shares</b>		
Kunj Bihari Singhal	25021615 (38.34%)	21374415 (37.88%)
Arun Singhal	-	15007200 (26.60%)
Shree Balaji Infrastructure	-	8000000 (14.18%)
Ravi Singhal	20998365 (32.18%)	6944765 (12.31%)
Sandeep Kumar Agarwal	4002500 (6.13%)	6944765 (0.01%)
Nisha Singhal	13000000 (19.92%)	3000000 (5.32%)

**1 (iii) Disclosure of Shareholding of Promoters as at 31st March, 2022**

Promoter's Name	No. of Shares held & % of total shares	% Change during the year
Kunj Bihari Singhal	25021615 (38.34%)	0.46%
Ravi Singhal	20998365 (32.18%)	19.87%
Sandeep Kumar Agarwal	4002500 (6.13%)	6.12%
Nisha Singhal	13000000 (19.92%)	14.60%
Arun Singhal	-	-26.60%

**NOTE 2. Reserves and Surplus**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>a. Securities Premium</b>	11105.67	11105.67
<b>b. Surplus / Profit &amp; Loss A/c</b>		
Opening Balance	-11182.28	-12337.46
(+) Net Profit for the current year	1293.02	1155.18
Closing Balance	-9889.26	-11182.28
<b>Total</b>	<b>1216.41</b>	<b>-76.61</b>





**SKY ALLOYS AND POWER PRIVATE LIMITED**  
Notes forming parts of the financial statement

(₹ in Lacs, unless otherwise stated)

**NOTE 3. Long-Term Borrowings**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured Loans</b>		
From Banks		
<u>Punjab National Bank</u> (Refer to Notes to accounts)	1700.13	613.43
<u>Kotak Mahindra Bank</u> (Refer to Notes to accounts)	160.89	-
From Financial Institutions		
- Mahindra & Mahindra Financial Services Ltd. (Refer to Notes to accounts)	16.08	35.64
	1877.10	649.07
Less: Current Maturities of Long term borrowings	332.22	556.74
	1544.88	92.33
<b>Unsecured Loans</b>		
- From Related Parties	1805.09	417.49
- From Others	5288.09	6190.87
<b>Total</b>	<b>8638.06</b>	<b>6700.69</b>

**NOTE 4. Short Term Borrowings**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured Loans</b>		
From Banks:-		
<u>Cash Credit Limit from Punjab National Bank</u> (Hypothecation of stock and book debts)	5037.98	4853.16
<u>LC Issued by Punjab National Bank for purchase of goods</u> (Refer to Notes to accounts)	1000.15	998.29
Current Maturities of Long term borrowings	332.22	556.74
<b>Total</b>	<b>6370.35</b>	<b>6408.20</b>

**NOTE 6. Other Current Liabilities**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Expenses Payable	496.41	411.69
Other Payables	180.10	119.36
Advance Received From Customer	676.29	1021.85
<b>Total</b>	<b>1352.80</b>	<b>1552.89</b>





# SKY ALLOYS AND POWER PRIVATE LIMITED

## Notes forming part of the financial statements

### NOTE 5. Trade Payables

The trade payables and their ageing schedule for the year ended as on March 31, 2022 is as follows :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed-considered good	1726.79	7.05	34.86	.19	1768.88
<b>Total</b>	<b>1726.79</b>	<b>7.05</b>	<b>34.86</b>	<b>.19</b>	<b>1768.88</b>

The trade payables and their ageing schedule for the year ended as on March 31, 2021 is as follows :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed-considered good	1538.87	280.52	45.24	-	1864.63
<b>Total</b>	<b>1538.87</b>	<b>280.52</b>	<b>45.24</b>	<b>-</b>	<b>1864.63</b>





**SKY ALLOYS AND POWER PRIVATE LIMITED**  
Notes forming parts of the financial statement

(₹ in Lacs, unless otherwise stated)

