

**Independent Auditor's Report****To the Members of Hira Steels Limited****Report on the Standalone Financial Statements****Opinion**

We have audited the financial statements of **Hira Steels Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

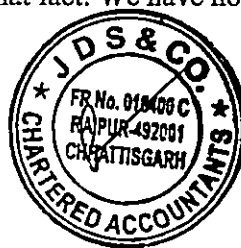
**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include financial statements and our auditors report thereon.

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

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



## Management's Responsibilities for the Financial Statements

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

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

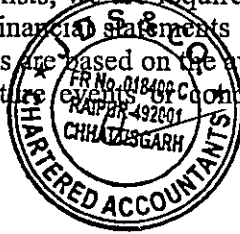
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- 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 ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Section 143(11) of the Act, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 of the Act;
  - (f) In view of exemption granted vide Notification No. GSR 583(E) dt.13th June, 2022, the reporting under Section 143 (3) (i) of the Act, in respect of Report on Internal Financial Control is not applicable to the company;

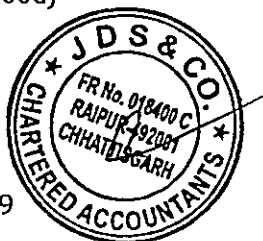


(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("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 whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the 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 any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For JDS & Co  
(ICAI Firm Regn. No.018400C)  
Chartered Accountants

*OP Singhania*  
OP Singhania  
Partner  
Membership No.051909



Raipur, 22<sup>nd</sup> June, 2022

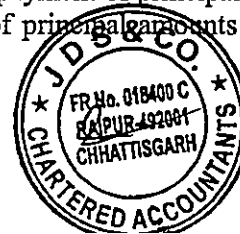
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## Annexure - A to the Independent Auditors' Report

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

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:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - (e) 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, the physical verification of inventories has been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not more than 10% or more in the aggregate of each class of inventory and have been properly dealt with in the books of account.
- (b) Based on the audit procedure and on an overall examination of financial statements, we are of the opinion that the stock statements and quarterly returns filed by the company, in respect of working capital loan availed from banks, are in agreement with the books of account of the company and no material discrepancies have been observed.
- iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
- (a) The Company has not provided any loans or advances in the nature of loans and provided security to subsidiary, associates or joint ventures or any other entity during the year, and hence reporting under clause 3(iii)(a) (A) & (B) of the Order is not applicable.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

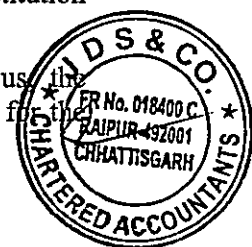


- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans repayable on demand or without specifying any terms of repayment during the year to related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013. Hence, reporting under clause 3(iii) (f) of the Order is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing the statutory liabilities with regard to the Income Tax, Cess and other material statutory dues with the appropriate authorities. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of provident fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, Goods and Services tax, value added tax and cess which have not been deposited on account of any dispute other than followings: -

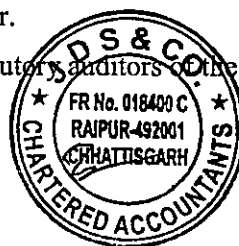
Name of Statute	Nature of Dues	Amount in Lacs*	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand for the AY 2012-13	4.07	CIT (Appeals), Bhopal
Income Tax Act, 1961	Income Tax Demand for the AY 2015-16	0.26	CIT (Appeals), Bhopal
Income Tax Act, 1961	Income Tax Demand for the AY 2016-17	94.24	CIT (Appeals), Bhopal

\*Net of Deposits

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender and hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.



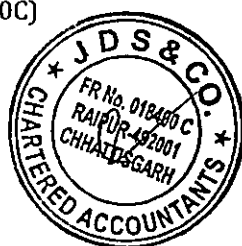
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any 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, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) In our opinion and based on our examination, the company is not required to have vigil mechanism (whistle blower) as per the provisions of the Companies Act, 2013. Hence, reporting under clause 3(xi) (c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.



- xix. On the basis of the financial ratios, ageing and expected dates of 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. In our opinion and based on our examination, the provisions of Section 135 of the Companies Act, 2013 is not applicable to the company. Hence, reporting under clause 3(xx) (a) and (b) of the Order is not applicable.

For JDS & Co  
(ICAI Firm Regn. No.018400C)  
Chartered Accountants

*OP Singhania*  
OP Singhania  
Partner  
Membership No.051909



Raipur, 22<sup>nd</sup> June, 2022

UDIN: 22051909ALKUTL1609



## **Annexure - B to the Independent Auditors' Report**

Referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements of our report of even date,

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act.**

We have audited the internal financial controls over financial reporting of **Hira Steels Limited** (the "Company") as of 31 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**

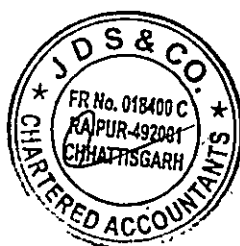
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

#### **Auditors' Responsibility**

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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

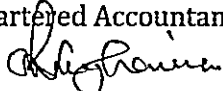
## Inherent Limitations of Internal Financial Controls over Financial Reporting

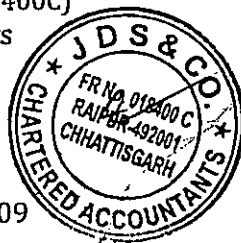
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, to the best of our information and according to the explanations given to us, 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 31 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 ICAI.

For JDS & Co  
(ICAI Firm Regn. No.018400C)  
Chartered Accountants

  
OP Singhania  
Partner  
Membership No.051909



Raipur, 22<sup>nd</sup> June, 2022

UDIN: 22051909ALKUTL1609

**Hira Steels Limited**  
**Balance Sheet as at 31st March ,2022**

Particulars	Notes	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	1,321.60	2,521.60
Reserves and surplus	4	10,131.04	5,179.55
Share warrants		-	3,840.00
		<b>11,452.63</b>	<b>11,541.15</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	3,181.56	525.61
Deferred Tax Liabilities	6	107.03	-
Long-term provisions	7	120.03	101.88
		<b>3,408.62</b>	<b>627.49</b>
<b>Current liabilities</b>			
Short-term borrowings	8	5,329.28	2,396.77
Trade payables	9	-	-
- Outstanding dues to micro and small enterprises		-	-
- Outstanding dues of creditors other than micro and small enterprises		69.59	646.28
Other current liabilities	10	296.41	429.18
Short-term provisions	7	13.33	13.25
		<b>5,708.61</b>	<b>3,485.48</b>
<b>TOTAL</b>		<b>20,569.86</b>	<b>15,654.11</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	3,209.98	3,146.53
Intangible Assets	12	4.74	8.51
Capital work-in-progress	13	3,870.16	530.01
Non-current investments	14	7.38	7.00
Deferred tax assets (net)	6	-	4.94
Long-term loans and advances	15	1,175.76	29.37
Other non-current assets	16	38.92	233.99
		<b>8,306.94</b>	<b>3,960.35</b>
<b>Current assets</b>			
Inventories	17	2,684.11	3,534.68
Trade receivables	18	2,699.09	1,720.24
Cash & bank balances	19	122.47	353.88
Short-term loans and advances	15	6,757.25	6,084.96
		<b>12,262.92</b>	<b>11,693.76</b>
<b>TOTAL</b>		<b>20,569.86</b>	<b>15,654.11</b>
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date

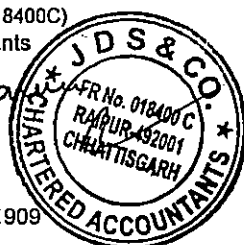
For JDS & Co.

(ICAI Firm Reg. No.018400C)  
Chartered Accountants

OP Singhania

Partner

Membership No.051909



For and on behalf of the Board of Directors of  
Hira Steels Limited

Amit Agrawal  
Amit Agrawal

Director

DIN: 01075859

Sonam Agrawal  
Company Secretary

Arun Poddar  
Arun Poddar

Director

DIN: 02992106

Rajesh Rajimwale  
CFO

Raipur, 22nd June, 2022

**Hira Steels Limited****Statement of Profit & Loss for the year ended 31st March, 2022**

	Notes	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>INCOME</b>			
Revenue from operations	20	78,027.64	55,057.20
Other Income	21	276.82	260.65
<b>TOTAL REVENUE (I)</b>		<b>78,304.46</b>	<b>55,317.84</b>
<b>EXPENDITURE</b>			
Cost of raw material and component consumed	22	71,168.38	47,546.36
Purchase of Traded Goods	23	940.42	1,213.33
(Increase)/decrease in inventories of finished goods	23	593.41	1,259.52
Employee benefits expense	24	529.36	431.64
Finance costs	25	185.93	118.07
Depreciation & amortization expense	26	393.20	452.27
Other Expenses	27	3,540.29	3,035.22
<b>TOTAL EXPENDITURE (II)</b>		<b>77,350.98</b>	<b>54,056.41</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>953.48</b>	<b>1,261.43</b>
Less: Exceptional items	37	412.01	1,060.00
<b>Profit/(Loss) before tax</b>		<b>541.46</b>	<b>201.43</b>
<b>Tax expenses</b>			
Current tax		90.38	33.62
MAT Credit Entitlement		(49.97)	(33.62)
Deferred Tax		111.97	46.25
Income tax related to earlier year		-	10.15
<b>Total tax expenses</b>		<b>152.38</b>	<b>56.41</b>
<b>Profit/(loss) for the year from continuing operations</b>		<b>389.08</b>	<b>145.03</b>
<b>Earnings per equity share [nominal value of share @ ₹ 10/- (31st March, 2021 ₹ 10/-)]</b>			
Basic	28	3.45	1.29
Diluted		2.94	0.62
<b>Summary of significant accounting policies</b>	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For JDS & Co.**

(ICAI Firm Reg. No.018400C)

Chartered Accountants

OP Singhania

Partner

Membership No.051909



**For and on behalf of the Board of Directors of Hira Steels Limited**

Amit Agrawal

Director

DIN: 01075859

Arun Poddar

Director

DIN: 02992106

Sonam Agrawal

Company Secretary

Rajesh Rajimwale

CFO

Raipur, 22nd June, 2022

**Hira Steels Limited**
**Statement of Cash Flows for the year ended 31st March, 2022**

	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>Cash Flow from operating activities</b>		
Profit before tax from continuing operations	541.46	201.43
Exceptional items	412.01	1,060.00
Profit/(Loss) before exceptional items and tax	953.48	1,261.43
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation on continuing operation	393.20	452.27
Provision for gratuity	18.22	(1.97)
(Profit)/loss on sale of property, plant & equipment	0.38	(74.57)
Loss on sale of Investments	-	6.05
Interest Expenses	185.93	118.07
Interest Income	(258.73)	(165.78)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,292.49</b>	<b>1,595.50</b>
Movements in working capital :		
Increase/(decrease) in trade payables	(576.69)	(996.90)
Increase/(decrease) in other Current liabilities	(132.77)	398.09
Decrease/(increase) in trade receivables	(978.85)	382.72
Decrease/(increase) in inventories	850.56	462.04
Decrease/(increase) in long-term loans and advances	(1,146.39)	(13.22)
Decrease/(increase) in short-term loans and advances	(1,085.58)	(2,183.82)
<b>Cash generated from/(used in) operations</b>	<b>(1,777.23)</b>	<b>(355.58)</b>
Direct taxes paid (net of refunds)	(39.12)	(14.29)
<b>Net Cash flow from/(used in) operating activities</b>	<b>A (1,816.35)</b>	<b>(369.86)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment, CWIP and Capital advances	(3,795.95)	(532.47)
Proceeds of sale of property, plant & equipment	2.54	77.49
Sale proceeds of investments	(0.38)	43.95
Redemption/maturity of bank deposits (having original maturity of more than three months)	195.07	(218.26)
Interest received	258.73	165.78
<b>Net cash flow from/(used in) investing activities</b>	<b>B (3,339.98)</b>	<b>(463.51)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of preference shares including premium	-	1,950.00
Redemption of Preference Shares	(477.60)	-
Proceeds/(Repayment) of long-term borrowings	2,655.95	513.74
Proceeds/(Repayment) of short-term borrowings	2,932.51	(1,180.37)
Interest paid	(185.93)	(118.07)
<b>Net cash flow from/(used in) financing activities</b>	<b>C 4,924.93</b>	<b>1,165.30</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(231.41)</b>	<b>331.93</b>
Cash and Cash Equivalents at the beginning of the year	353.88	21.95
<b>Cash and Cash Equivalents at the end of the year</b>	<b>122.47</b>	<b>353.88</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	19.08	12.77
With banks- on Current account	103.39	341.11
	<b>122.47</b>	<b>353.88</b>

As per our report of even date

For JDS & Co.

(ICAI Firm Reg. No.018400C)

Chartered Accountants

OP Singhania

Partner

Membership No.051909

Raipur, 22nd June, 2022

For and on behalf of the Board of Directors of  
Hira Steels Limited

*Amit Agrawal*  
Amit Agrawal  
Director

DIN: 01075859

*Sonam Agrawal*  
Sonam Agrawal

Company Secretary

*Arun Poddar*  
Arun Poddar  
Director

DIN: 02992106

*Rajesh Rajimwale*  
Rajesh Rajimwale

CFO

**1. Corporate information**

The company is mainly engaged in manufacturing of M.S. Bars (Round) in Coil, H.B. Wire and TMT Bars.

**2. Basis of preparation**

- i) The financial statements are prepared in accordance with the generally accepted accounting principles under the historical cost convention, on going concern concept and in compliance with the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- ii) The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- iii) The accounting policies have been consistently applied by the Company are consistent with those used in the previous year.
- iv) The Company's financial statements are presented in Indian Rupees and all values are rounded to the nearest lacs (₹ 00,000).

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

The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of these financial results and concluded that no adjustment is required in these financial statements. The Company continues to monitor the future economic conditions.

