



**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 2021, and the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2021, and its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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



DINESH K. JAIN  
PARTNER

Membership No. 084901

UDIN: 21084901AAAA CZ4083



Place : Delhi  
Date : September 10, 2021

## 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, 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) These fixed assets have been physically verified by the Management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the Management.  
  
(b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
  
(c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification which were not material, have been properly dealt with in the books of account.
- iii. The Company has granted Loan to 3 (three) parties covered in the register maintained under section 189 of Companies Act, 2013 during the year. The maximum amount involved during the period and year-end balance of said loans were aggregating to Rs. 2,46,14,524/- & Rs. 20,36,348/- respectively.
- iv. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Section 73 to 76 of the Act, with respect to acceptance of deposits.
- 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) amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee state insurance, income tax, wealth tax, service tax, sales tax, value added tax, excise duty, duty of customs, GST, cess and other material statutory dues to the extent applicable on the company have generally been regularly deposited by the company with the appropriate authorities in India. According to information and explanations given to us, no undisputed amounts payable in respect of above were in arrears as on 31<sup>st</sup> March, 2021 for a period more than six months from the date the same became payable.

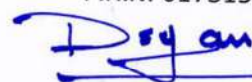


(b) There are no dues pending on account of income tax, sales tax, wealth tax, GST, service tax, custom duty, excise duty, VAT or cess, which have not been deposited on account of any dispute, except following demand on account of disputed matters pending before appropriate authority are as under: -

Statute	Nature of Dues	Forum where dispute is pending	Period of Demand	Amount Involved	Amount Deposited / Adjusted
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Raipur	F.Y. 2010-11	₹ 2,49,25,820/-	₹ 19,63,437/-

- viii. In our opinion and according to information and explanations furnished to us by the company, we are of the opinion that the Company has not defaulted in repayment of bank loan, however there was some delay in repayment thereof.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company is a private limited company and hence, the provisions of section 197 of the companies act, 2013 are not applicable to the company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, 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 and based on our examination of the records, the Company has not fully complied the provisions of Company Act 2013 for allotment of shares during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

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

  
DINESH K. JAIN  
PARTNER  
Membership No. 084901



Place : Delhi  
Date : September 10, 2021

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

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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 2021 in conjunction with our audit of the 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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



DINESH K. JAIN  
PARTNER  
Membership No. 084901



Place : Delhi  
Date : September 10, 2021

**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, 2021

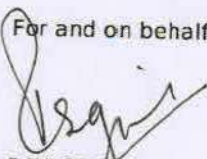
		(Amount in ₹)	
Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
Share Capital	1	56,42,78,800	23,02,82,400
Reserves and Surplus	2	(76,61,203)	(12,31,79,588)
(2) Share Application Money Pending Allotment		8,83,40,000	22,20,77,900
(3) Non-Current Liabilities			
Long-Term Borrowings	3	67,00,69,003	37,99,96,700
Deferred Tax Liabilities (Net)		6,35,21,909	5,47,60,277
(4) Current Liabilities			
Short-Term Borrowings	4	58,51,45,972	59,63,75,667
Trade Payables	5	18,64,63,017	22,24,52,080
Other Current Liabilities	6	21,09,63,012	22,57,78,115
Short-Term Provisions	7	4,62,500	2,70,000
<b>TOTAL</b>		<b>2,36,15,83,010</b>	<b>1,80,88,13,553</b>
<b>II. ASSETS</b>			
(1) Non-Current Assets			
Property, Plant and Equipments	8	1,21,44,74,293	87,39,24,610
- Tangible Assets			4,69,52,404
- CWIP			18,79,290
Non-Current Investments	9	-	-
Long-Term Loans and Advances	10	1,74,98,036	88,75,441
(2) Current Assets			
Inventories	11	79,71,25,592	49,15,28,600
Trade Receivables	12	13,51,26,001	11,62,99,024
Cash and Cash Equivalents	13	9,06,27,762	6,60,81,755
Short-Term Loans and Advances	14	7,50,71,651	15,04,16,274
Other Current Assets	15	2,97,80,385	5,28,56,155
<b>TOTAL</b>		<b>2,36,15,83,010</b>	<b>1,80,88,13,553</b>
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 SINGHAL**  
DIRECTOR  
(DIN: 01197349)