**NOTE 7. Short-Term Provisions**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Audit Fees	4.50	4.63
Provision for Income Tax	215.00	-
<b>Total</b>	<b>219.50</b>	<b>4.63</b>

**NOTE 9. Non-Current Investments**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>INVESTMENT</b> <u>Unquoted, at cost</u>		
M/s Nayantara Mercantile Private Limited ( 1,30,900 Equity Shares of Rs. 10/- each fully paid up)	2.62	2.62
M/s Meghna Distributors Private Limited ( 8,08,645 Equity Shares of Rs. 10/- each fully paid up)	16.17	16.17
<b>Total</b>	<b>18.79</b>	<b>18.79</b>

**NOTE 10. Long-Term Loans and Advances**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits	210.77	174.98
Advance for Capital Goods	31.18	22.57
<b>Total</b>	<b>241.96</b>	<b>197.55</b>

**NOTE 11. Inventories**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Material	8215.00	6344.14
Finished Goods	584.01	961.91
Work in Progress	314.76	665.20
Excess Stock (as on 22/12/2021)	637.92	..
- Refer Note No. 25(2)(L) to the Financial Statement		
<b>Total</b>	<b>9751.70</b>	<b>7971.26</b>





**SKY ALLOYS AND POWER PRIVATE LIMITED**  
Notes forming part of the financial statement

(₹ in Lacs, unless otherwise stated)

**NOTE 8. Property, Plant & Equipments and Intangible Assets**

Particulars	Gross Block			Depreciation				Net Block	
	01-Apr-21	Addition	Disposal	31-Mar-22	01-Apr-21	For the C.Y	Disposal	31-Mar-22	31-Mar-21
<b>FACTORY</b>									
Land	238.77	-	-	238.77	-	-	-	238.77	238.77
Induction Furnance	1869.14	-	-	1869.14	1416.87	84.00	-	368.27	452.27
Ferro Alloys Plant	1570.34	-	-	1570.34	1139.32	78.03	-	352.99	431.02
Power Plant	6618.93	-	-	6618.93	2969.88	263.69	-	3385.36	3649.05
Boiler	1077.01	-	-	1077.01	541.15	37.13	-	498.74	535.87
Spong iron - Klin	2232.05	-	-	2232.05	1765.96	85.98	-	380.10	466.09
Spong iron Plant	4199.68	-	-	4199.68	64.57	748.57	-	3386.54	4135.11
Factory Shed / Building	2666.15	-	-	2666.15	892.85	85.83	-	1687.47	1773.30
Trailors/Tracktors	120.13	-	-	120.13	50.76	6.21	-	63.16	69.38
Plant & Machinery	727.05	-	-	727.05	371.51	64.84	-	290.70	355.54
<b>OFFICE</b>									
Land & Buildings	28.22	-	-	28.22	-	-	-	28.22	28.22
Office Equipments	38.28	3.68	-	41.95	34.35	1.88	-	5.72	3.92
Computer	5.83	1.52	-	7.35	4.35	.79	-	2.21	1.48
Vehicles	27.29	85.18	8.59	103.89	23.94	28.36	8.16	59.74	3.36
Furniture & fixture	6.91	4.28	-	11.20	5.54	.71	-	4.95	1.38
<b>TOTAL</b>	<b>21425.79</b>	<b>94.67</b>	<b>8.59</b>	<b>21511.87</b>	<b>9281.05</b>	<b>1486.03</b>	<b>8.16</b>	<b>10758.93</b>	<b>12144.74</b>
<b>PREVIOUS YEAR</b>	<b>17145.09</b>	<b>4280.70</b>	<b>-</b>	<b>21425.79</b>	<b>8405.84</b>	<b>875.21</b>	<b>-</b>	<b>12144.74</b>	<b>8739.25</b>