**2.2 Summary of significant accounting policies****a) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

**b) Property, plant and equipment (PPE)**

An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment is measured at :

- i) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which is to be incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

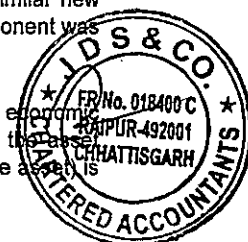
Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.

After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.

Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.



## Hira Steels Limited

### Notes to financial statements for the year ended 31st March , 2022

**c) Depreciation on property, plant and equipment**

- i) Depreciation is provided on Written Down Value Method based on the useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013.
- ii) Depreciation on tangible fixed assets added/disposed off during the year is provided on pro-rata basis.
- iii) Free-hold land, Leasehold land and site & land development cost are not depreciated.

**d) Investments :**

- i) Long Term Investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.
- ii) Current Investments are stated at lower of cost and fair value.

**e) Inventories :**

- i) Inventories are valued at lower of cost and net realizable value.
- ii) Cost of Raw Materials and stores & spares are computed on FIFO basis and cost of Finished Goods & Goods in Process are computed on Weighted average basis.
- iii) Cost of Finished Goods and Goods in Process includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.
- iv) Proceeds in respect of sales/disposal of raw materials is credited to the raw material purchase account.
- v) By-products are valued at net realisable value.

**f) Goods and Services Tax (GST)**

- i) GST Credit relating to raw materials/components are debited under current assets for availing credit against GST and credited to respective materials/component account.

**g) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**i) Sale of Products**

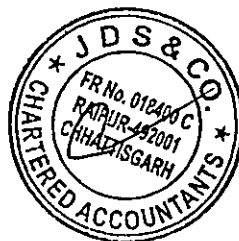
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Goods & Services Tax (GST) are not received by the company on its account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from the revenue.

**ii) Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**iii) Dividends**

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.



**h) Borrowing Cost**

Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/construction of fixed assets are capitalized only with respect to qualifying fixed assets i.e. those which take substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**i) Contingent Liabilities**

Liabilities which are material and whose future outcome cannot be reasonably ascertained are treated as contingent and not provided for and disclosed by way of notes to the accounts.

**j) Taxes on Income**

Current Taxes are accounted based on provisions of Income Tax Act, 1961.

Deferred Tax is recognized, subject to the consideration of prudence, in timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Except assets on which not recognised or those timing difference which reverse in Tax holiday period.

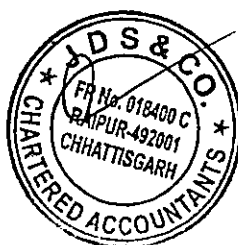
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**k) Foreign Currency Transactions**

- i) Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate prevailing as on the date of transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values are determined.
- iii) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at the rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.
- iv) All loans and deferred credits repayable in foreign currency and outstanding at the close of the year are expressed in Indian currency at the appropriate rates of exchange prevailing as on the date of the balance sheet. Any increase or reduction in these liabilities are booked to revenue.

**l) Retirement and other Employee Benefits**

- i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.
- ii) Gratuity Liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Value of encashable leave are encashed during the year and charged to the statement of Profit & Loss.
- iv) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.





**m) Provisions**

Provisions are recognised, where the company has any legal or constructive obligation or where reliable estimate can be made for the amount of the obligation and as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**n) Impairment of Tangible Assets**

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to statement of profit & loss. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

**o) Cash and Cash equivalents**

Cash and Cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**p) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



# Hira Steels Limited

Notes to financial statements for the year ended 31st March , 2022

	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>3. Share capital</b>		
<b>Authorised</b>		
11750000 (11750000 ) Equity Shares of ₹ 10/- each	1,175.00	1,175.00
14400000 (14400000) Preference Shares of ₹ 10/- each	1,440.00	1,440.00
	<u>2,615.00</u>	<u>2,615.00</u>
<b>Issued, subscribed and fully paid-up</b>		
11265950 (11265950 ) Equity Shares of ₹ 10/- each fully paidup	1,126.60	1,126.60
Nil (12000000) 0.01% Non-Cumulative Participating Redeemable Preference Shares of ₹ 10/- each	-	1,200.00
1950000 (1950000) 0.01% Non-Cumulative Non Participating Optionally Convertible & Redeemable Preference Shares of ₹ 10/- each	195.00	195.00
	<u>1,321.60</u>	<u>2,521.60</u>

## a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

### Equity shares

	31.03.2022		31.03.2021	
	No.	₹ in Lacs.	No.	₹ in Lacs.
At the beginning of the period	11,265,950	1,126.60	11,265,950	1,126.60
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>11,265,950</u>	<u>1,126.60</u>	<u>11,265,950</u>	<u>1,126.60</u>

### 0.01% Non-Cumulative Participating Redeemable Preference Shares

	31.03.2022		31.03.2021	
	No.	₹ in Lacs.	No.	₹ in Lacs.
At the beginning of the period	12,000,000	1,200.00	12,000,000	1,200.00
Redeemed during the period	12,000,000	1,200.00	-	-
Outstanding at the end of the period	<u>-</u>	<u>-</u>	<u>12,000,000</u>	<u>1,200.00</u>

### 0.01% Non-Cumulative Non Participating Optionally Convertible & Redeemable Preference Shares

	31.03.2022		31.03.2021	
	No.	₹ in Lacs.	No.	₹ in Lacs.
At the beginning of the period	1,950,000	195.00	-	-
Issued during the period	-	-	1,950,000	195.00
Outstanding at the end of the period	<u>1,950,000</u>	<u>195.00</u>	<u>1,950,000</u>	<u>195.00</u>

## b. Terms/rights attached to equity shares

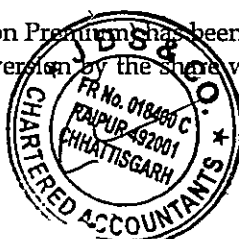
The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c. Terms/rights attached to Non-Cumulative Participating Redeemable Preference Shares alongwith detachable share

The NCPaRePS of ₹ 10 each shall be redeemable at a premium of ₹ 66.42 each on maturity on 31.03.2038 with an option for early Redemption at a discount of 18% per annum after a period of one year from the date of allotment. The NCPaRePS shall also have participating right at the time of winding up on any surplus arising from disposal of all assets of the Company in excess of 20% per annum from 01.04.2018 compounded at annual rate each warrant of ₹ 32/-, however, the preference shareholders has opted early redemption of NCPaRePS as on 19.04.2021, therefore the company has redeemed NCPaRePS at a discount price of ₹ 3.98 per share and balance amount has been transferred into capital reserve.

Further, detachable share warrant of ₹ 32 (Option Premium) has been forfeited on expiry of 36 months from the date of issue due to non exercise of the option for conversion by the share warrant holder and the forfeited amount has been transferred to capital reserve.



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022****d. Terms/rights attached to Non-Cumulative Non Participating Optionally Convertible & Redeemable Preference Shares**

The NCNPOCRPS shall be redeemed at ₹ 100/- per NCNPOCRPS of ₹ 10/- per share including a premium of ₹ 90/- per share on or before expiry of 20 years from the date of allotment i.e. 26.03.2021 at the discretion of the Company.

The NCNPOCRPS holder may opt for conversion at any time after 3 years from the date of allotment at a price to be determined at time of conversion which shall be Fair Value of Equity Shares minus 10% as on the date of exercise of conversion. The conversion will be done within one month from the date of receipt of the option for conversion.

Dividend rate will be 0.01% p.a. (on the face value) which will remain fixed over the tenure of the NCNPOCRPS.

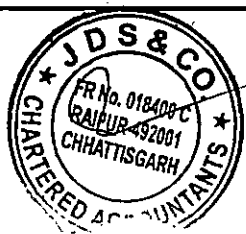
	31.03.2022		31.03.2021	
	No.	% of holding in the class	No.	% of holding in the class
<b>Equity shares of ₹ 10/- each fully paid</b>				
Godawari Power & Ispat Limited	1940100	17.22%	1940100	17.22%
Shri Jagdish Prasad Agrawal,	1411950	12.53%	1411950	12.53%
Shri Amit Agrawal	1122400	9.96%	1122400	9.96%
J.P. Agrawal, HUF	614000	5.45%	614000	5.45%
Ram Richhpal Agrawal HUF	1800000	15.98%	1800000	15.98%
Smt. Sita Devi Agrawal	1000000	8.88%	1000000	8.88%
Shri Alok Agrawal	810000	7.19%	810000	7.19%
Bhadrawati Steel & Urja Limited	1460000	12.96%	1460000	12.96%
	<b>10158450</b>	<b>90.17%</b>	<b>10158450</b>	<b>90.17%</b>

	31.03.2022		31.03.2021	
	No.	% of holding in the class	No.	% of holding in the class
<b>Non-Cumulative Participating Redeemable Preference Shares of ₹ 10/- each fully paid</b>				
Shri Satpal Singh Bhatia	0.00	0.00%	12000000	100.00%
	<b>0.00</b>	<b>0.00%</b>	<b>12000000</b>	<b>100.00%</b>

	31.03.2022		31.03.2021	
	No.	% of holding in the class	No.	% of holding in the class
<b>Non-Cumulative Non Participating Optionally Convertible &amp; Redeemable Preference Shares of ₹ 10/- each fully paid</b>				
Jagdamba Power and Alloys Limited	1950000	100.00%	1950000	100.00%
	<b>1950000</b>	<b>100.00%</b>	<b>1950000</b>	<b>100.00%</b>

**Shares held by promoters at 31 March 2022:**

Promoter Name	No. of Shares	% of total shares	% Change during the year
Smt. Sita Devi Agrawal	1000000	8.88%	0.00%



**Hira Steels Limited**
**Notes to financial statements for the year ended 31st March , 2022**

	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>4. Reserves and Surplus</b>		
<b>Capital Reserve</b>		
Balance as per last financial statements	252.30	252.30
Addition during the year on forfeiture of share warrants (refer note 3 c)	3,840.00	-
Addition during the year on redemption of preference shares (refer note 3 c)	722.40	-
	<b>4,814.70</b>	<b>252.30</b>
<b>Capital Redemption Reserve</b>		
Balance as per last financial statements	-	-
Addition during the period	477.60	-
	<b>477.60</b>	<b>-</b>
<b>Securities Premium</b>		
Balance as per last financial statements	4,401.38	2,646.38
Addition during the period	-	1,755.00
	<b>4,401.38</b>	<b>4,401.38</b>
<b>General Reserve</b>		
Balance as per last financial statements	50.00	50.00
	<b>50.00</b>	<b>50.00</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	475.88	330.85
Profit / (Loss) for the year	389.08	145.03
Transfer to capital redemption reserve	(477.60)	-
<b>Net surplus in the statement of profit and loss</b>	<b>387.36</b>	<b>475.88</b>
<b>Total reserves and surplus</b>	<b>10,131.04</b>	<b>5,179.55</b>

**5. Long-term borrowings**

	Non-current portion		Current maturities	
	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>Term Loans</b>				
Indian rupee loan from banks (secured)	320.46	517.91	187.57	181.80
Foreign currency loan from banks (secured)	2,857.87	-	-	-
	-	-	-	-
<b>Other Loans and advances</b>				
From Bank	3.22	7.70	4.48	4.08
	<b>3,181.56</b>	<b>525.61</b>	<b>192.05</b>	<b>185.88</b>
<b>The above amount includes</b>				
Secured borrowings	3,181.56	525.61		
Amount disclosed under the head				
"Short Term Borrowings" (refer note 8)			(192.05)	(185.88)
<b>Net amount</b>	<b>3,181.56</b>	<b>525.61</b>	<b>-</b>	<b>-</b>

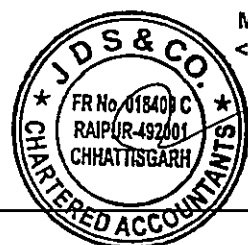
a) The term loans aggregating to ₹ 508.03 lacs (Previous year ₹ 699.71 lacs) (including current maturities of ₹ 187.57 lacs (Previous year ₹ 181.80 lacs) classified as 'short term Borrowings' in note 8) are secured against hypothecation of entire current assets consisting of raw materials, finished Goods, stores & spares etc. (Present & Future); hypothecation of book debts (present & future) and second pari passu charge on the entire movable plant & machineries & immovable assets of the company.

b) The term loans converted into FCNR aggregating to ₹ 2857.87 lacs (Previous year ₹ Nil) (including current maturities of ₹ Nil lacs (Previous year Nil) are secured by first charge by way of equitable mortgage on freehold land located at village: Khirjithi Dist. Rajnandgaon. (C.G.) for the solar power plant and also first charge by way of hypothecation on fixed assets including building, structure, plant & machineries of the company at the solar power plant project and second charge on the fixed and movable assets of the company at its solar power plant project would be shared by other lenders. The aforesaid loan is further secured by personal guarantee of Shri Amit Agrawal and Shri Alok Agrawal promoter/director of the company.

b) Other loans and advances from bank is secured by hypothecation of vehicle.

c)

	Maturity Profile (₹ in Lacs)			
	< 1year	1-2 years	2-3 Years	> 3 years
Rupee Term Loans	187.57	187.57	132.89	-
Rupee Term Loans (Solar)	-	474.00	474.00	1,909.87
Other Loans & Advances	4.48	3.22	-	-



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022**

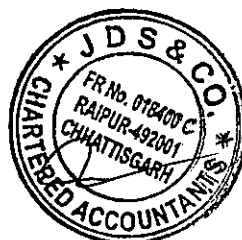
	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>6. Deferred Tax Liabilities/(Assets) (Net)</b>		
<b>Deferred Tax Liabilities</b>		
PPE : Impact of difference between tax depreciation and depreciation charged for the financial reporting	147.68	167.70
	<u>147.68</u>	<u>167.70</u>
<b>Deferred Tax Assets</b>		
Carred forward unabsorbed depreciation/lossess	-	136.58
Impact of expenditure charged to the statement of profit & loss in current year but allow for tax purposes on payment basis	40.64	36.06
Gross deferred tax assets	<u>40.64</u>	<u>172.64</u>
<b>Net deferred tax Liabilities/(Assets)</b>	<u>107.03</u>	<u>(4.94)</u>

	Long-term		Short-term	
	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>7. Provisions</b>				
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 35)	120.03	101.88	13.33	13.25
	<u>120.03</u>	<u>101.88</u>	<u>13.33</u>	<u>13.25</u>

	31.03.2022 ₹	31.03.2021 ₹
<b>8. Short-term borrowings</b>		
Cash Credit from banks (secured)	4,209.79	2,121.06
Current Maturities of Long Term Borrowings (Refer Note-5)	192.05	185.88
Loans & Advances from related parties repayable on demand (refer note 29)	927.44	89.83
	<u>5,329.28</u>	<u>2,396.77</u>
<b>The above amount includes</b>		
Secured borrowings	4,401.84	2,306.94
Unsecured borrowings	927.44	89.83

Cash credit from banks is secured against Hypothecation of entire Current Assets consisting of raw materials, SIP, finished Goods, stores & spares etc. (Present & Future); Hypothecation of book Debts (Present & Future) and second pari passu charge on the entire movable plant & machineries & immovable assets of the company. The cash credit facility is repayable on demand.