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

Place: Delhi  
Date: September 10, 2021

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

Statement of Profit and Loss for the year ended on 31st March, 2021

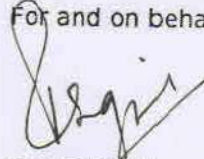
(Amount in ₹)			
Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
<b>Income :</b>			
Revenue from Operations	16	2,55,15,23,006	2,65,19,00,145
Other Incomes	17	1,76,13,507	7,76,96,944
<b>Total Income</b>		<b>2,56,91,36,513</b>	<b>2,72,95,97,089</b>
<b>Expenses :</b>			
Cost of Raw Material Consumed	18	1,74,44,67,347	1,97,58,82,942
Purchase of Trading Goods		48,23,57,143	38,41,49,008
Changes in Inventories of Finished Goods	19	(7,54,68,117)	(1,26,25,922)
Manufacturing Expenses	20	8,45,73,307	9,06,69,441
Employee Benefit Expenses	21	1,05,89,342	1,22,67,622
Finance Costs	22	10,27,64,105	11,16,90,182
Administrative & Selling Expenses	23	1,75,66,568	2,32,36,249
Depreciation	24	8,75,20,750	9,20,90,537
<b>Total Expenses</b>		<b>2,45,43,70,446</b>	<b>2,67,73,60,059</b>
Profit before extraordinary items and tax		11,47,66,066	5,22,37,030
Extraordinary Items : Prior Period Income		5,45,71,159	-
<b>Profit before Tax</b>		<b>16,93,37,225</b>	<b>5,22,37,030</b>
Tax Expense:			
Current tax		-	-
Deferred Tax		87,61,632	30,97,734
Earlier Year Taxes		4,50,57,209	-
<b>Profit/ (Loss) for the period</b>		<b>11,55,18,385</b>	<b>4,91,39,296</b>
<b>Earnings Per Equity Share</b>			
Basic		3.40	2.13
Diluted		3.40	2.13
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 SINGHAL**  
DIRECTOR  
(DIN: 01197349)

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

Place: Delhi  
Date: September 10, 2021

**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, 2021**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	16,93,37,225	5,22,37,030
<u>Adjustment for:</u>		
Depreciation	8,75,20,750	9,20,90,537
Interest / Processing Fees	10,27,64,105	11,16,90,182
Profit on Sale of Fixed Assets	-	(2,85,179)
Interest Income	(54,58,109)	(46,76,600)
Operating Profit before Working Capital Changes	18,48,26,746	19,88,18,941
<u>Adjustment for:</u>		
Increase (-) / Decrease in Inventories	(30,55,96,992)	8,50,12,650
Increase (-) / Decrease in Trade Receivables	(1,88,26,977)	(2,82,98,325)
Increase (-) / Decrease in Current Assets	2,30,75,770	(65,93,538)
Increase (-) / Decrease in Advances	4,27,96,468	(35,05,323)
Increase / Decrease(-) in Trade Payables	5,47,51,506	(26,74,20,060)
Increase / Decrease(-) in Current Liabilities & Provisions	(3,64,13,477)	(21,26,64,127)
Cash Generated from Operations	(24,02,13,701)	(43,34,68,722)
Less: Income Tax Paid	11,39,50,270	(18,24,12,751)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>6,88,93,061</b>	<b>(18,24,12,751)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	(38,11,18,030)	(5,43,34,133)
Sale of Fixed Assets	-	5,18,000
Advances for Capital Assets	1,15,79,474	(1,37,86,900)
Payables for Capital Assets	(9,07,40,569)	9,83,81,550
Unsecured Loans & Advances	2,09,68,680	(2,13,78,176)
Security Deposit	(86,22,595)	(38,500)
Interest on FDR	54,58,109	46,76,600
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(44,24,74,931)</b>	<b>1,40,38,441</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	33,39,96,400	-
Proceeds / (Refund) of Share Application Money	(13,37,37,900)	-
Proceeds / (Repayment) of Bank Term Loan	1,22,73,606	22,20,77,900
Proceeds from Working Capital Limit	(1,12,29,695)	(20,40,85,353)
Proceeds / (Repayment) from Unsecured Loan	29,95,89,571	(1,11,46,878)
Interest/Processing Fees on Loans	(10,27,64,105)	27,27,93,293
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>39,81,27,876</b>	<b>16,79,48,780</b>
<b>D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>2,45,46,007</b>	<b>(4,25,530)</b>
CASH AND CASH EQUIVALENTS, beginning of the year	6,60,81,755	6,65,07,285
<b>CASH AND CASH EQUIVALENTS, end of the year</b>	<b>9,06,27,762</b>	<b>6,60,81,755</b>