# SKY ALLOYS AND POWER PRIVATE LIMITED

## Notes forming part of the financial statements

### NOTE 12. Trade Receivables

The trade receivables and their ageing schedule for the year ended as on March 31, 2022 is as follows :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed Trade receivables – considered good	814.98	70.05	48.59	-	-
Total	814.98	70.05	48.59	-	-
					933.62

The trade receivables and their ageing schedule for the year ended as on March 31, 2021 is as follows :

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed Trade receivables – considered good	1284.27	1.96	62.94	1.10	.99
Total	1284.27	1.96	62.94	1.10	.99
					1351.26





**SKY ALLOYS AND POWER PRIVATE LIMITED**

Notes forming parts of the financial statement

(₹ in Lacs, unless otherwise stated)

**NOTE 13. Cash and Cash Equivalents**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>a. Balance with Banks</b>		
- Current Accounts	.00	.14
- FDR with Schedule Bank (Pledged)	486.29	741.62
<b>b. Cash in Hand</b>	95.82	164.51
<b>Total</b>	<b>582.11</b>	<b>906.28</b>

**NOTE 14. Short-Term Loans and Advances**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to Suppliers	1564.68	506.27
<b>Other Loans and Advances</b>		
- To Others	197.68	201.51
- To Related Party	46.77	20.37
<b>Total</b>	<b>1809.13</b>	<b>728.14</b>

**NOTE 15. Other Current Assets**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with revenue authorities	443.32	274.27
Prepaid Expenses	24.29	23.53
<b>Total</b>	<b>467.61</b>	<b>297.80</b>



**SKY ALLOYS AND POWER PRIVATE LIMITED**  
Notes forming parts of the financial statements

(₹ in Lacs, unless otherwise stated)

**NOTE 16. Revenue From Operations**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Sale of Goods	47225.85	25292.85
Services Rendered	913.43	222.38
<b>Total</b>	<b>48139.28</b>	<b>25515.23</b>

**NOTE 17. Other Incomes**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest Received	40.27	54.58
Refund From SECL	.00	.62
Insurance Claim	5.04	4.80
Rebate and Discount	133.77	116.13
<b>Total</b>	<b>179.07</b>	<b>176.14</b>

**NOTE 18. Cost of Raw Material Consumed**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Opening Inventory	6344.14	4042.86
Purchases of Raw Material	38381.73	22270.98
Add: Freight	4058.76	2298.55
	48784.63	28612.39
Less: Closing Stock of Raw Material	8852.92	6344.14
Less: Purchase of Trading Goods	5461.33	4823.57
<b>Cost of materials consumed during the year</b>	<b>34470.38</b>	<b>17444.67</b>

**NOTE 19. Change in inventory of Finished Goods**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Opening Inventory	1627.11	872.43
Less : Inventory at the end of the year	898.78	1627.11
<b>Change in the inventory</b>	<b>728.33</b>	<b>-754.68</b>

**NOTE 20. Manufacturing Expenses**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Electricity Exp.	1014.64	429.03
Diesel & Fuel	241.05	18.08
Wages & Production Expenses	751.10	379.58
Rent of machinery	95.79	-
Duty and Taxes	-	4.50
Water Expenses	12.60	14.54
<b>Total</b>	<b>2115.19</b>	<b>845.73</b>





**SKY ALLOYS AND POWER PRIVATE LIMITED**  
Notes forming parts of the financial statements

**NOTE 21. Employee Benefit Expenses**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Wages & Salary	54.75	80.98
Director Remuneration	61.20	14.40
Staff Welfare Expenses	3.03	1.20
Contribution towards PF	10.78	7.54
Contribution towards ESIC	1.78	1.78
<b>Total</b>	<b>131.54</b>	<b>105.89</b>

**NOTE 22. Finance Costs**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest to Bank	721.73	749.07
Interest to Others	482.68	188.76
Bank Charges	51.26	89.81
<b>Total</b>	<b>1255.67</b>	<b>1027.64</b>