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



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022****9. Trade payables**

	31.03.2022	31.03.2021
	₹ in Lacs.	₹ in Lacs.
- Outstanding dues to micro and small enterprises	-	-
- Outstanding dues of creditors other than micro and small enterprises	69.59	646.28
	<b>69.59</b>	<b>646.28</b>

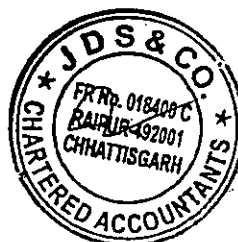
**Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:**

Particulars	Outstading for Following periods from due date of Payment as on 31.03.2022				
	< 1 Years	1-2 Years	2-3 Years	> 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	44.32	23.05	2.49	-	69.86
(ii) Disputed Dues-MSME	-	-	-	-	-
(ii) Disputed Dues-Others	-	-	-	-	-
<b>Total</b>	<b>44.32</b>	<b>23.05</b>	<b>2.49</b>	<b>-</b>	<b>69.86</b>

Particulars	Outstading for Following periods from due date of Payment as on 31.03.2021				
	< 1 Years	1-2 Years	2-3 Years	> 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	641.77	4.51	-	-	646.28
(ii) Disputed Dues-MSME	-	-	-	-	-
(ii) Disputed Dues-Others	-	-	-	-	-
<b>Total</b>	<b>641.77</b>	<b>4.51</b>	<b>-</b>	<b>-</b>	<b>646.28</b>

**10. Other Current Liabilities**

	31.03.2022	31.03.2021
	₹ in Lacs.	₹ in Lacs.
Interest accrued but not due	7.75	3.40
Advance from customers	66.68	124.86
GST payable	14.18	111.89
TDS & TCS payable	65.52	42.19
Provision for Expenses	3.63	3.78
Others	138.65	143.06
	<b>296.41</b>	<b>429.18</b>



# Hira Steels Limited

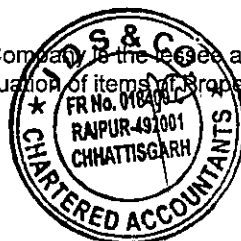
## Notes to financial statements for the year ended 31st March , 2022

### 11. Property, plant and equipment

	Freehold Land ₹ in Lacs.	Leasehold Land ₹ in Lacs.	Site & Land Development ₹ in Lacs.	Factory Shed & Building ₹ in Lacs.	Plant & Machinery ₹ in Lacs.	Furniture & Fixtures ₹ in Lacs.	Vehicles ₹ in Lacs.	Total ₹ in Lacs.
<b>Cost or valuation</b>								
At 1 April 2020	23.91	5.47	10.58	614.34	5,734.65	8.82	133.79	6,531.55
Additions	344.66	-	-	-	52.52	-	-	397.19
Disposals	2.92	-	-	-	-	-	-	2.92
<b>At 31 March, 2021</b>	<b>365.66</b>	<b>5.47</b>	<b>10.58</b>	<b>614.34</b>	<b>5,787.17</b>	<b>8.82</b>	<b>133.79</b>	<b>6,925.82</b>
Additions	442.45	-	-	-	2.48	-	10.87	455.80
Disposals	-	-	-	-	6.22	-	36.13	42.35
<b>At 31 st March, 2022</b>	<b>808.10</b>	<b>5.47</b>	<b>10.58</b>	<b>614.34</b>	<b>5,783.43</b>	<b>8.82</b>	<b>108.53</b>	<b>7,339.27</b>
<b>Depreciation</b>								
At 1 April 2020	-	-	-	370.51	2,839.02	8.09	113.18	3,330.80
Charge for the year	-	-	-	24.21	418.99	0.09	5.20	448.50
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>394.72</b>	<b>3,258.02</b>	<b>8.18</b>	<b>118.38</b>	<b>3,779.29</b>
Charge for the year	-	-	-	21.75	362.25	0.07	5.37	389.43
Disposals	-	-	-	-	5.11	-	34.33	39.43
<b>At 31 st March, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>416.47</b>	<b>3,615.16</b>	<b>8.24</b>	<b>89.42</b>	<b>4,129.29</b>
<b>Net Block</b>								
<b>At 31 March, 2021</b>	<b>365.66</b>	<b>5.47</b>	<b>10.58</b>	<b>219.62</b>	<b>2,529.15</b>	<b>0.64</b>	<b>15.61</b>	<b>3,146.53</b>
<b>At 31 st March, 2022</b>	<b>808.10</b>	<b>5.47</b>	<b>10.58</b>	<b>197.87</b>	<b>2,168.27</b>	<b>0.58</b>	<b>19.11</b>	<b>3,209.98</b>

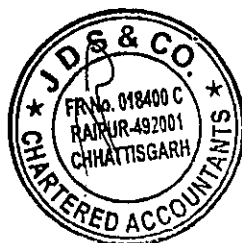
#### Note:

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company itself. Further, the company has not carried out revaluation of items of Property, Plant & Equipment during the year and accordingly the disclosure as to whether the revaluation is based on the valuation by a registered.



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022****12. Intangible assets**

	<b>Trademark ₹ in Lacs.</b>	<b>Software ₹ in Lacs.</b>	<b>Total ₹ in Lacs.</b>
<b>Cost or valuation</b>			
At 1 April 2020	17.62	1.25	18.87
Purchase/Additions	-	-	-
Disposals	-	-	-
<b>At 31 March, 2021</b>	<b>17.62</b>	<b>1.25</b>	<b>18.87</b>
Purchase/Additions	-	-	-
Disposals	-	-	-
<b>At 31 st March, 2022</b>	<b>17.62</b>	<b>1.25</b>	<b>18.87</b>
<b>Amortization</b>			
At 1 April 2020	6.42	0.16	6.58
Charge for the year	3.52	0.25	3.77
Disposals	-	-	-
<b>At 31 March, 2021</b>	<b>9.94</b>	<b>0.41</b>	<b>10.35</b>
Charge for the year	3.52	0.25	3.77
Disposals	-	-	-
<b>At 31 st March, 2022</b>	<b>13.47</b>	<b>0.66</b>	<b>14.13</b>
<b>Net Block</b>			
<b>At 31 March, 2021</b>	<b>7.67</b>	<b>0.84</b>	<b>8.51</b>
<b>At 31 st March, 2022</b>	<b>4.15</b>	<b>0.59</b>	<b>4.74</b>





**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022****13. Capital Work in Progress**

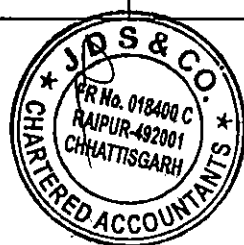
Particulars	At 1 April, 2020	Addition	Deduction	At 31 March, 2021	Addition	Deduction	At 31 March, 2022
Capital work in progress	394.73	135.28	-	530.01	3,340.15	-	3,870.16
	394.73	135.28	-	530.01	3,340.15	-	3,870.16

Details of Capital Work in Progress	Amount in CWIP for a period of 31.03.2022				Total `
Project in progress	< 1 year	1-2 years	2-3 years	> 3 years	
CWIP Wire Drawing Unit	30.13	122.78	392.32	2.41	547.65
CWIP Rolling Mill	17.91	12.50	-	-	30.41
CWIP Solar Division 15MW	3,292.10	-	-	-	3,292.10
					3,870.16

Details of Capital Work in Progress	Amount in CWIP for a period of 31.03.2021				Total `
Project in progress	< 1 year	1-2 years	2-3 years	> 3 years	
CWIP Wire Drawing Unit	122.78	392.32	2.41	-	517.51
CWIP Rolling Mill	12.50	-	-	-	12.50
					530.01

Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan, in this respect expected completion schedule are as follows:

Details of Capital Work in Progress	To be completed in			
	< 1 year	1-2 years	2-3 years	> 3 years
CWIP Wire Drawing Unit	547.65	-	-	-
CWIP Rolling Mill	30.41	-	-	-



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022**

	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>14. Non-current investments</b>		
(valued at cost)		
Unquoted equity instruments, fully Paid up		
50000 (P.Y. 50000) Equity Shares of ₹ 10/- each in Hira Ferro Alloys Limited	7.00	7.00
3750 (P.Y. Nil) Equity Shares of ₹ 10/- each in Hira CSR Foundation	0.38	-
	<b>7.38</b>	<b>7.00</b>

**15. Loans and advances (unsecured, considered good)**

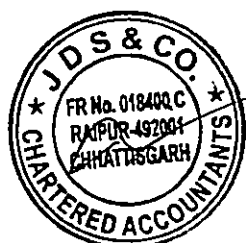
	Non-current		Current	
	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
Capital advances	1,159.61	12.44	-	-
Security deposit with govt. & others	9.25	5.72	-	-
Advances recoverable in cash or in kind	-	-	6,453.49	5,869.37
Other loans and advances	-	-	-	-
Advance income-tax (net of provision)	-	-	7.30	8.58
MAT Credit Entitlement	-	-	115.40	65.42
Prepaid expenses	6.90	11.22	32.28	23.43
Balance with Revenue authorities	-	-	148.78	118.16
<b>Total</b>	<b>1,175.76</b>	<b>29.37</b>	<b>6,757.25</b>	<b>6,084.96</b>

**16. Other non-current assets**

	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
<b>Unsecured, considered good unless stated otherwise</b>		
Non-current bank balances (note-19)	37.66	230.60
<b>Others</b>		
Interest accrued on deposits	1.26	3.39
	<b>38.92</b>	<b>233.99</b>

**17. Inventories (valued at lower of cost and net realizable value)**

	31.03.2022 ₹ in Lacs.	31.03.2021 ₹ in Lacs.
Raw Materials and components (refer note 22)	786.40	1,025.02
Finished goods & by-products (refer note 23)	1,233.26	1,826.67
Stores & spares	664.45	682.99
	<b>2,684.11</b>	<b>3,534.68</b>



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022****18. Trade receivables****Unsecured, considered good unless stated otherwise**

Outstanding for a period exceeding six months from the date they are due for payment

Other receivables

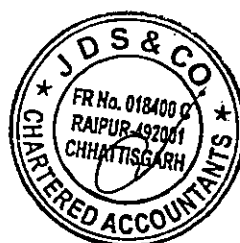
**Total**

31.03.2022	31.03.2021
₹ in Lacs.	₹ in Lacs.
188.84	314.17
-	-
2,510.25	1,406.07
2,699.09	1,720.24

**Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:**

Particulars	Outstading for following periods from Due Date of Payment as on 31.03.2022					
	< 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	> 3 Years	Total
(i) Undisputed trade Receivalbes- Considered goods	2,510.25	14.14	20.59	7.26	5.81	2,558.05
(ii) Undisputed trade Receivalbes- Which have significat increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed trade Receivalbes- Credit Impaired	-	-	-	-	-	-
(iv) disputed trade Receivalbes- considered goods	-	-	-	-	141.04	141.04
(v) disputed trade Receivalbes- Which have significat increase in Credit Risk	-	-	-	-	-	-
(vi) disputed trade Receivalbes- Credit Impaired	-	-	-	-	-	-

Particulars	Outstading for following periods from Due Date of Payment as on 31.03.2021					
	< 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	> 3 Years	Total
(i) Undisputed trade Receivalbes- Considered goods	1,406.07	60.72	28.84	3.99	79.58	1,579.20
(ii) Undisputed trade Receivalbes- Which have significat increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed trade Receivalbes- Credit Impaired	-	-	-	-	-	-
(iv) disputed trade Receivalbes- considered goods	-	-	-	-	141.04	141.04
(v) disputed trade Receivalbes- Which have significat increase in Credit Risk	-	-	-	-	-	-
(vi) disputed trade Receivalbes- Credit Impaired	-	-	-	-	-	-



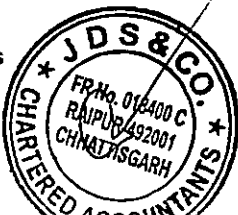
**Hira Steels Limited**
**Notes to financial statements for the year ended 31st March , 2022**