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 ₹ 741.62 Lacs (P.Y. ₹ 645.15 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**  
DIRECTOR  
(DIN: 01197349)

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

Place: Delhi  
Date: September 10, 2021

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

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

(Amount in ₹)

**NOTE 1. Share Capital**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Authorised Capital</b> 6,00,00,000 Equity Shares of Rs.10/- each (P.Y. 3,00,00,000 Equity Shares of Rs.10/- each)	60,00,00,000	30,00,00,000
<b>Issued, Subscribed and Paid up</b> 5,64,27,880 Equity Shares of Rs.10/- each (P.Y. 2,30,28,240 Equity Shares of Rs.10/- each)	56,42,78,800	23,02,82,400
<b>Total</b>	<b>56,42,78,800</b>	<b>23,02,82,400</b>

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

Particulars	As at 31st March, 2021	
	Equity Shares	
	Number	Amount (₹)
Balance as at the beginning of the year	2,30,28,240	23,02,82,400
(+) Shares issued During the year	3,33,99,640	33,39,96,400
(-) Shares Brought back during the year	-	-
Balance at end of the Year	5,64,27,880	56,42,78,800

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Equity Shares</b>		
Kunj Bihari Singhal	21374415 (37.88%)	21374415 (92.82 %)
Arun Singhal	15007200 (26.60%)	-
Shree Balaji Infrastructure	8000000 (14.18%)	-
Ravi Singhal	6944765 (12.31%)	-
Nisha Singhal	3000000 (5.32%)	-

**NOTE 2. Reserves and Surplus**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>a. Securities Premium</b>	1,11,05,66,520	1,11,05,66,520
<b>b. Surplus / Profit &amp; Loss A/c</b>		
Opening Balance	(1,23,37,46,108)	(1,28,28,85,403)
(+) Net Profit for the current year	11,55,18,385	4,91,39,296
Closing Balance	(1,11,82,27,723)	(1,23,37,46,108)
<b>Total</b>	<b>(76,61,203)</b>	<b>(12,31,79,588)</b>



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

(Amount in ₹)

NOTE 3. Long-Term Borrowings		
Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured Loans</b>		
<b>From Banks</b>		
<b>Punjab National Bank</b>		
- Erstwhile Oriental Bank of Commerce (Refer to Notes to accounts)	6,13,42,708	4,61,53,846
<b>From Financial Institutions</b>		
- Mahindra & Mahindra Financial Services Ltd. (Refer to Notes to accounts)	35,63,938	46,13,188
	6,49,06,645	5,07,67,034
Less: Current Maturities of Long term borrowings	5,56,73,687	3,20,16,808
	92,32,958	1,87,50,226
<b>Unsecured Loans</b>		
- From Related Parties	4,17,48,612	2,92,47,775
- From Others	61,90,87,433	33,19,98,699
<b>Total</b>	<b>67,00,69,003</b>	<b>37,99,96,700</b>