**NOTE 23. Administrative & Selling Expenses**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Advertisement Exp.	2.30	.33
Audit Fees	5.00	5.00
Donation & Subscription	15.71	7.19
Electricity exp	.39	1.24
Insurance Exp.	20.36	17.08
Office Exp	1.48	.23
Printing & Stationary	4.64	6.39
Professional Fees	62.63	45.30
Rates Fees and Taxes	39.96	41.95
Rent	2.10	2.40
Repairing & Maintainance	31.75	14.51
Telephone Exp	2.79	2.40
Travelling and Conveyance Exp.	6.30	3.11
Business Promotion	8.00	-
Commission Expense	70.36	22.82
Rebate and Discount	1.72	-
Loss on Sale of Fixed Assets	.03	-
Vehicle Running & Maintainance	10.53	5.72
<b>Total</b>	<b>286.05</b>	<b>175.67</b>

**NOTE 24. Depreciation**

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Depreciation	1486.03	875.21
<b>Total</b>	<b>1486.03</b>	<b>875.21</b>



NOTE - 25      SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022.

CORPORATE INFORMATION

SKY ALLOYS & POWER PRIVATE LIMITED is a private limited company, registered under the companies Act, with the Registrar of Companies, Chattisgarh vide CIN-U27100CT2009PTC021184 as on 19th May, 2009. The company is having its registered office at Plot No.16, H.No. 15/1049, Near C.G. Gramin Bank, Choubey Colony, Raipur, (C.G.) and is engaged in the business of manufacturing of Sponge Iron, MS Ingots, power & Ferro Alloys.

1) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

The Financial statements of company have been prepared in accordance with Accounting Principles Generally Accepted in India, including the Accounting Standards specified under section 133 of Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgment, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of income and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c. Borrowing Cost

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which they are incurred.

d. Property, Plant & Equipments and Intangible Assets

Fixed assets are stated at cost of acquisition (net of Modvat / Cenvat / Value Added Tax / GST) less accumulated depreciation. Acquisition cost includes freight, insurance and other incidental expenses related to acquisition, installation and required for bringing the asset to their present location and condition for their intended use.

e. Depreciation

Depreciation on Property, Plant & Equipments and Intangible Assets (including on fixed assets acquired under finance lease) is provided at the rates prescribed in Schedule II to The Companies Act, 2013 by adopting 'Written down Value Method'.

Depreciation on addition to assets or on sale / disposal of assets is calculated pro-rata from the date of such addition or up to the date of such sale/disposal as the case may be.





**f. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**g. Investments**

Investments are recorded as Long-Term Investments unless they are expected to be sold within one year and valued at cost.

**h. Goods and Service Tax**

Goods and Service Tax claimed on capital assets is credited to assets / capital work in progress account. Goods and Service Tax on purchase of raw materials and other materials are deducted from the cost of such materials.

**i. Inventories**

(i) Raw Materials are valued at lower of cost or net realizable value.

(ii) Cost of inventories of finished goods and work-in-process includes material cost, proportionate cost of conversion and other costs.

(iii) Cost of inventories of raw material and cost of finished goods and work-in-process is determined on First in First Out (FIFO) basis.

(iv) Cost of By Product and Scrap are valued at net realizable value.

**j. Cash Flow Statement**

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

**k. Accounting for Taxes on Income**

Taxes on Income are accounted for in accordance with Accounting Standard (AS)-22 issued by ICAI. Tax comprises both Current and Deferred Tax.

- Current Tax is measured at the amount expected to be paid/recovered from the revenue authorities using the applicable tax rate and laws.
- The tax effect of the timing difference that results between taxable and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax assets or deferred tax liability. Deferred Tax Assets and liabilities are recognized for future tax consequence attributable to timing difference. They are measured using the substantive enacted tax rates and tax regulations.