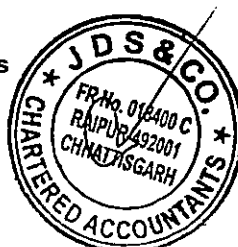
	Non-Current		Current	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	₹ in Lacs.	₹ in Lacs.	₹ in Lacs.	₹ in Lacs.
<b>19. Cash and bank balances</b>				
Cash and cash equivalents				
Balances with banks:				
On current accounts			103.39	341.11
Cash on hand			19.08	12.77
			<u>122.47</u>	<u>353.88</u>
Other bank balances				
Deposits with original maturity for more than 12 months	37.66	230.60		
	<u>37.66</u>	<u>230.60</u>	-	-
Amount disclosed under non-current assets (refer note 16)	<u>37.66</u>	<u>230.60</u>		
	<u>-</u>	<u>-</u>	<u>122</u>	<u>354</u>
<b>20. Revenue from operations</b>			31.03.2022	31.03.2021
			₹ in Lacs.	₹ in Lacs.
Revenue from operations				
Sale of products				
Manufacturing Goods			75,024.21	52,270.89
Other operating revenue			-	-
Scrap sales			2,023.56	1,541.47
Sale of traded goods			979.87	1,244.84
Revenue from operations			<u>78,027.64</u>	<u>55,057.20</u>
<b>Details of products sold</b>			31.03.2022	31.03.2021
			₹ in Lacs.	₹ in Lacs.
Sale of products				
MS Bar			40,495.21	27,958.28
HB Wire			26,878.27	18,172.80
TMT Bar			7,650.73	6,139.81
			<u>75,024.21</u>	<u>52,270.89</u>
Sale of traded goods				
MS Wire			12.86	14.43
Imported Magnese Ore			519.47	1,230.41
TMT			447.54	-
			<u>979.87</u>	<u>1,244.84</u>



**Hira Steels Limited**
**Notes to financial statements for the year ended 31st March , 2022**

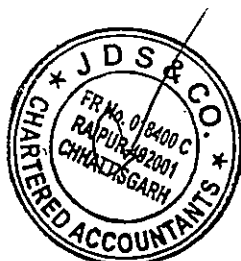
21. Other Income		31.03.2022	31.03.2021	
		₹ in Lacs.	₹ in Lacs.	
Interest Income on				
Bank Deposits		9.88	4.07	
Others		248.85	161.72	
Profit on sale of property, plant and equipment		-	74.57	
Other non-operating income (net of expenses directly attributable to such income)		18.09	20.29	
		276.82	260.65	
22. Cost of raw material and components consumed		31.03.2022	31.03.2021	
		₹ in Lacs.	₹ in Lacs.	
Inventory at the beginning of the year		1,025.02	497.51	
Add: purchases		72,186.90	48,498.26	
Less: Disposal of Raw Material		1,257.14	424.38	
		71,954.79	48,571.39	
Less : Inventory at the end of the year		786.40	1,025.02	
Cost of raw material and components consumed		71,168.38	47,546.36	
Details of raw material and components consumed		31.03.2022	31.03.2021	
		₹ in Lacs.	₹ in Lacs.	
Billets		71,162.08	47,396.54	
MS Round and HB Wire		6.30	149.82	
		71,168.38	47,546.36	
Details of Inventory		31.03.2022	31.03.2021	
		₹ in Lacs.	₹ in Lacs.	
Raw Material and Components				
Billets		786.40	1,025.02	
		786.40	1,025.02	
23. (Increase)/Decrease in Inventories		31.03.2022	31.03.2021	(Increase)/Decrease
		₹ in Lacs.	₹ in Lacs.	₹ in Lacs.
Inventories at the end of the year				2022
Finished goods	1,179.26	1,784.41	605.15	
By-Products	54.00	42.26	(11.75)	
	1,233.26	1,826.67	593.41	
Inventories at the beginning of the year				2021
Finished goods	1,784.41	3,037.16	1,252.75	
By-Products	42.26	49.02	6.77	
	1,826.67	3,086.19	1,259.52	
Net (increase)/decrease in inventories	593.41	1,259.52	-	
Details of Inventories		31.03.2022	31.03.2021	
		₹ in Lacs.	₹ in Lacs.	
Finished goods				
Ms Bar Round & Coils		247.00	483.66	
HB Wire		604.64	946.37	
TMT BAR		327.62	354.38	
		1,179.26	1,784.41	
By-Products				
Waste & Scrap		54.00	42.26	
		54.00	42.26	
Details of purchase of Traded Goods				
Imported Manganese Ore		505.68	1,202.01	
M.S.WIRE		8.76	11.32	
TMT BAR		425.97	-	
		940.42	1,213.33	





**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022**

<b>24. Employee benefits expense</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>₹ in Lacs.</b>	<b>₹ in Lacs.</b>
Salaries, wages and other benefits	456.26	361.05
Contribution to provident and other fund	35.39	27.43
Gratuity expense	20.31	5.02
Staff welfare expense	17.40	38.15
	<b>529.36</b>	<b>431.64</b>
<b>25. Finance Costs</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>₹ in Lacs.</b>	<b>₹ in Lacs.</b>
Interest		
- on term loans	50.72	18.06
- on working capital	104.98	75.90
- on others	1.26	1.73
Bank charges	28.96	22.39
	<b>185.93</b>	<b>118.07</b>
<b>26. Depreciation &amp; amortization expense</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>₹ in Lacs.</b>	<b>₹ in Lacs.</b>
Depreciation on property, plant and equipment	389.43	448.50
Amortization of intangible assets	3.77	3.77
	<b>393.20</b>	<b>452.27</b>
<b>27. Other Expenses</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>₹ in Lacs.</b>	<b>₹ in Lacs.</b>
Consumption of stores and spares	313.98	305.38
Power & Fuel	2,527.53	2,063.50
Other manufacturing expenses	93.71	104.40
Rates and taxes	6.76	1.49
Insurance	30.75	22.05
Repairs and maintenance	-	-
- Plant and machinery	42.23	90.63
- Buildings	3.23	11.40
- Others	1.84	0.53
Commission	-	-
- Other than Sole selling agents	129.89	102.94
Travelling and conveyance	9.71	5.88
Communication expenses	5.54	5.97
Printing and stationery	2.27	2.26
Legal and professional fees	22.74	14.80
Directors' remuneration	128.00	124.21
Payment to Auditor (Refer details below)	3.00	3.00
Security service charges	24.65	24.28
Sales promotion Expenses	42.13	66.55
Loss on sale of investments	-	6.05
Loss on sale of property, plant & equipment	0.38	-
Loss on scrapping of property, plant & equipment	1.12	-
Bad debts written off	107.24	-
Share issue expenses	-	2.18
Miscellaneous expenses	43.57	77.71
	<b>3,540.29</b>	<b>3,035.22</b>
<b>Payment to Auditor</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>₹ in Lacs.</b>	<b>₹ in Lacs.</b>
Audit fee	2.65	2.65
Tax Audit fee	0.35	0.00
	<b>3.00</b>	<b>2.65</b>



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022**

28. Earnings per share (EPS)	2022 ₹ in Lacs.	2021 ₹ in Lacs.
Net profit/(loss) as per Statement of profit and loss	389.08	145.03
Net profit/(loss) for calculation of basic EPS & Diluted EPS	389.08	145.03
Weighted average number of equity shares in calculating Basic EPS	11265950.00	11265950.00
Weighted average number of equity shares in calculating Diluted EPS	13215950.00	23298005.00
<b>Basic &amp; Diluted EPS</b>		
- Basic earning per share	3.45	1.29
- Diluted earning per share	2.94	0.62

29. Information on Related Party as required by Accounting Standard-18, "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, are given below :

**1) Related Parties****a) Other Related Party**

- Jagdamba Power & Alloys Ltd.
- Jagdamba Minerals

**b) Key Management Personnel**

- Mr.Amit Agrawal, Director
- Mr.Arun Poddar, Director (w.e.f. 30.09.2020)
- Mr.Ajay Ahluwalia, Director (upto 30.09.2020)
- Mr.Niket Khandelwal, Director
- Mr.Rajesh Kumar, Director
- Mr.Shruti Avinash Bajaj, Director
- Mr.Rajesh Rajimwale, CFO
- Ms. Sonam Agrawal, CS

**c) Relatives of Key Management Personnel**

- Mr.Jagdish Prasad Agrawal

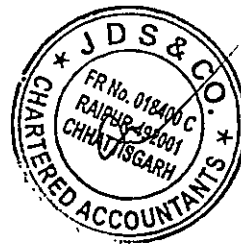
	Nature of	2021-22	2020-21
(₹ in lacs)			
Other Related Party	1. Sale of Materials	36.94	62.15
	2. Purchase of PPE	-	21.85
	3. Advances Refunded	80.00	3,095.00
	4. Advances Received	80.00	3,095.00
	5. Accounts receivable/(payable)	-	(12.10)
Key Management Personnel	1. Remunation Paid to KMP's	133.80	129.53
	2. Gratuity paid	-	4.50
	3. Loan received during the year	1,806.46	431.25
	4. Loan repaid during the year	968.84	1,243.40
	5. Closing Balance	927.44	89.83
Relatives of Key Management Personnel	1. Salary Paid	6.00	6.00



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022**

iii) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

Nature of Transactions	2021-22	2020-21
<b><u>a) Unsecured Loan received during the year</u></b>		
1. Amit Agrawal	1,806.46	431.25
<b><u>b) Repayment of unsecured loan taken</u></b>		
1. Amit Agrawal	968.84	1,243.40
<b><u>c) Closing Balance of Loans Received</u></b>		
1. Amit Agrawal	927.44	89.83
<b><u>d) Sale of Materials</u></b>		
1. Jagdamba Power & Alloys Limited	36.94	62.15
<b><u>e) Purchase of property, plant &amp; equipment (PPE)</u></b>		
1. Jagdamba Power & Alloys Limited	-	21.85
<b><u>f) Advance received</u></b>		
1. Jagdamba Power & Alloys Limited	80.00	3,095.00
<b><u>g) Advance Refunded</u></b>		
1. Jagdamba Power & Alloys Limited	80.00	3,095.00
<b><u>h) Accounts receivable/(Payable)</u></b>		
1. Jagdamba Power & Alloys Limited	-	(12.10)
<b><u>i) Remuneration Paid to KMP's</u></b>		
1. Mr.Amit Agrawal	120.00	120.00
2. Mr.Ajay Ahluwalia	-	4.21
3. Mr.Arun Poddar	8.00	-
4. Mr.Rajesh Rajimwale	4.80	4.32
5. Ms.Sonam Agrawal	1.00	1.00
<b><u>j) Gratuity paid to Directors</u></b>		
1. Mr.Ajay Ahluwalia	-	4.50
<b><u>k) Salary Paid</u></b>		
1. Mr.Jagdish Prasad Agrawal	6.00	6.00





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**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022**

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30. The company operates in a single segment i.e. manufacturing of steel products, hence, there is only a single reportable segment.
31. The company has taken steps for getting the required informations but none of the suppliers has provided information about their being Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) as at 31st March,2022. Therefore no details could be disclosed as required.
32. In the opinion of the Board, the value of realisation of long term loans & advances and non-current and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

		₹ In lacs
33. Contingent Liabilities not provided for, are in respect of :-	2021-22	2020-21
i) Income Tax demand	123.26	123.26

In respect of above demands the company has preferred Appeals before higher authorities.

**34. Capital Commitment**

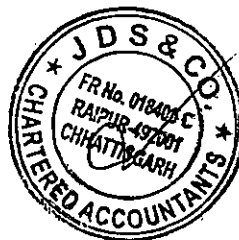
Estimated amount of Contracts remaining to be executed on Capital Account net of advance given Rs. 465.80 Lacs (PY Nil/-).

**35. Gratuity and other post-employment benefit plans :**

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/ termination/ resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per the Projected unit credit method.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the Gratuity.

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**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022****Statement of Profit and Loss****Net employee benefit expense (recognized in Employee Cost )**

	₹ in Lacs (Gratuity) 2022	₹ in Lacs (Gratuity) 2021
Current Service cost	10.73	9.10
Interest cost on benefit obligation	7.94	8.20
Expected return on plan assets	0.00	0.00
Net actuarial loss recognised in the year	1.63	(12.35)
Past service cost	0.00	0.00
Actual return on plan assets	20.31	4.95

Balance Sheet details of provision for Gratuity	2022	2021
Defined benefit obligation	133.35	115.13
Fair value of plan assets	0.00	0.00
	133.35	115.13
Less : Unrecognised past service cost	0.00	0.00
Plan liability	133.35	115.13

**Changes in the present value of the defined benefit obligation are as follows :**

	2022	2021
Defined benefit obligation as at beginning of the year	115.13	117.10
Interest cost	7.94	8.20
Current Service Cost	10.73	9.10
Benefits paid	(2.08)	(6.92)
Actuarial losses on obligation	1.63	(12.35)
Defined benefit obligation as at end of the year	133.35	115.13

Since the entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets are not given. Further the entire amount of plan obligation is unfunded therefore categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year is not given.