NOTE 4. Short Term Borrowings		
Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured Loans</b>		
<b>From Banks:-</b>		
<b>Cash Credit Limit from Punjab National Bank</b>		
- Erstwhile Oriental Bank of Commerce	32,90,34,889	39,08,00,498
- Erstwhile United Bank of India (Hypothecation of stock and book debts)	15,62,81,605	15,97,75,104
<b>LC Issued by Punjab National Bank for purchase of goods</b>		
- Erstwhile Oriental Bank of Commerce (Refer to Notes to accounts)	9,98,29,478	4,58,00,066
<b>Total</b>	<b>58,51,45,972</b>	<b>59,63,75,667</b>

NOTE 5. Trade payable		
Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Trade Payable</b>		
- For Raw Material	17,79,40,372	12,31,88,867
- For Capital Goods	85,22,645	9,92,63,214
<b>Total</b>	<b>18,64,63,017</b>	<b>22,24,52,080</b>

NOTE 6. Other Current Liabilities		
Particulars	As at 31st March, 2021	As at 31st March, 2020
Current Maturities of Long term borrowings	5,56,73,687	3,20,16,808
Term Loan Installment due	53,17,848	71,83,853
Expenses Payable	3,58,51,145	4,73,52,908
Other Payables	1,19,35,803	3,03,63,144
Advance Received From Customer	10,21,84,529	10,88,61,401
<b>Total</b>	<b>21,09,63,012</b>	<b>22,57,78,115</b>



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

(Amount in ₹)

**NOTE 7. Short-Term Provisions**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Audit Fees	4,62,500	2,70,000
<b>Total</b>	<b>4,62,500</b>	<b>2,70,000</b>

**NOTE 9. Non-Current Investments**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<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)	2,61,800	2,61,800
M/s Meghna Distributors Private Limited ( 8,08,645 Equity Shares of Rs. 10/- each fully paid up)	16,17,490	16,17,490
<b>Total</b>	<b>18,79,290</b>	<b>18,79,290</b>

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security Deposits	1,74,98,036	88,75,441
<b>Total</b>	<b>1,74,98,036</b>	<b>88,75,441</b>

**NOTE 11. Inventories**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Material	63,44,14,458	40,42,85,583
Finished Goods	9,61,90,734	2,45,32,388
Work in Progress	6,65,20,400	6,27,10,629
<b>Total</b>	<b>79,71,25,592</b>	<b>49,15,28,600</b>

**NOTE 12. Trade Receivables**

Particulars	As at 31st March, 2021	As at 31st March, 2020
a. Trade receivables outstanding for a period less than six month from the date they are due for payment ( Unsecured, considered Good)	12,47,13,470	10,49,92,358
b. Trade receivables outstanding for a period exceeding six month from the date they are due for payment ( Unsecured, considered Good)	1,04,12,532	1,13,06,666
<b>Total</b>	<b>13,51,26,001</b>	<b>11,62,99,024</b>



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

(Amount in ₹)

**NOTE 13. Cash and Cash Equivalents**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>a. Balance with Banks</b>		
- Current Accounts	14,236	5,11,023
- FDR with Schedule Bank (Pledged)	7,41,62,445	6,45,15,083
<b>b. Cash in Hand</b>	1,64,51,081	10,55,650
<b>Total</b>	<b>9,06,27,762</b>	<b>6,60,81,755</b>

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance to Suppliers	5,06,26,656	9,56,53,537
Advance for Capital Goods	22,57,426	1,38,36,900
<b>Other Loans and Advances</b>		
- To Others	2,01,50,921	1,79,20,509
- To Related Parties	20,36,648	2,30,05,328
<b>Total</b>	<b>7,50,71,651</b>	<b>15,04,16,274</b>