**l. Retirement benefits to employees**

a) Company's contribution to Provident Fund is charged to profit and loss account on the actual liability basis.

b) As per the policy followed by the company, no provision for retirement benefits accruing during the year has been made in the books of accounts since the company is followed the practice of charging to revenue, the amounts becoming due in that respect. This is in contravention to with the 'Accounting Standard-15' issued by ICAI in respect of accounting for Retirement benefits.



## 2) NOTES TO THE FINANCIAL STATEMENTS:

### A. SECURED LOANS

#### I. Term Loan

Term Loan of Rs. 2000 Lacs sanctioned from Punjab National Bank, Tatyapara, Raj Tower, Raipur. The term loan is secured by :-

- a) Hypothecation of Plant and machinery of following plant:
  - 6 MVA Ferro Alloys Plant
  - 10 Ton Induction furnace
- b) The said Term Loan is further collaterally secured by personal guarantee of promoters / immovable assets of promoters / directors and their relatives and corporate guarantee of M/s Meghna Distributors Pvt. Ltd., M/s Nayantara Mercantile Pvt. Ltd. and M/s Modern Special Wires & Pipes Pvt. Ltd.
- c) The term loan has been fully repaid in the month of October 2021.

#### II. Term Loan [ Covid Loan]

PNB Covid 19 Emergency Credit Facility of Rs. 342 Lacs sanctioned from Punjab National Bank, Tatyapara, Raj Tower, Raipur. The term loan is secured by :-

- a) Hypothecation of Plant and machinery of following plant:
  - 6 MVA Ferro Alloys Plant
  - 10 Ton Induction furnace
- b) Further secured by pari passu charge on all their current assets by way of hypothecation of entire stock of Raw Materials, Finished Goods, stock in process, Stores and Spares of the company at the factory premises or at any other places including goods in transit, outstanding moneys, books debts and receivables.
- c) The said Term Loan is further collaterally secured by personal guarantee of promoters / immovable assets of promoters / directors and their relatives and corporate guarantee of M/s Meghna Distributors Pvt. Ltd., M/s Nayantara Mercantile Pvt. Ltd. and M/s Modern Special Wires & Pipes Pvt. Ltd.
- d) The above said loan is repayable in 18 equated monthly installments commencing from December 2020.

#### III. Working Capital Term Loan under GECL

PNB Covid 19 Emergency Credit Facility of Rs. 1120 Lacs sanctioned from Punjab National Bank, Tatyapara, Raj Tower, Raipur. The term loan is secured by :-

- a) Extensions of charge over the existing primary & collateral securities ( offered in connection with term loan and Working Capital limit) excluding personal and corporate guarantee.
- b) The above said loan is covered under guarantee coverage from NCGTC.
- c) The above said loan is repayable in 48 equated monthly installments commencing from July 2022.

#### IV. Working Capital Term Loan under GECL 2.0 Extention

PNB Covid 19 Emergency Credit Facility of Rs. 534 Lacs sanctioned from Punjab National Bank, Tatyapara, Raj Tower, Raipur. The term loan is secured by :-

- a) Extensions of charge over the existing primary & collateral securities ( offered in connection with term loan and Working Capital limit) excluding personal and corporate guarantee.
- b) The above said loan is covered under guarantee coverage from NCGTC.





- c) The above said loan is repayable in 48 equated monthly installments after moratorium of 24 months from the date of disbursement of loan i.e. November - 2021.

The outstanding balances in respect of the above said Loans are as under:

(₹ in Lacs, unless otherwise stated)

Particulars	Type	31/03/2022	31/03/2021
<u>Punjab National Bank</u>			
Term Loan	Term Loan	--	360.87
Term Loan ( COVID Loan)	Term Loan	59.03	305.73
Working Capital Term Loan under GECL	Term Loan	1107.50	--
Working Capital Term Loan under GECL 2.0 Extension	Term Loan	533.58	--

V. Vehicle Loan

Vehicle loan is secured by hypothecation of respective vehicles.