Since the company has adopted actuarial valuation of gratuity during the year hence the difference between the books and valuation report has been adjusted with revenue reserves being transitional period as per provisions of Accounting Standard-15(revised)

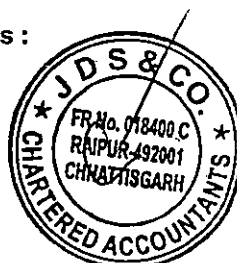
The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below :

	2022	2021
Discount Rate	7.10%	6.90%
Increase in Compensation cost	6.00%	6.00%
Expected average remaining working lives of employee (years)	23.87	23.99

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Contribution to Defined Contribution Plans :**

Provident &amp; Other Fund

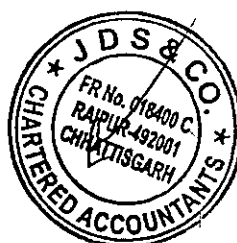


₹ in Lacs

2022	2021
27.08	20.65

**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022****36. Financial Ratios**

Particulats	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	% Variance
<b>1. Current Ratio</b> The current ratio indicates a company's overall liquidity position. It is widely used by banks in making decisions regarding the advancing of working capital credit to their clients.	Current Assets	Current Liabilities	2.15	3.35	-35.97
<b>2. Debt-Equity Ratio</b> Debt-to-equity ratio compares a Company's total debt to shareholders equity. Both of these numbers can be found in a Company's balance sheet.	Total Debt	Total Shareholders' Equity	0.76	0.46	63.14
<b>3. Debt Service Coverage Ratio</b> Debt Service coverage ratio is used to analyse the firm's ability to pay-off current interest and instalments.	Net Profit after taxes + depreciation and amortizations + Interest +loss/(profit) on sale of PPE etc.	Interest + Principal Repayments	2.57	2.11	21.69
<b>4. Return on Equity Ratio</b> It measures the profitability of equity funds invested in the Company. The ratio reveals how profitability of the equity-holders' funds have been utilized by the Company. It also measures the percentage return generated to equity-holders.	Net Profits after taxes	Average Shareholders' Equity	1.11%	2.71%	-59.09
<b>5. Inventory turnover ratio</b> This ratio also known as stock turnover ratio and it establishes the relationship between the cost of goods sold during the period or sales during the period and average inventory held during the period. It measures the efficiency with which a Company utilizes or manages its inventory.	Sales	Average Inventory	51.00	22.41	127.54
<b>6. Trade Receivables turnover ratio</b> It measures the efficiency at which the company is managing the receivables.	Net Sales	Average Trade Receivables	35.31	28.80	22.60



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022**

<b>7. Trade payables turnover ratio</b> It indicates the number of times sundry creditors have been paid during a period. It is calculated to judge the requirements of cash for paying sundry creditors. It is calculated by dividing the net credit purchases by average creditors.	Net purchases	Average Trade payables	204.31	42.41	381.78
<b>8. Net capital turnover ratio</b> It indicates a company's effectiveness in using its working capital.	Net Sales	Working Capital	11.90	6.71	77.48
<b>9. Net profit ratio</b> It measures the relationship between net profit and sales of the business.	Net Profit	Net Sales	0.50%	0.26%	89.30
<b>10. Return on Capital employed</b> Return on capital employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders. Higher the ratio, more efficiently is the capital being employed by the company to generate returns.	Earning before interest and taxes	Tangible Net Worth + Total Debt +/- Deferred Tax Assets / (Liabilities)	3.66%	3.46%	5.65

Note on variance in the ratio by more/less than 25% as compared to preceding year:

- Decrease in current ratio is on account of increase in current liabilities during the year.
- Increase in debt equity ratio is mainly on account of increase in long term borrowings for solar power project.
- Decrease in return on equity ratio is basically on account of increase in equity on forfeiture of share warrants.
- Variance in inventory turnover ratio is basically on account of substantial decrease in average inventory as compared to previous year.
- Variance in trade payable turnover ratio is on account of substantial decrease in average trade payable during the year as compared to previous year.
- Variance in net capital turnover ratio is basically on account of efficient utilization of working capital.
- Variance in net profit turnover ratio is basically on account of higher profitability during the year.



**Hira Steels Limited****Notes to financial statements for the year ended 31st March , 2022**

37. During the year, the management has written off ₹ 412.30 lacs receivable on account of advances given for Iron Ore Supplies related to Goa. The board of directors have resolved to write off this advances during the year as in the opinion of the management the same is not recoverable.

**38. Derivative instruments and unhedged foreign currency exposure :**

	Currency	Buy / Sell	Purpose	2022	2021
<b>Derivatives outstanding as at the reporting date</b>					
Forward contracts	USD	Buy	Hedging	1,919.92	-

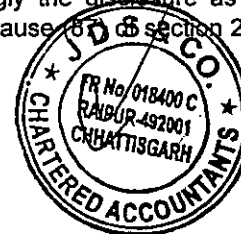
**Particulars of unhedged foreign currency exposure as at the reporting date**

There is no foreign currency exposures that are not hedged by derivative instrument or otherwise.

**39. Imported and Indigenous Raw Materials, Components, Spares parts and Expenditure Consumed**

a) RAW MATERIAL CONSUMED.	2022		2021	
	%	₹ in Lacs	%	₹ in Lacs
Imported	0.00%	0.00	0.00%	0.00
Indigenous	100.00%	71168.38	100.00%	47546.36
	100.00%	71168.38	100.00%	47546.36
<b>b) STORES &amp; SPARES CONSUMED</b>				
	%	₹ in Lacs	%	₹ in Lacs
Imported	0.00%	0.00	0.00%	0.00
Indigenous	100.00%	313.98	100.00%	305.38
	100.00%	313.98	100.00%	305.38
c) Value of import on CIF basis		505.68		1202.01
d) Expenditure in Foreign Currency		1.61		5.98
e) Earning in Foreign Exchange		0.00		0.00

40. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
41. None of the banks, financial institutions or other lenders from whom the company has borrowed funds has declared the company as a wilful defaulter at any time during the current year or in previous year.
42. All the charges or satisfaction of which is required to be registered with Registrar of Companies(ROC) have been duly registered within the statutory time limit provided under the provisions of Companies Act 2013 and rules made thereunder.
43. The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956 during the current year or in previous year.
44. The Company has not made any loans or advances in the nature of loans to Promoters, Directors, KMP's and the related parties which are outstanding as at the end of the current year and previous year.
45. All the transactions are recorded in the books of accounts and there was no income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also there was no previously unrecorded income and related assets which has been recorded in the books of account during the year.
46. The company does not have investment in subsidiary companies and accordingly the disclosure as to whether the company has complied with the number of layers of companies prescribed under clause 87 of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable.



## Hira Steels Limited

Notes to financial statements for the year ended 31st March , 2022

47. No scheme of compromise or arrangement has been proposed between the company & its members or the company & its creditors under section 230 of the Companies Act 2013 ("The Act") and accordingly the disclosure as to whether the scheme of compromise or arrangement has been approved or not by the competent authority in terms of provisions of sections 230 to 237 of the Act is not applicable.
48. The company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Further, the company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
49. The company has neither traded nor invested in Crypto Currency or Virtual Currency during the financial year.
50. Previous year figures have been recast/regrouped/restated/rearranged wherever necessary.

For JDS & Co.

(ICAI Firm Reg. No.018400C)

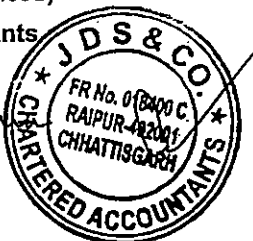
Chartered Accountants

*OP Singhania*

OP Singhania

Partner

Membership No.051909



Raipur, 22nd June, 2022

For and on behalf of the Board of Directors of  
Hira Steels Limited

*Amit Agrawal*

Amit Agrawal

Director

DIN: 01075859

*Arun Poddar*

Arun Poddar

Director

DIN: 02992106

*Sonam Agrawal*

Sonam Agrawal

Company Secretary

*Rajesh Rajimwale*

Rajesh Rajimwale

CFO

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF JAGDAMBA POWER AND ALLOYS LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **JAGDAMBA POWER AND ALLOYS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

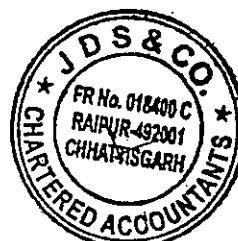
We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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 consolidated financial statements, 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 during the course of our audit or otherwise appears to be materially misstated.



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

### **Management's Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

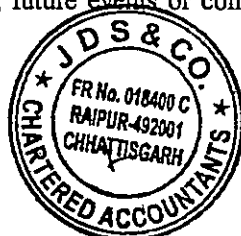
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **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 scepticism 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

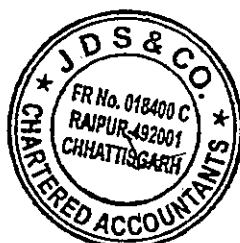
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

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

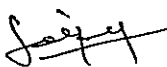
iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

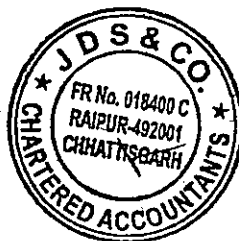
iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the 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 any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For JDS & Co.  
(Firm Regn. No.018400C)  
Chartered Accountants

  
**Sanjay Dewangan**  
Partner  
Membership number: 409524



Raipur, 12<sup>th</sup> May, 2022

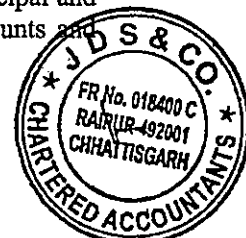
UDIN: 22409524AJANVL5028

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JAGDAMBA POWER AND ALLOYS LIMITED of even date)

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:

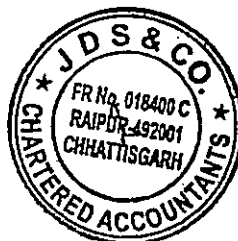
- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) As the Company does not have any intangible assets, therefore reporting under clause 3(i) (a) (B) of the Order is not applicable
  - (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
  - (e) 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, the physical verification of inventories has been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not more than 10% or more in the aggregate of each class of inventory and have been properly dealt with in the books of account.  
(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
  - (a) The Company has provided unsecured loans or advances in the nature of loans or provided security to any other entity during the year,
    - A) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to subsidiary, associates or joint ventures during the year, and hence reporting under clause 3(iii)(a) (A) of the Order is not applicable.
    - B) The aggregate amount of loan given during the year Rs.2199.70 lacs and the balance outstanding with respect to such loans provided at the balance sheet date other than subsidiaries, associates and Joint ventures is Rs.4827.57 lacs.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.



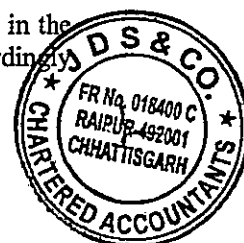
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans repayable on demand or without specifying any terms of repayment during the year to related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013. Hence, reporting under clause 3(iii) (f) of the Order is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, 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, 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.
- (c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount Rs. in lacs	Forum where dispute is pending
Central Excise Act, 1944	Demand raised on account of denial of Cenvat Credit availed on Capital goods during July 2008 to March 2013 and equal penalty imposed.	1027.40	High Court, Bilaspur
Income Tax Act, 1961	Income tax demand for the A.Y. 2016-17	45.50*	Commissioner of Income Tax (Appeal), Raipur

\* net of deposit



- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender and hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (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, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) In our opinion and based on our examination, the company is not required to have vigil mechanism (whistle blower) as per the provisions of the Companies Act, 2013. Hence, reporting under clause 3(xi) (c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion the internal audit is not applicable as per the provisions of Section 138 of the Act, therefore the reporting under clause 3(xiv) (a) & (b) of the Order is not applicable.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.



- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) in accordance with Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

For JDS & Co.

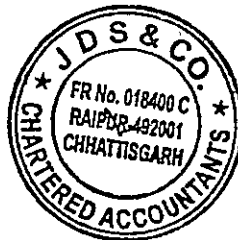
(Firm Regn. No.018400C)

Chartered Accountants

  
Sanjay Dewangan

Partner

Membership number: 409524



Raipur, 12<sup>th</sup> May, 2022

UDIN: 22409524AJANVL5028

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JAGDAMBA POWER AND ALLOYS LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of **JAGDAMBA POWER AND ALLOYS LIMITED** (the "Company") as of March 31, 2022 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 Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

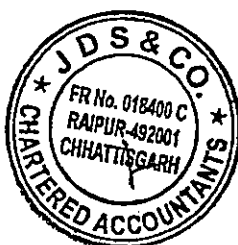
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

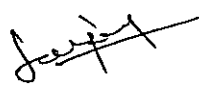
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

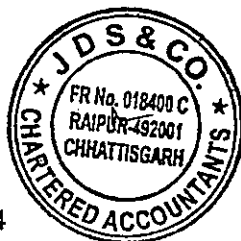
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

For JDS & Co.  
(Firm Regn. No.018400C)  
Chartered Accountants

  
Sanjay Dewangan  
Partner  
Membership number: 409524



Raipur, 12<sup>th</sup> May, 2022

UDIN: 22409524AJANVL5028



**JAGDAMBA POWER & ALLOYS LIMITED**  
**Balance Sheet as at 31st March, 2022**

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
		₹	₹
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	153,282,122	172,113,586
(b) Capital work-in-progress	3.1	3,273,673	3,273,673
(c) Financial assets			
(i) Investments	4	281,745,900	281,745,900
(ii) Loans	5	482,756,629	331,655,430
(iii) Other Financial Asset	6	32,939,418	31,485,771
(d) Deferred tax assets (net)	7	2,783,782	9,675,169
(e) Other non-current assets	8	2,833,754	2,833,754
		<b>959,615,278</b>	<b>832,783,283</b>
<b>(2) Current-assets</b>			
(a) Inventories	9	47,309,393	22,408,934
(b) Financial assets			
(i) Trade Receivables	10	-	1,209,594
(ii) Bank, Cash and cash equivalents	11	8,474,769	852,800
(c) Current tax assets (Net)		4,412,546	6,323,039
(d) Other current assets	8	156,961,922	59,943,819
		<b>217,158,629</b>	<b>90,738,186</b>
<b>Total Assets</b>		<b>1,176,773,907</b>	<b>923,521,469</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	76,697,000	76,697,000
(b) Other equity		757,934,316	711,687,110
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
- Borrowings	13	20,151,636	19,935,614
(b) Provisions	14	3,207,983	1,936,371
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	1,102,067	1,471,512
(ii) Trade Payables	16	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		16,112,354	21,572,493
(iii) Other Financial Liabilities	17	4,938,148	9,787,566
(b) Other current liabilities	18	296,410,586	80,310,110
(c) Provisions	14	219,817	123,693
<b>Total Equity and Liabilities</b>		<b>1,176,773,907</b>	<b>923,521,469</b>

**SIGNIFICANT ACCOUNTING POLICIES**

2.1

The accompanying notes are integral part of the financial statements.

As per our report of even date.