**NOTE 15. Other Current Assets**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance with revenue authorities	2,74,27,362	4,87,50,276
Prepaid Expenses	23,53,023	41,05,879
<b>Total</b>	<b>2,97,80,385</b>	<b>5,28,56,155</b>



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

NOTE 8. Property, Plant and Equipments

Particulars	Gross Block				Depreciation				Net Block	
	01-Apr-20	Addition	Disposal	31-Mar-21	01-Apr-20	For the C.Y	Disposal	31-Mar-21	31-Mar-21	31-Mar-20
<b>FACTORY</b>										
Land	1,96,29,870	42,47,400	-	2,38,77,270	-	-	-	-	2,38,77,270	1,96,29,870
Induction Furnace	18,69,13,980	-	-	18,69,13,980	13,13,69,393	1,03,17,514	-	14,16,86,907	4,52,27,073	5,55,44,587
Ferro Alloys Plant	15,70,33,877	-	-	15,70,33,877	10,44,04,398	95,27,846	-	11,39,32,245	4,31,01,632	5,26,29,479
Power Plant	66,18,92,790	-	-	66,18,92,790	26,85,64,559	2,84,23,013	-	29,69,87,573	36,49,05,217	39,33,28,230
Boiler	10,77,01,333	-	-	10,77,01,333	5,01,25,626	39,89,131	-	5,41,14,757	5,35,86,576	5,75,75,707
Sponge iron - Klin	22,32,04,856	-	-	22,32,04,856	16,60,52,865	1,05,43,383	-	17,65,96,248	4,66,08,608	5,71,51,991
Sponge Iron Plant	-	41,99,68,160	-	41,99,68,160	-	64,57,300	-	64,57,300	41,35,10,860	-
Factory Shed / Building	26,66,15,298	-	-	26,66,15,298	8,02,65,322	90,19,761	-	8,92,85,082	17,73,30,216	18,63,49,976
Trailors/Tractors	85,14,401	34,99,096	-	1,20,13,497	41,27,820	9,47,745	-	50,75,566	69,37,931	43,86,580
Plant & Machinery	7,27,05,165	-	-	7,27,05,165	2,92,21,985	79,29,136	-	3,71,51,120	3,55,54,045	4,34,83,180
<b>OFFICE</b>										
Land & Buildings	28,21,500	-	-	28,21,500	-	-	-	-	28,21,500	28,21,500
Office Equipments	35,98,339	2,29,211	-	38,27,550	33,20,613	1,14,780	-	34,35,392	3,92,158	2,77,726
Computer	4,56,833	1,26,567	-	5,83,400	3,62,338	72,985	-	4,35,323	1,48,077	94,495
Vehicles	27,29,361	-	-	27,29,361	22,64,933	1,28,926	-	23,93,859	3,35,502	4,64,428
Furniture & fixture	6,91,280	-	-	6,91,280	5,04,420	49,231	-	5,53,650	1,37,630	1,86,860
<b>TOTAL</b>	<b>1,71,45,08,883</b>	<b>42,80,70,434</b>	<b>-</b>	<b>2,14,25,79,317</b>	<b>84,05,84,273</b>	<b>8,75,20,750</b>	<b>-</b>	<b>92,81,05,024</b>	<b>1,21,44,74,293</b>	<b>87,39,24,610</b>
<b>PREVIOUS YEAR</b>	<b>1,70,83,41,968</b>	<b>73,81,729</b>	<b>12,14,814</b>	<b>1,71,45,08,883</b>	<b>74,94,75,729</b>	<b>9,20,90,537</b>	<b>9,81,993</b>	<b>84,05,84,273</b>	<b>87,39,24,610</b>	<b>95,88,66,239</b>



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

(Amount in ₹)