(₹ in Lacs, unless otherwise stated)

Particulars	Type	31/03/2022	31/03/2021
Mahindra and Mahindra financial services Ltd	Vehicle Loan	16.08	35.64
Kotak Mahindra Bank Ltd.	Vehicle Loan	160.89	--

VI. Working Capital Limit from Bank

- a) Working Capital Limit of Rs. 5000 Lacs sanctioned from Punjab National Bank, Tatyapara, Raj Tower, Raipur. The Working Capital Limit is secured by pari passu charge on all their current assets by way of hypothecation of entire stock of Raw Materials, Finished Goods, stock in process, Stores and Spares of the company at the factory premises or at any other places including goods in transit, outstanding moneys, books debts and receivables.

The said Working Capital Limit is further collaterally secured by personal guarantee of promoters / immovable assets of promoters / directors and their relatives and corporate guarantee of M/s Meghna Distributors Pvt. Ltd., M/s Nayantara Mercantile Pvt. Ltd. and M/s Modern Special Wires & Pipes Pvt. Ltd.

- b) Letter of Credit Limit of Rs. 1000 Lacs sanctioned from Punjab National Bank Tatyapara, Raj Tower, Raipur against the hypothecation over the goods. The outstanding balance of letter of credit issued to supplier for procurement of goods is Rs. 1000.15 Lacs as on 31/03/2022.

B. PAYMENT TO STATUTORY AUDITORS:

(₹ in Lacs, unless otherwise stated)

Particulars	2021-2022	2020-2021
Audit fees (Excluding Taxes)	5.00	5.00
Certification & others	--	--



**C. MANAGERIAL REMUNERATION:**

(₹ in Lacs, unless otherwise stated)

Particulars	2021-2022	2020-2021
Director Remuneration	61.20	14.40
Other Benefits	--	--

**D. VALUE OF RAW MATERIALS CONSUMED**

(₹ in Lacs, unless otherwise stated)

Particulars	2021-2022	2020-2021
Indigenous	34,470.38 (100%)	17,444.67 (100%)
Imported	Nil	Nil
Total	34,470.38	17,444.67

**E. CIF VALUE OF IMPORTS**

(₹ in Lacs, unless otherwise stated)

Description Unit	2021-2022	2020-2021
Raw Material	Nil	Nil
Consumable	Nil	Nil

**F. EARNING IN FOREIGN CURRENCY**

(₹ in Lacs, unless otherwise stated)

Particulars	2021-2022	2020-2021
Others	Nil	Nil

**G. COMMITMENTS AND CONTINGENCES**

- i. The Income Tax assessment has been done for the FY 2010-11 u/s 147 r.w.s. 143(3) of the I.T. Act, 1961. Due to this assessment proceedings following demand of income tax were raised against the company:

(₹ in Lacs, unless otherwise stated)

Nature of Liability	Period to which amount relates	Amount Disputed	Amount Deposited / Adjusted
Income Tax	F.Y. 2010-11	₹ 2,49.26	₹ 51.63

The Company has filed appeals with Income Tax Appellate Tribunal, Raipur against the order by which the aforesaid demands were raised. However as per legal advice, the company is likely to succeed and get full relief from ITAT, Raipur in aforesaid appeals and accordingly management has decided not to create any provision against the aforesaid disputed liabilities.

- ii. There is no other contingent liability reported by the management as at the end of the year.





**CAPITAL WORK-IN-PROGRESS**

- H. Capital work-in-Progress includes Plant and Machinery and office building which is under renovation:

(₹ in hundred, unless otherwise stated)

Particulars	As on 31.03.2022	As on 31.03.2021
Opening Balance	--	--
Add: Expenses directly related to Capital Expenditure	2138.20	--
Add: Expenditure Allocated	--	--
Less: Transferred to Fixed Assets	--	--
Less: Amount written back	--	--
Balance at end of the year	2138.20	--

The CWIP ageing schedule as on March 31, 2022 is as follows:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Plant & Machinery	2116.54	--	--	--	2116.54
Office Building	21.66	--	--	--	21.66

**I. DEFERRED TAX ASSETS / LIABILITY**

As per Accounting Standard-22 issued by The Institute of Chartered Accountants of India, deferred tax assets/deferred tax liability has to be provided on account of timing difference of depreciation amount due to difference in written down value of fixed assets as per Companies Act, 2013 and as per the Income Tax Act, 1961.