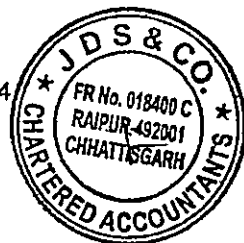
**For JDS & Co**

(ICAI Firm Reg. No.018400C)

Chartered Accountants

**Sanjay Dewangan**  
Partner  
Membership No.409524

Place : Raipur  
Date : 12.05.2022



**For and on behalf of the Board of Directors of Jagdamba Power & Alloys Limited**

**Alok Agrawal**  
Managing Director  
DIN: 00494805

**M. Chandramohan Rao**  
CFO

**Arun Poddar**  
Director  
DIN: 02992106

**Shweta Sharma**  
Company Secretary  
A55881

**JAGDAMBA POWER & ALLOYS LIMITED****Statement of Profit & Loss for the year ended 31st March, 2022**

	Notes	31.03.2022 ₹	31.03.2021 ₹
<b>INCOME</b>			
Revenue from operations	19	750,068,394	638,239,835
Other Income	20	36,856,264	38,411,352
<b>TOTAL REVENUE (I)</b>		<b>786,924,658</b>	<b>676,651,187</b>
<b>EXPENDITURE</b>			
Cost of raw materials and component consumed	21	545,128,266	469,349,608
Employee benefits expense	22	40,237,400	35,368,458
Finance costs	23	1,735,087	738,129
Depreciation expense	24	21,618,965	22,103,304
Other Expenses	25	114,870,042	77,099,368
<b>TOTAL EXPENDITURE (II)</b>		<b>723,589,759</b>	<b>604,658,867</b>
<b>Profit/(loss) before tax</b>		<b>63,334,899</b>	<b>71,992,320</b>
<b>Tax expenses</b>			
Current tax		9,875,997	10,755,296
Deferred Tax		6,980,497	10,422,448
<b>Total tax expenses</b>		<b>16,856,494</b>	<b>21,177,744</b>
<b>Profit/(loss) for the year</b>		<b>46,478,405</b>	<b>50,814,576</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gain/(loss) on defined benefit plans, Gross		(320,309)	140,631
Income tax relating to items that will not be reclassified to profit or loss		89,110	(39,124)
<b>Items that will be reclassified to profit or loss</b>			
Fair value of financial assets, Gross		-	(231,938)
Income tax relating to items that will be reclassified to profit or loss		-	48,243
<b>Total Comprehensive Income for the year</b>		<b>46,247,206</b>	<b>50,732,389</b>
<b>Earnings per equity share [nominal value of share @ ₹ 10/- (31st March, 2021" ₹ 10/-)]</b>	26		
Basic		6.06	6.63
Diluted		6.06	6.63

**SIGNIFICANT ACCOUNTING POLICIES**

2.1

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For JDS & Co**

(ICAI Firm Reg. No.018400C)

Chartered Accountants

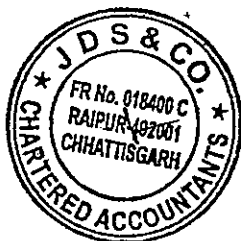
**Sanjay Dewangan**

Partner

Membership No.409524

Place : Raipur

Date : 12.05.2022

**For and on behalf of the Board of Directors of Jagdamba Power & Alloys Limited**

*Alok Agrawal*  
Alok Agrawal  
Managing Director  
DIN: 00494805

*M. Chandramohan Rao*  
M. Chandramohan Rao  
CFO

*Arun Poddar*  
Arun Poddar  
Director  
DIN: 02992106

*Shweta Sharma*  
Shweta Sharma  
Company Secretary  
A55881

**JAGDAMBA POWER & ALLOYS LIMITED****Statement of Cash Flow for the year ended 31st March, 2022**

	2022 ₹	2021 ₹
<b>Cash Flow from operating activities</b>		
Profit/(loss) before exceptional items and tax	63,334,899	71,992,320
<b>Adjustments to reconcile profit before tax to cash generated by operating activities</b>		
Depreciation	21,618,965	22,103,304
Provision for Employee benefits	1,047,427	864,622
Profit on sale of Property, Plant & Equipment	-	(159,437)
CWIP Written off	-	922,900
Finance cost	1,735,087	738,129
Interest Income	(36,853,124)	(32,942,082)
<b>Changes in assets and liabilities</b>		
Trade payables	(5,460,140)	(7,126,183)
Other current liabilities	216,100,476	40,989,259
Other Financial liabilities	(4,849,418)	7,969,989
Trade receivables	1,209,594	4,030,229
Inventories	(24,900,459)	70,026,939
Other non-current Financial Liabilities	-	(1,679,077)
Other current assets	(97,018,103)	33,591,981
Long-term loans and advances	(151,101,199)	51,752,376
<b>Cash generated from/(used in ) operations</b>	<b>(15,135,994)</b>	<b>263,075,269</b>
Income Tax Paid	(11,260,107)	(16,864,050)
<b>Net Cash flow from/(used in) operating activities</b>	<b>A (26,396,101)</b>	<b>246,211,219</b>
<b>Cash flows from investing activities</b>		
(Increase)/decrease in PPE including Capital WIP	(2,787,501)	(148,754)
Sale proceeds of Property, Plant & Equipment	-	1,850,000
(Increase)/Decrease in Non Current Investment	-	(280,100,000)
Interest received	36,853,124	32,942,082
<b>Net cash flow from/(used in) investing activities</b>	<b>B 34,065,623</b>	<b>(245,456,672)</b>
<b>Cash flows from financing activities</b>		
Proceeds / (Repayment) of long-term borrowings	216,022	(169,262)
Interest paid	(1,735,087)	(738,129)
<b>Net cash flow from/(used in) financing activities</b>	<b>C (47,553)</b>	<b>(907,390)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>7,621,969</b>	<b>(152,843)</b>
Cash and Cash Equivalents at the beginning of the year	852,800	1,005,643
<b>Cash and Cash Equivalents at the end of the year</b>	<b>8,474,769</b>	<b>852,800</b>

**Notes:**

(a) <b>Cash and cash equivalent include the following :</b>		
Cash in hand	100,879	61,750
With banks- on Deposits account	1,478,890	1,417,554
- on current account	7,646,345	723,535
	9,226,114	2,202,839
Less: Over draft facility	751,346	1,350,040
	<b>8,474,769</b>	<b>852,800</b>
(b) Figures in brackets represent outflows.		

As per our report of even date

**For JDS & Co**

(ICAI Firm Reg. No.018400C)

Chartered Accountants

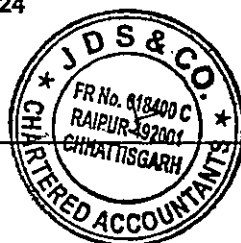
**Sanjay Dewangan**

Partner

Membership No.409524

Place : Raipur

Date : 12.05.2022



**Alok Agrawal**  
Managing Director  
DIN: 00494805

**M. Chandramohan Rao**  
CFO

**For and on behalf of the Board of Directors of  
Jagdamba Power & Alloys Limited**

**Arun Poddar**

Director

DIN: 02992106

**Shweta Sharma**  
Company Secretary

A 55881

**JAGDAMBA POWER & ALLOYS LIMITED****Statement of changes in Equity**

<b>Equity Share Capital</b>					(Amount in ₹)
Particulars	Balance as at 01.04.2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the respective reporting periods	Changes in the equity share capital during the year	Balance as at 31.03.2021
Equity Share Capital	76,697,000	-	-	-	76,697,000

Particulars	Balance as at 01.04.2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the respective reporting periods	Changes in the equity share capital during the year	Balance as at 31.03.2022
Equity Share Capital	76,697,000	-	-	-	76,697,000

**Other Equity**

Particulars	<b>Other Equity</b>		(Amount in ₹)
	Reserves and Surplus	Other Comprehensive Income	Total Other Equity
	Retained Earnings	Equity Instruments through Other Comprehensive Income (Net of Tax)	
Balance as of April 1, 2020	660,489,884	464,837	660,954,721
Actuarial Gain/Loss on employee benefit (Net of Tax)	101,507	-	101,507
Equity Instruments through Other Comprehensive Income (Net of Tax)	-	(183,695)	(183,695)
Profit/(loss) for the period	50,814,576	-	50,814,576
Balance as on March 31, 2021	711,405,968	281,142	711,687,110

Particulars	<b>Other Equity</b>		(Amount in ₹)
	Reserves and Surplus	Other Comprehensive Income	Total Other Equity
	Retained Earnings	Equity Instruments through Other Comprehensive Income (Net of Tax)	
Balance as of April 1, 2021	711,405,968	281,142	711,687,110
Actuarial Gain/Loss on employee benefit (Net of Tax)	(231,199)	-	(231,199)
Profit/(loss) for the period	46,478,405	-	46,478,405
Balance as on March 31, 2022	757,653,174	281,142	757,934,316

The accompanying notes are integral part of the financial statements.

As per our report of even date

For JDS & Co

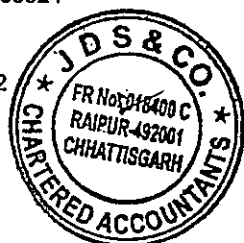
(ICAI Firm Reg. No.018400C)

Chartered Accountants

Sanjay Dewangan  
Partner

Membership No.409524

Place : Raipur  
Date : 12.05.2022



For and on behalf of the Board of Directors of  
Jagdamba Power & Alloys Limited

*Alok Agrawal*  
Alok Agrawal  
Managing Director  
DIN: 00494805

M. Chandramohan Rao  
CFO

*Arun Poddar*  
Arun Poddar  
Director  
DIN: 02992106

*Shweta Sharma*  
Shweta Sharma  
Company Secretary  
A55881

# JAGDAMBA POWER & ALLOYS LIMITED

## Notes to standalone financial statements for the year ended 31st March, 2022

### 1. Corporate Information

Jagdamba Power & Alloys Limited (the company) is a company domiciled in India and incorporated under the provisions of the Companies Act. The company is mainly engaged in Generation of Electricity.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

- i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.
- ii) The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
  - Certain financial assets and liabilities and
  - Defined benefit plans - plan assets

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

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Company is in the business of generation of power which is essential commodity, there was no impact on financials of the Company for the year ended 31st March, 2022. In view of classification of power Industry as essential commodity, the lockdown has not impacted the operation of the company. The Company is taking full measure to protect the health & safety of the employees. Further the Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory and Investments and has concluded that there are no material adjustments required in the financial statements. Barring unforeseen circumstances, the management believes that the impact of the COVID-19 outbreak on the business and financial position of the Company is not likely to be significant at this stage, unless the corona impacted cases further increase in the area of operations of the Company. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company is monitoring the situation closely and will take appropriate measures depending on the evolving situation.

#### 2.3 Summary of significant accounting policies

##### a) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

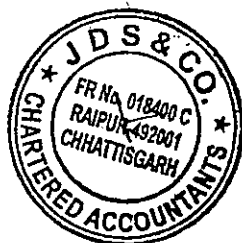
- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

##### b) Fair Value Measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.



## JAGDAMBA POWER & ALLOYS LIMITED

### Notes to standalone financial statements for the year ended 31st March, 2022

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
  - In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability.

#### c) Property, Plant and Equipment (PPE)

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment is measured at :

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which is to be incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.



# JAGDAMBA POWER & ALLOYS LIMITED

## Notes to standalone financial statements for the year ended 31st March, 2022

After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

### d) Capital work in progress

Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.

Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Profit or Loss.

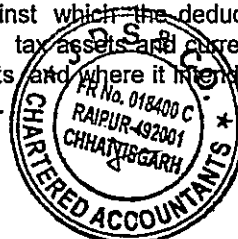
### e) Depreciation and amortisation

- i) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- ii) Depreciation on the property, plant and equipment is provided over the useful life of assets as per written down value method as specified in Schedule II to the Companies Act, 2013.
- iii) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery.

### f) Taxes on Income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



# JAGDAMBA POWER & ALLOYS LIMITED

Notes to standalone financial statements for the year ended 31st March, 2022

## g) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

## h) Financial Instruments

### Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### Subsequent measurement

#### Non-derivative financial instruments

##### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial assets at fair value through other comprehensive income

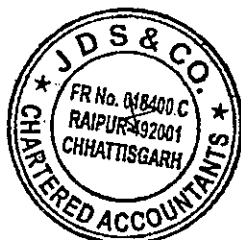
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

##### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### (iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.





# JAGDAMBA POWER & ALLOYS LIMITED

Notes to standalone financial statements for the year ended 31st March, 2022

## Share capital

### **Ordinary Shares**

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

## Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **i) Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

### **j) Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

### **k) Other Income**

Other income is comprised primarily of interest income and dividend income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

### **l) Statement of cash flows**

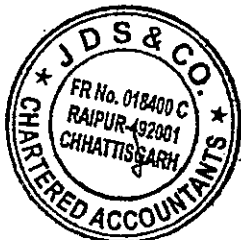
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However for Balance Sheet presentation, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

### **m) Inventories :**

i) Inventories are valued at lower of cost and net realisable value, after providing for obsolescences, if any.

ii) Cost of Raw Materials and stores & spares, Finished Goods & Goods in Process are computed on FIFO basis.



# JAGDAMBA POWER & ALLOYS LIMITED

Notes to standalone financial statements for the year ended 31st March, 2022

- iii) Cost of Finished Goods and Goods in Process includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.
- iv) Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipments and are valued at costs or net realizable value (NRV) whichever is lower. The cost is determined using FIFO and NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.
- v) The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the net realisable value is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

## n) Revenue recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

- i) Revenue from sales of goods is recognised on output basis measured by units delivered, number of transactions etc.
- ii) Revenue from sales of goods is recognised at the point in time when control is transferred to the customer which coincides with the performance obligation under the contract with the customer.

## Interest income

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

## Dividends

Revenue is recognised when the company's right to receive payment is established, which is generally when shareholders approve the dividend.

## o) Borrowing Cost

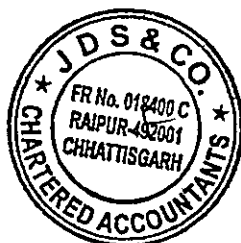
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of the funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## p) Foreign Currency Transactions

- i) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date.