**NOTE 16. Revenue From Operations**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Sale of Goods	2,52,92,84,586	2,53,76,65,520
Services Rendered	2,22,38,420	11,42,34,625
<b>Total</b>	<b>2,55,15,23,006</b>	<b>2,65,19,00,145</b>

**NOTE 17. Other Incomes**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Interest Received	54,58,109	46,76,600
Refund From SECL	62,337	64,28,705
Remission of liability	-	6,25,55,560
Insurance Claim	4,79,713	4,93,679
Rebate and Discount	1,16,13,348	31,49,871
Other Income	-	1,07,350
Profit on sale Fixed Assets	-	2,85,179
<b>Total</b>	<b>1,76,13,507</b>	<b>7,76,96,944</b>

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

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Opening Inventory	40,42,85,583	50,19,24,156
Purchases of Raw Material	2,22,70,97,899	2,01,68,73,941
Add: Freight	22,98,55,466	24,55,19,436
	2,86,12,38,948	2,76,43,17,533
Less: Closing Stock of Raw Material	63,44,14,458	40,42,85,583
Less: Purchase of Trading Goods	48,23,57,143	38,41,49,008
<b>Cost of materials consumed during the year</b>	<b>1,74,44,67,347</b>	<b>1,97,58,82,942</b>

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

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Opening Inventory	8,72,43,017	7,46,17,095
Less : Inventory at the end of the year	16,27,11,134	8,72,43,017
<b>Change in the inventory</b>	<b>(7,54,68,117)</b>	<b>(1,26,25,922)</b>

**NOTE 20. Manufacturing Expenses**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Electricity Expenses	4,29,03,065	3,49,71,724
Diesel & Fuel	18,07,597	1,10,36,125
Wages & Production Expenses	3,79,58,445	3,67,52,016
Rent of machinery	-	65,60,875
Duty and Taxes	4,49,845	6,85,311
Water Expenses	14,54,355	6,63,390
<b>Total</b>	<b>8,45,73,307</b>	<b>9,06,69,441</b>



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

**NOTE 21. Employee Benefit Expenses**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Wages & Salary	80,98,200	96,57,600
Director Remuneration	14,40,000	6,40,000
Staff Welfare Expenses	1,19,611	85,949
Contribution towards PF	7,53,631	9,92,439
Contribution towards ESIC	1,77,900	8,91,634
<b>Total</b>	<b>1,05,89,342</b>	<b>1,22,67,622</b>

**NOTE 22. Finance Costs**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Interest to Bank	7,49,07,150	9,34,16,285
Interest to Others	1,88,76,357	1,01,84,632
Bank Charges	89,80,598	80,89,266
<b>Total</b>	<b>10,27,64,105</b>	<b>11,16,90,182</b>

**NOTE 23. Administrative & Selling Expenses**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Advertisement Expenses	32,962	5,15,000
Audit Fees	5,00,000	3,00,000
Donation & Subscription	7,19,000	8,02,500
Electricity Expenses	1,23,610	1,45,820
Insurance Expenses	17,08,287	15,78,879
Office Expenses	23,346	7,045
Printing & Stationery	6,38,866	1,46,736
Professional Fees	45,29,586	21,35,000
Rates Fees and Taxes	41,95,462	33,73,354
Rent	2,40,000	9,60,000
Repairing & Maintenance	14,51,176	26,24,757
Telephone Expenses	2,39,583	3,06,724
Travelling and Conveyance Expenses	3,10,685	3,11,199
Commission Expenses	22,82,312	93,27,942
Vehicle Running & Maintenance	5,71,695	7,01,292
<b>Total</b>	<b>1,75,66,568</b>	<b>2,32,36,249</b>

**NOTE 24. De preciation**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Depreciation	8,75,20,750	9,20,90,537
<b>Total</b>	<b>8,75,20,750</b>	<b>9,20,90,537</b>



**NOTE - 25      SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021.**

**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. Fixed 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 fixed 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 - IV

Term Loan of Rs. 20 Crores sanctioned from Punjab National Bank, (Erstwhile Oriental bank of Commerce), 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.