(₹ in Lacs, unless otherwise stated)

Particulars	As on 31.03.2022	As on 31.03.2021
Deferred Tax Liability		
- Related to Fixed Assets	603.88	635.22
Deferred Tax Assets	--	--
Net Deferred Tax Liability/(Assets)	603.88	635.22

**J. Earning Per Share (EPS)**

(₹ in Lacs, unless otherwise stated)

Particulars	2021-2022	2020-2021
Net Profit / (Loss) after tax	1293.02	1155.18
Number of Equity Shares	6,52,61,880	5,64,27,880
Weighted Avg. Number of Equity Shares for calculating Basic Earnings per share	6,08,32,779	3,39,62,181
Weighted Avg. Number of Equity Shares for calculating Diluted Earnings per share	6,08,32,779	3,39,86,384
Nominal Value of Equity Shares	10/-	10/-
Basic Earnings per share ( ₹ )	2.13	3.40
Diluted Earnings per share ( ₹ )	2.13	3.40



**K. Related Party Transactions****a) List of Parties where control exists**

i) Subsidiaries: M/s Nayantara Mercantile Pvt Ltd, M/s Meghna Distributors Pvt Ltd.

ii) Other related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

M/s S.K. Enterprises, M/s Supreme Road Transport (P) Ltd., M/s Pankaj Logistics, M/s Morden Special Wire and Pipe Pvt. Ltd., M/s A K Enterprises, Shree Ram Enterprises, Sandeep Aggarwal HUF.

iii) Directors / Key Management Personnel & their relatives:

Mr. Arun Singhal, Mr. Ravi Singhal, Mr. Sandeep Aggarwal, Mr. Vinay Kumar Aggarwal, Mr. Sanjay Goyal, Mr. Sandeep Singhal, Mr. Vikas Agarwal, Mr. Sunil Singhal, Sandhya Aggarwal, Mr. Shubham Agarwal.

**b) Transactions with Related Parties**

(₹ in Lacs, unless otherwise stated)

Particulars	2021-2022	2020-2021
Unsecured Loan Received during the year	3448.50	1333.99
Unsecured Loan Repaid during the year	2133.45	630.62
Unsecured Loan Converted to Share Application Money	-	1164.00
Share Application Money Received	-	2744.00
Share Application Money Converted to Unsecured Loan	-	282.00
Loans given	107.49	38.59
Loans Recovered	81.09	248.28
Payment of Expenses	54.63	1079.48
Interest Paid	124.43	21.02
Salary Paid	61.20	14.40
Purchases	173.80	--

**c) Balances as at:**

(₹ in Lacs, unless otherwise stated)

Particulars	31.03.2022	31.03.2021
Unsecured Loan Taken	1805.09	863.68
Loans & Advances	46.77	20.37
Investment in Shares	18.79	18.79
Trade Payables	342.50	246.20

L. The company has surrendered or disclosed following income during search u/s 132 of the Income Tax Act 1961 conducted as on 22/12/2021, as per the details given below :

S. No.	Particulars	Amount (In Lacs)	Remarks
1	On Account of variation between inventory	637.92 Lacs	Recorded in books of accounts
2	Unrecorded income during FY 2021-22	156.44 Lacs	Not recorded in books of Accounts