## q) Employee Benefits Expenses Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.



# JAGDAMBA POWER & ALLOYS LIMITED

Notes to standalone financial statements for the year ended 31st March, 2022

## Post-Employment Benefits

### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Contributory Pension Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

### Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The company has recognized the gratuity payable to the employees as per the Payment of Gratuity Act, 1972 and Leave Encashment Benefits as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

## r) Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## s) Segment Reporting Policies:

### Identification of segments :

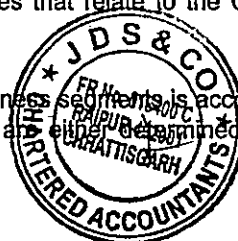
The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products.

- i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- ii) Expenses that are directly identifiable with/allocable to segment are considered for determining segment results. Expenses that relate to company as a whole and not allocable to segment are included under unallocable expenditure.
- iii) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- iv) Segment results includes margin on inter-segment and sales which are reduced in arriving at the profit before tax of the company.
- v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

### Inter segment Transfers :

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.



## JAGDAMBA POWER & ALLOYS LIMITED

Notes to standalone financial statements for the year ended 31st March, 2022

### 2.4 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**b) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

**c) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**d) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

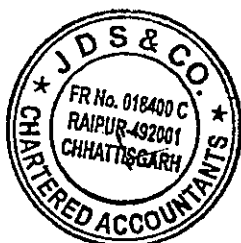
In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) Measurement of defined benefit obligations**

The measurement of defined benefit and other post-employment benefits obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### 2.5 New and amended standards

The company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.



# JAGDAMBA POWER & ALLOYS LIMITED

## Notes to financial statements for the year ended 31st March, 2022

### 3. Property, Plant and Equipment

	Freehold Land	Site & Land Development	Plant & Machinery	Factory Shed & Building	Vehicles	Heavy Vehicles	Office Equipment	Computers & Printers	Furniture & Fixture	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Gross Block Carrying value</b>										
At 1 April 2020	6,332,240	9,908,463	247,590,914	12,846,330	16,037,370	1,488,565	1,095,102	297,769	947,274	296,544,028
Additions	-	-	-	-	-	-	21,240	108,929	18,585	148,754
Disposals	-	-	3,247,059	-	-	-	-	-	-	3,247,059
At 31 March, 2021	6,332,240	9,908,463	244,343,855	12,846,330	16,037,370	1,488,565	1,116,342	406,698	965,859	293,445,723
Additions	-	-	1,062,000	-	1,089,209	-	571,746	55,696	8,850	2,787,501
Disposals	-	-	-	-	-	-	-	-	-	-
At 31st March, 2022	6,332,240	9,908,463	245,405,855	12,846,330	17,126,579	1,488,565	1,688,088	462,394	974,709	296,233,224
<b>Depreciation</b>										
At 1 April 2020	-	-	82,445,899	4,831,322	10,872,014	1,166,500	692,552	153,393	623,648	100,785,328
Charge for the year	-	-	19,463,882	739,839	1,507,246	85,620	129,780	54,578	122,359	22,103,304
Disposals	-	-	1,556,495	-	-	-	-	-	-	1,556,495
At 31 March, 2021	-	-	100,353,287	5,571,161	12,379,260	1,252,120	822,332	207,971	746,007	121,332,137
Charge for the year	-	-	19,293,088	669,628	1,252,458	47,085	199,832	76,170	80,704	21,618,965
Disposals	-	-	-	-	-	-	-	-	-	-
At 31st March, 2022	-	-	119,646,375	6,240,789	13,631,718	1,299,205	1,022,164	284,141	826,711	142,951,102
<b>Net Block</b>										
At 31 March, 2021	6,332,240	9,908,463	143,990,569	7,275,170	3,658,110	236,445	294,011	198,727	219,852	172,113,586
At 31st March, 2022	6,332,240	9,908,463	125,759,481	6,605,542	3,494,861	189,360	665,925	178,253	147,998	153,282,122

### 3.1 Capital Work In progress (CWIP)

	At 1 April 2020	Addition	Deduction	At 31 March, 2021	Addition	Deduction	At 31 March, 2022
Project temporarily suspended	3,273,673	0	0	3,273,673	0	0	3,273,673
	3,273,673	0	0	3,273,673	0	0	3,273,673

#### Details of Capital Work in Progress

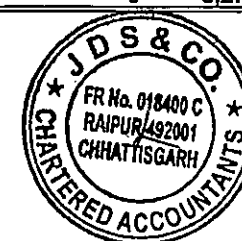
Project temporarily suspended

Amount in CWIP for a period of 31.03.2022					Total
< 1 year	1-2 years	2-3 years	> 3 years		
-	-	-	3,273,673		3,273,673

#### Details of Capital Work in Progress

Project temporarily suspended

Amount in CWIP for a period of 31.03.2021					Total
< 1 year	1-2 years	2-3 years	> 3 years		
-	-	-	3,273,673		3,273,673



**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****4. Non-current investments**

31.03.2022	31.03.2021
₹	₹

**Carried at Fair Value through OCI****Unquoted equity Instruments, fully Paid up**

500 Shares of Vimla Infrastructure (I) Pvt. Ltd. of ₹ 10/- each fully Paid up

1,645,900 1,645,900

600000 Shares of Varda Energy &amp; Engineering Pvt. Ltd. of ₹ 10/- each fully Paid up

8,100,000 8,100,000

**Unquoted preference shares, fully paid up**

130000 0.01% Non Cumulative Non Participative Optionally Convertible Redeemable Preference Shares of Him Sagar Minerals Pvt. Ltd. of Rs. 10/- each fully paid up

13,000,000 13,000,000

1950000 0.01% Non Cumulative Non Participating Optionally Convertible Redeemable Preference Shares of Hira Steels Ltd. of Rs. 10/- each fully paid up

195,000,000 195,000,000

460000 0.01% Non Cumulative Non Participative Optionally Convertible Redeemable Preference Shares of M.T. Realtors Pvt. Ltd. of Rs. 10/- each fully paid up

46,000,000 46,000,000

300000 0.01% Non Cumulative Non Participative Optionally Convertible Redeemable Preference Shares of Vrajesh Steels Pvt. Ltd. of Rs. 10/- each partly paid up

18,000,000 18,000,000

281,745,900	281,745,900
-------------	-------------

**5. Loans****Non Current**

31.03.2022	31.03.2021
------------	------------

Loans to body corporate (Unsecured, considered good)

482,756,629 331,655,430

482,756,629	331,655,430
-------------	-------------

Note: No loans are due from directors or KMP or Promoters or related parties.

**6. Other non-current Financial Asset**

31.03.2022	31.03.2021
------------	------------

**Balances with banks:**

Deposit with Bank with original maturity more than 12 months

32,939,418 31,485,771

**Total**

32,939,418	31,485,771
------------	------------

**7. Deferred Tax Assets/(Liabilities)**

31.03.2022	31.03.2021
------------	------------

**Deferred Tax Liability**

Temporary differences on account of PPE &amp; Other Intangible assets

(20,189,515) (24,035,746)

**Deferred Tax Assets**

Temporary differences on account of Employee Benefits

953,614 220,142

Unused MAT Credit

21,666,715 33,137,805

Temporary differences on account of fair valuation of Investments

352,968 352,968

**Net deferred tax Assets**

2,783,782	9,675,169
-----------	-----------

**RECONCILIATION OF DEFERRED TAX ASSETS/LIABILITIES (NET)**

31.03.2022	31.03.2021
------------	------------

Deferred tax (liability)/assets at the beginning of the year

9,675,169 20,088,497

Deferred tax (liability) / assets during the year on account of timing difference

4,579,703 (4,516,405)

MAT Credit (utilized)/arised

(11,471,090) (5,896,924)

**NET DEFERRED TAX ASSETS/LIABILITIES AT THE END OF THE YEAR**

2,783,782	9,675,169
-----------	-----------

**8. Other Assets (unsecured, considered good)****Non-current****Current**

31.03.2022	31.03.2021	31.03.2022	31.03.2021
₹	₹	₹	₹

Advances other than capital advances

Security deposit

2,833,754 2,833,754

Claim receivables

6,648,939 6,648,939

Advance to Vendors

139,472,860 50,013,292

Advance to Employees

317,197 450,383

Prepaid expenses

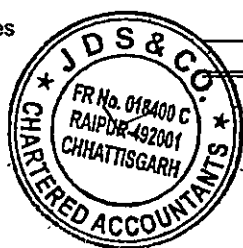
2,438,897 855,230

Balance with statutory / govt. authorities

8,084,029 1,975,975

**Total**

2,833,754	2,833,754	156,961,922	59,943,819
-----------	-----------	-------------	------------



**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****9. Inventories (valued at lower of cost and net realizable value)**

	31.03.2022	31.03.2021
	₹	₹
Raw Materials	19,573,739	4,759,236
Stores & Spares	27,735,654	17,649,698
	<b>47,309,393</b>	<b>22,408,934</b>

**10. Trade receivables****Unsecured, considered good**

Trade receivables - Unsecured considered good

	Current
	31.03.2022
	₹
	-
	<b>1,209,594</b>
	<b>1,209,594</b>

**Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:**

	Outstading for following periods from Due Date of Payment as on 31.03.2022				
	< 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	> 3 Years
(i) Undisputed trade Receivalbes- Considered goods	-	-	-	-	-
(ii) Undisputed trade Receivalbes- Which have significant increase in Credit Risk	-	-	-	-	-
(iii) Undisputed trade Receivalbes- Credit Impaired	-	-	-	-	-
(iv) disputed trade Receivalbes- considered goods	-	-	-	-	-
(v) disputed trade Receivalbes- Which have significant increase in Credit Risk	-	-	-	-	-
(vi) disputed trade Receivalbes- Credit Impaired	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Outstading for following periods from Due Date of Payment as on 31.03.2021				
	< 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	> 3 Years
(i) Undisputed trade Receivalbes- Considered goods	-	1,209,594	-	-	-
(ii) Undisputed trade Receivalbes- Which have significant increase in Credit Risk	-	-	-	-	-
(iii) Undisputed trade Receivalbes- Credit Impaired	-	-	-	-	-
(iv) disputed trade Receivalbes- considered goods	-	-	-	-	-
(v) disputed trade Receivalbes- Which have significant increase in Credit Risk	-	-	-	-	-
(vi) disputed trade Receivalbes- Credit Impaired	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,209,594</b>	<b>-</b>	<b>-</b>	<b>-</b>

**11. Bank, Cash and cash equivalents****Cash and cash equivalents****Balances with banks:**

On current accounts

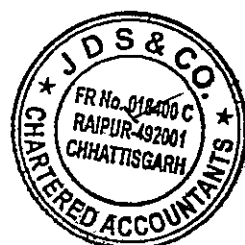
Deposit with Bank with original maturity less than 3 months

Cash in hand

Less: Overdraft facility from Bank

	Current
	31.03.2022
	₹
	<b>7,646,345</b>
	<b>1,478,890</b>
	<b>100,879</b>
	<b>9,226,114</b>
	<b>751,346</b>
	<b>8,474,769</b>
	<b>723,535</b>
	<b>1,417,554</b>
	<b>61,750</b>
	<b>2,202,839</b>
	<b>1,350,040</b>
	<b>852,800</b>

The overdraft facility from bank is secured by pledge of fixed deposit receipts from bank.



**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****12. Equity Share capital**

Authorised

10000000 Equity Shares of ₹ 10/- each

31.03.2022  
₹31.03.2021  
₹

100,000,000 100,000,000

100,000,000 100,000,000

Issued, subscribed and fully paid-up

7669700 Equity Shares of ₹ 10/- each

fully paid-up

76,697,000 76,697,000

76,697,000 76,697,000

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period****Equity shares**

31.03.2022

31.03.2021

No.

₹

No.

₹

At the beginning of the period

7,669,700

76,697,000

7,669,700

76,697,000

Issue during the period

-

-

-

-

Outstanding at the end of the period

7,669,700

76,697,000

7,669,700

76,697,000

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% shares in the company:**

31.03.2022

31.03.2021

No.

% of holding  
in the class

No.

% of holding  
in the class

Equity shares of ₹ 10/- each fully paid

2,333,000

30.42

2,333,000

30.42

Shri Alok Agarwal

940,000

12.26

940,000

12.26

Sagar Energy &amp; Steels Pvt. Ltd

2,605,000

33.97

2,605,000

33.97

Godawari Power &amp; Ispat Limited

1,791,400

23.36

1,791,400

23.36

Shri Amit Agrawal

7,669,400

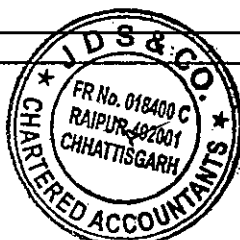
100.00

7,669,400

100.00

**d. Shares held by promoters at 31 March 2022**

Promoter Name	No. of Shares	% of total shares	% Change during the year
Shri Alok Agarwal	2,333,000	30.42	-
Shri Amit Agrawal	1,791,400	23.36	-
Sagar Energy & Steels Pvt. Ltd	940,000	12.26	-
Nisha Agrawal	100	0.001	-
Richa Agrawal	100	0.001	-
Amit Agrawal HUF	100	0.001	-





**JAGDAMBA POWER & ALLOYS LIMITED**

Notes to financial statements for the year ended 31st March, 2022

**13. Borrowings**

Particulars	Effective interest rate	Maturity	Non-current portion		Current maturities	
			31.03.2022	31.03.2021	31.03.2022	31.03.2021
			₹	₹	₹	₹
<b>Other Loans &amp; advances</b>						
✓ From banks (secured)	10.05%	3/7/2023	-	978,290	✓ 1,102,067	1,471,512
✓ Loans & Advances from body corporate (unsecured)	7.00%		✓ 20,151,636	18,957,324		-
Loans & Advances from						-
" " " "			✓ 20,151,636	19,935,614	✓ 1,102,067	1,471,512
<b>The above amount includes</b>						
Secured borrowings			-	978,290	1,102,067	1,471,512
UnSecured borrowings			✓ 20,151,636	18,957,324		
Amount disclosed under the head short term borrowings (refer note 15)					(1,102,067)	(1,471,512)
<b>Net amount</b>			✓ 20,151,636	19,935,614	-	-

**Notes for Security:-**

- a) Other loans & advances are secured against the hypothecation of vehicles financed by the banks.  
b) Unsecured loans from body corporate and director are unsecured and their repayment is for more than one year.