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

PNB Covid 19 Emergency Credit Facility of Rs. 3.42 Crores sanctioned from Punjab National Bank, (Erstwhile Oriental bank of Commerce), 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.

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

Particulars	Type	Amount (₹)	
		31/03/2021	31/03/2020
<u>Punjab National Bank</u>			
<u>TERM LOAN – IV</u>	Term Loan	3,60,87,079	5,33,37,700
<u>TERM LOAN ( COVID Loan)</u>	Term Loan	3,05,73,477	--

#### III. Vehicle Loan

Vehicle loan payable to Mahindra and Mahindra financial services Ltd. is secured by hypothecation of respective vehicles.

Particulars	Type	Amount (₹)	
		31/03/2021	31/03/2020
Mahindra and Mahindra financial services Ltd	Vehicle Loan	35,63,938	46,13,188



IV. Working Capital Limit from Banks

- a) Working Capital Limit of Rs. 50 Crores sanctioned from Punjab National Bank, Raipur (Rs. 34.25 Crore from Erstwhile Oriental bank of Commerce, Tatyapara, Raj Tower, Raipur and Rs. 15.75 Crores by erstwhile United Bank of India, Budhapara, Bijli office Chowk, Raipur under consortium arrangement).

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. 10.00 Crores sanctioned from Punjab National Bank (Erstwhile Oriental bank of Commerce) Tatyapara, Raj Tower, Raipur against the hypothecation over the goods. Management has informed that the outstating balance of letter of credit issued to supplier for procurement of goods is Rs. 9,98,29,478/- as on 31/03/2021 and respective supplier had discounted the same from their banks. Accordingly, the said outstanding balance is classified under short term borrowings.

B. PAYMENT TO STATUTORY AUDITORS:

Particulars	Amount (₹)	
	2020-2021	2019-2020
Audit fees (Excluding Taxes)	5,00,000	3,00,000
Certification & others	--	--

C. MANAGERIAL REMUNERATION:

Particulars	Amount (₹)	
	2020-2021	2019-2020
Director Remuneration	14,40,000	6,40,000
Other Benefits	--	--

D. VALUE OF RAW MATERIALS CONSUMED

Particulars	(₹ In Lakhs)	
	2020-2021	2019-2020
Indigenous	17,444.67 (100%)	14,931.84 (100%)
Imported	Nil	Nil
Total	17,444.67	14,931.84

E. CIF VALUE OF IMPORTS

Description Unit	(₹ In Lakhs)	
	2020-2021	2019-2020
Raw Material	Nil	Nil
Consumable	Nil	Nil

EARNING IN FOREIGN CURRENCY

Particulars	(₹ In Lakhs)	
	2020-2021	2019-2020
Others	Nil	Nil



## G. COMMITMENTS AND CONTINGENCES

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

(Amount in ₹)

Nature of Liability	Period to which amount relates	Amount Disputed	Amount Deposited / Adjusted
Income Tax	F.Y. 2010-11	₹ 2,49,25,820/-	₹ 19,63,437/-

- ii. The company has surrendered certain income of Rs 120.52 crores pertaining to FY 2011-12 to 2017-18 before Income Tax Settlement Commission who has accepted the same vide its order dated 21/01/2021 u/s 245D(4) of the Income Tax Act 1961. The total Tax liability of Rs 13.27 crores has been computed on said surrendered income which is to be paid by 25<sup>th</sup> October 2021. The management has decided to recognize the said liability in books of accounts on payments basis. The unrecognized amount is Rs 8.72 crores at the year end which is to be paid and accounted in FY 2021-22.
- iii. There is no other contingent liability reported by the management as at the end of the year.