- M. The company is having integrated plant for manufacture of sponge iron, steel, power and ferro alloys which are subject to the same risk & returns and hence primary segment reporting as defined is not applicable.
- N. Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to them as at the end of the year.
- This information has been given in respect of such vendors to the extent they could be identified as 'Micro, Small and Medium Enterprises' on the basis of information available with the Company.
- O. On the basis of clinching with few suppliers, they have in-principally agreed to convert their outstanding balance through book entries into Unsecured loan.
- P. The balance of Unsecured Loan, Trade Payables, Trade Receivables, Advance from Customers and Advances recoverable at the end of year are subject to confirmation and any difference in the amount and its consequential effect on the profit / loss of the company or its state of affairs can be known only on reconciliation or settlement of account and the same shall be accounted in the year of reconciliation / settlement.
- Q. Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- R. Figures for the previous period have been regrouped / reclassified wherever necessary.

S. Financial Ratios

S.No.	Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% change during the year	Reason for variance > 25%
1	Current ratio (Times)	Total current assets	Total current liabilities	1.39	1.14	21.81%	--
2	Debt-Equity ratio (Times)	Total Debt	Total shareholders fund	1.94	2.03	-4.63%	--
3	Debt service coverage ratio (Times)	Earning for Debt Service (excluding Interest on Short Term borrowings)	Debt service (excluding USL and Short Term borrowings)	3.41	3.26	4.48%	--
4	Return on equity ratio (%)	Profit for the year	Average Total shareholders fund	18.22%	23.72%	-23.17%	--
5	Inventory turnover ratio (Times)	Net Sales	Average inventory	5.43	3.96	37.18%	Ratio improved owing to better inventory management
6	Trade receivables turnover ratio (Times)	Net credit Sales	Average trade receivables	42.14	20.30	107.61%	Ratio improved owing to better working capital management



S.No.	Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% change during the year	Reason for variance > 25%
7	Trade payables turnover ratio (Times)	Total Purchases	Average trade payables	21.13	10.89	93.95%	Ratio improved owing to better working capital management
8	Net capital turnover ratio (Times)	Net Sales	Average working capital	18.31	139.48	-86.87%	Ratio declined due to increase in working capital requirement
9	Net profit ratio (%)	Profit for the year	Revenue from operations	2.69%	4.53%	-40.67%	Ratio declined due to high previous year taxes
10	Return on capital employed (%)	Profit before tax and finance costs	Total assets- total current liabilities	17.94%	12.08%	48.48%	Ratio improved owing to better working capital management
11	Return on Investment (%)	Income from Investment	Average Investment	NIL	NIL	NIL	--

**T. OTHER REGULATORY DISCLOSURES AS REQUIRED UNDER REVISED SCHEDULE III OF COMPANIES ACT, 2013**

- i. No Proceeding has been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. Company has not been declared as wilful defaulter by Bank or Financial institution or other lender.
- iii. As per the information available with the company, the company has not transacted during the year with any companies struck off under Section 248 of the Companies Act, 2013 or under Section 560 of the Companies Act, 1956.
- iv. There has been no charges which yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- v. Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources) 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 on behalf of the ultimate beneficiaries.
- vi. 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 Company (ultimate beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.





- vii. Company has not traded or invested in Crypto currency or virtual currency during the financial year ended March 31, 2022.
- viii. The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment:

Particulars	Loan to Related Parties
Aggregate amount of loans or advances in nature of loan at the year end (without terms)	46.76 Lacs
Percentage thereof to the total loans granted	19.13 %

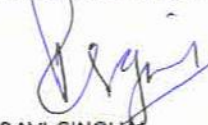
- ix. During the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the unaudited books of account of the Company.
- x. The provisions of sec. 135 of the Companies Act, 2013 are not applicable to the Company during the year.

As per our Report of even date  
For DINESH AARJAV & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N. 017315N



DINESH K.JAIN  
PARTNER  
Membership No.0 84901  
Place: Delhi  
Dated: September 05, 2022

For and on behalf of the Board

  
RAVI SINGHAL  
DIRECTOR  
(DIN: 01197349)

  
SANJAY GOYAL  
DIRECTOR  
(DIN: 01197272)