## H. 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.

(Amount in ₹)

Particulars	As on 31.03.2021	As on 31.03.2020
Deferred Tax Liability		
- Related to Fixed Assets	6,35,21,909	5,47,60,277
Deferred Tax Assets	--	--
Net Deferred Tax Liability/(Assets)	6,35,21,909	5,47,60,277

- Deferred tax assets on unabsorbed depreciation / Unabsorbed Loss have not been provided, as the management has not provided convincing evidence that sufficient taxable income will be available in near future against which such deferred tax assets can be realized.

## I. Earning Per Share (EPS)

(Amount in ₹)

Particulars	2020-2021	2019-2020
Net Profit / (Loss) after tax	11,55,18,385	4,91,39,296
Number of Equity Shares	5,64,27,880	2,30,28,240
Weighted Avg. Number of Equity Shares for calculating Basic Earnings per share	3,39,62,181	2,30,28,240
Weighted Avg. Number of Equity Shares for calculating Diluted Earnings per share	3,39,86,384	2,30,28,240
Nominal Value of Equity Shares	10/-	10/-
Basic Earnings per share	3.40	2.13
Diluted Earnings per share	3.40	2.13



J. 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 C.G. Sai Baba Land Developers Pvt. Ltd.

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 Aggarwal.

b) Transactions with Related Parties

(Amount in ₹)

Particulars	2020-2021	2019-2020
Unsecured Loan Received during the year	13,33,99,612	6,68,00,000
Unsecured Loan Repaid during the year	6,30,62,775	8,50,15,506
Unsecured Loan Converted to Share Application Money	11,64,00,000	4,41,96,400
Share Application Money Received	27,44,00,000	--
Share Application Money Converted to Unsecured Loan	2,82,00,000	--
Loans given	38,59,196	2,23,126
Loans Recovered	2,48,28,176	12,42,950
Payment of Expenses	10,79,48,216	3,80,38,885
Interest Paid	21,02,054	25,65,000
Salary Paid	14,40,000	6,40,000

c) Balances as at:

(Amount in ₹)

Particulars	31.03.2021	31.03.2020
Unsecured Loan Taken	8,63,68,319	2,92,47,775
Loans & Advances	20,36,348	2,30,05,328
Investment in Shares	18,79,290	18,79,290
Trade Payables	2,46,20,138	5,84,45,138

Note: Related Party Relationship is as identified by the management.

K. 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.



- L. The company has surrendered certain unaccounted income before Settlement Commission. The Settlement Commission vide its order u/s 245D(4) of the Income Tax Act, 1961 dt.: 21/01/2021 accepted the same. Accordingly, the company has passed capitalization entry in its books of accounts in respect of outstanding cash balance of Rs. 5,45,71,159/- as allowed by the Income Tax Settlement commission vide under reference order:

Particulars	Amount		Adjustment in books
Prior Period Income	5,45,71,159	Cr.	Credited in Profit and Loss account
Cash in Hand	5,45,71,159	Dr.	Added into cash book

- M. 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.

- N. The company has approached to few parties (Suppliers) to invest in the company. In turn, they have in-principally agreed to convert their outstanding balance through book entries into Share Application Money and Unsecured loan. The Financial Statement has been prepared by reclassification of these parties from "Trade Payables/ Advance from customers" to "Share Application Money" or "Unsecured Loan" as the case may be. The conversion into share application money is for allotment of Equity shares of Rs 10/- each at face value.

- O. The Company has approached to lenders to invest in the equity of the company. In turn they have in-principally agreed to convert their outstanding balance through book entries into Share Application Money for allotment of Equity shares of Rs 10/- each at face value. The Financial Statement have been prepared by reclassification of these parties from "Unsecured Loan"/" Other payable" into "Share Application Money".

- P. The balance of Unsecured Loan, Trade Payables, Trade Receivables, Advance from Customers and Advances recoverable as on 31.03.2021 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 to 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.

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 10, 2021



FOR AND ON BEHALF OF THE BOARD

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

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