**14. Provisions**

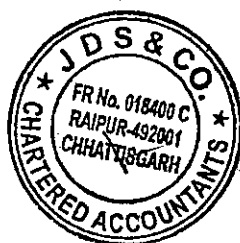
	Long-term		Short-term	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	₹	₹	₹	₹
<b>Other Provisions</b>				
Provision for Gratuity	1,965,393	1,087,062	90,218	39,284
Provision for Leave Encashment	1,242,590	849,309	129,599	84,409
	3,207,983	1,936,371	219,817	123,693

**15. Borrowings**

	31.03.2022	31.03.2021
	₹	₹
✓ Current maturities of long-term borrowings (secured) (refer note 13)	✓ 1,102,067	1,471,512
	✓ 1,102,067	1,471,512
<b>The above amount includes</b>		
Secured borrowings	1,102,067	1,471,512

**16. Trade Payables**

	31.03.2022	31.03.2021
	₹	₹
Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	16,112,354	21,572,493
	16,112,354	21,572,493



**JAGDAMBA POWER & ALLOYS LIMITED**

Notes to financial statements for the year ended 31st March, 2022

Trade payables ageing schedule					
Particulars	Outstanding for Following periods from due date of Payment as on 31.03.2022				
	< 1 Years	> 1 to 2 Years	> 2 to 3 Years	> 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	12,386,585	728,125	-	2,997,644	16,112,354
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
<b>Total</b>					<b>16,112,354</b>

Trade payables ageing schedule					
Particulars	Outstanding for Following periods from due date of Payment as on 31.03.2021				
	< 1 Years	> 1 to 2 Years	> 2 to 3 Years	> 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	18,565,994	8,855	-	2,997,644	21,572,493
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
<b>Total</b>					<b>21,572,493</b>

**17. Other Financial liabilities**

Provision for Expenses  
Interest Accrued but not due

31.03.2022	31.03.2021
₹	₹
4,938,148	9,771,073
-	16,493
<b>4,938,148</b>	<b>9,787,566</b>

**18. Other current liabilities**

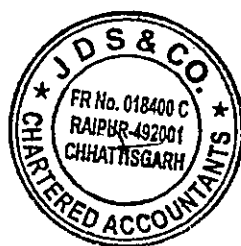
Statutory dues payable

Deposit from Customer

Advance from Customer

*security deposit*

31.03.2022	31.03.2021
₹	₹
3,247,496	7,804,161
200,000,000	-
93,163,090	72,505,949
<b>296,410,586</b>	<b>80,310,110</b>



**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****19. Revenue from operations**

	31.03.2022	31.03.2021
	₹	₹
Revenue from operations		
Sale of products		
Electricity	750,068,394	638,239,835
Revenue from operations	750,068,394	638,239,835

**20. Other Income**

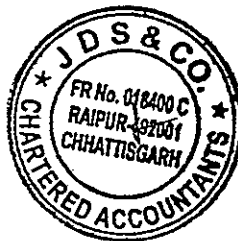
	31.03.2022	31.03.2021
	₹	₹
Interest Income on		
Bank Deposits	1,686,459	1,897,805
Others	35,074,153	31,044,277
On Income Tax Refund	92,512	5,305,442
Profit on sale of PPE	-	159,437
Other Income	3,140	4,391
	36,856,264	38,411,352

**21. Cost of raw materials and components consumed**

	31.03.2022	31.03.2021
	₹	₹
Inventory at the beginning of the year	4,759,236	80,397,811
Add: Purchases including procurement expenses	559,942,769	393,711,033
	564,702,005	474,108,844
Less : Inventory at the end of the period	19,573,739	4,759,236
Cost of raw materials and components consumed	545,128,266	469,349,608

**22. Employee benefits expense**

	31.03.2022	31.03.2021
	₹	₹
Salaries, wages and bonus	37,670,735	33,738,009
Contribution to provident and other fund	1,949,494	1,243,347
Gratuity Expenses	617,171	387,102
	40,237,400	35,368,458

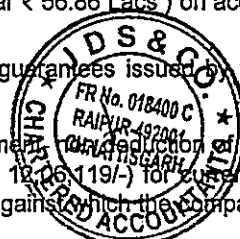


**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022**

<b>23. Finance Costs</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>₹</b>	<b>₹</b>
Interest		
- on other loans	139,204	244,979
- on overdraft facility	3,227	17,033
- on others	1,551,616	47,615
Bank charges	41,040	428,502
	<b>1,735,087</b>	<b>738,129</b>
<b>24. Depreciation expense</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>₹</b>	<b>₹</b>
Depreciation on Property, Plant and Equipment	21,618,965	22,103,304
	<b>21,618,965</b>	<b>22,103,304</b>
<b>25. Other Expenses</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>₹</b>	<b>₹</b>
Consumption of stores and spares	35,467,771	12,740,454
Other Manufacturing Expenses	8,104,337	6,165,034
Rates and taxes		
-Electricity Duty	29,802,571	28,158,781
-Other	2,259,867	2,095,134
Insurance	2,966,753	1,968,121
Repairs and maintenance		
- Plant and machinery	5,964,697	1,595,264
- Buildings	983,154	504,789
- Others	2,054,954	1,554,144
Electricity Charges	274,482	120,749
Directors Remuneration	18,160,000	12,960,000
Security Charges	3,644,318	3,154,231
Communication expenses	76,739	67,062
Travelling and conveyance	307,993	448,639
Legal and professional fees	1,364,001	326,466
Vehicle Running & Maintenance	1,045,404	1,040,904
Payment to Auditor	225,000	225,000
Printing, Stationery, Books & Periodicals	110,309	103,742
Corporate Social Responsibility	700,000	-
Sundry balances written off	-	1,255,392
Miscellaneous expenses	1,357,692	2,615,462
	<b>114,870,042</b>	<b>77,099,368</b>
<b>Payment to Auditor</b>		
- Audit fees	200,000	200,000
- Tax Audit fees	25,000	25,000
	<b>225,000</b>	<b>225,000</b>
<b>26. Earnings per share (EPS)</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	<b>₹</b>	<b>₹</b>
Net Profit/(loss) after tax as per Statement of Profit & Loss attributable to Equity Shareholders	46,478,405	50,814,576
Nominal Value of Equity Shares	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	7,669,700	7,669,700
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	7,669,700	7,669,700
Basic	6.06	6.63
Diluted	6.06	6.63

**27. Contingent Liabilities not provided for, are in respect of :-**

- Disputed liability of ₹ 1027.40 lacs (Previous Year ₹ 1027.40 Lacs ) on account of Excise and Service Tax against which the company has preferred an appeal.
- Disputed liability of ₹ 56.86 lacs (Previous Year ₹ 56.86 Lacs ) on account of Income Tax against which the company has preferred an appeal.
- Counter Guarantees given against the bank guarantees issued by the companies banker aggregating to Rs.256.95 lacs (P.Y.256.95 lacs).
- Demand shown in Traces portal for short payment of TDS, Interest on such default and late filing fees to the tune of Rs.92110/- (P.Y. Rs. 12,26,119/-) for current year and earlier assessment years which are appearing due to technical issues, against which the company is in the process of addressing the



**JAGDAMBA POWER & ALLOYS LIMITED**

Notes to financial statements for the year ended 31st March, 2022

**28. RELATED PARTY DISCLOSURE****i) Related parties :****a) Other related parties**

Tashu Reality Pvt Ltd  
Hira Steels Ltd  
Godawari Power & Ispat Ltd.  
MT Realtors Private Limited  
Him Sagar Minerals Private Limited

**b) Key Management Personnel**

-- Shri Alok Agrawal  
-- Shri Arun Poddar  
-- Shweta Sharma, Company Secretary  
-- M. Chandramohan Rao, CFO (w.e.f. 22.07.2020)

**ii) Transaction with Related Parties in the ordinary course of business (Rs.in lacs)**

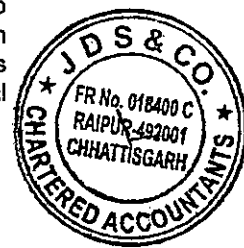
	2021-22 ₹	2020-21 ₹
<b>a) Other related parties</b>		
Sale of Electricity	7,500.68	6,382.40
Sale of Property, Plant & Equipment	-	18.50
Purchase of Material	-	62.19
Purchase of Stores	-	1.60
Interest Paid	13.27	14.12
Directors Remuneration and Salary	191.37	137.89
Investment in Preference shares	-	2,540.00
<b>Outstandings</b>		
Loans Payables	201.52	189.57
Balance payable	2,931.63	725.06

**iii) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year**

	2021-22 ₹	2020-21 ₹
<b>a) Sale of Electricity</b>		
Godawari Power & Ispat Limited	7,500.68	6,382.40
<b>b) Sale of Property, Plant &amp; Equipment</b>		
Hira Steels Ltd	-	18.50
<b>c) Purchase of Materials and Others</b>		
Hira Steels Ltd	-	62.15
<b>d) Purchase of Stores</b>		
Godawari Power & Ispat Ltd.	-	1.60
<b>e) Interest Paid</b>		
Tashu Reality Pvt Ltd	13.27	14.12
<b>f) Remuneration/Salary Paid</b>		
Arun Poddar	1.60	10.55
Alok Agrawal	180.00	120.00
Shweta Sharma	3.93	3.20
M. Chandramohan Rao	5.85	4.14
<b>g) Investment in Preference shares</b>		
Hira Steels Limited	-	1,950.00
MT Realtors Pvt. Limited	-	130.00
Himsagar Minerals Pvt. Ltd.	-	460.00
<b>h) Unsecured loans payable</b>		
Tashu Reality Pvt Ltd	201.52	189.57
<b>i) Balance Payable/(Receivable)</b>		
Godawari Power & Ispat Ltd.	2,931.63	725.06

**iv) Terms and conditions of transactions with related parties**

All related party transactions entered during the year were in ordinary course of business and on arm's length basis. Outstanding balances at the year-end are unsecured and will be settled in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



## JAGDAMBA POWER & ALLOYS LIMITED

### Notes to financial statements for the year ended 31st March, 2022

#### 29. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

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

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

- Credit risk
- Liquidity risk
- Interest rate risk
- Currency risk
- Price risk

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

##### Credit Risk

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

##### Trade receivables

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

##### Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognised as income in the statement of profit and loss. The company measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and passed trends. Based on historical data, loss on collection of dues is not material hence no additional provisions considered.

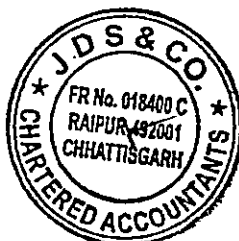
##### Bank, Cash and cash equivalents

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

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

	Amount in INR Lacs	
	31-Mar-22	31-Mar-21
Trade and other receivables	-	12.10
Loans	4,827.57	3,316.55
Bank, Cash and cash equivalents	84.75	8.53
Impairment losses		
	31-Mar-22	31-Mar-21
Trade and other receivables (measured under life time expected credit loss model)		
Opening balance	-	-
Provided during the year	-	-
Reversal of provision	-	-
Closing balance	-	-
Ageing analysis		
	31-Mar-22	31-Mar-21
Upto 3 months	-	-
3-6 months	-	-
More than 6 months	-	12.10
	-	12.10

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



**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****Liquidity risk**

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

**Financing arrangements**

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

	31-Mar-22	31-Mar-21
Overdraft facility	3.49 -	2.50

**Maturities of financial liabilities**

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

As at 31 March 2022	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	11.02	201.52	-	212.54
Trade payables	161.12	-	-	161.12
Other financial liabilities	49.38	-	-	49.38
	<b>221.53</b>	<b>201.52</b>	<b>-</b>	<b>423.04</b>

As at 31 March 2021	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	14.72	199.36	-	214.07
Trade payables	215.72	-	-	215.72
Other financial liabilities	97.88	-	-	97.88
	<b>328.32</b>	<b>199.36</b>	<b>-</b>	<b>527.67</b>

**Interest rate risk**

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

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

**a) Interest rate risk exposure**

	31-Mar-22	31-Mar-21
Fixed rate borrowings	201.52	189.57
Floating rate borrowings	11.02	24.50

**b) Sensitivity analysis**

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

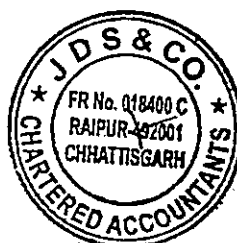
	Impact on profit after tax	
	31-Mar-22	31-Mar-21
Interest rates - increase by 70 basis points	0.08	0.17
Interest rates - decrease by 70 basis points	(0.08)	(0.17)

**PRICE RISK:**

The entity is exposed to equity price risk, which arises out from FVTOCI unquoted equity shares. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

**Sensitivity Analysis for Price Risk:**

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments classified as at FVTOCI, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of Rs.56.35 lacs (2020-21: Rs.56.35 lacs); an equal change in the opposite direction would have decreased profit and loss.



**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****30. CAPITAL MANAGEMENT**

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

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
- ensure compliance with covenants related to its credit facilities and secured debentures; and
- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
- safeguard its ability to continue as a going concern
- to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

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

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

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

	31 March 2022	Amount in INR Lacs 31 March 2021
Total debt	212.54	214.07
Less : Bank, Cash and cash equivalent	84.75	8.53
Net debt	127.79	205.54
Total equity	8,346.31	7,883.84
Net debt to equity ratio	0.02	0.03

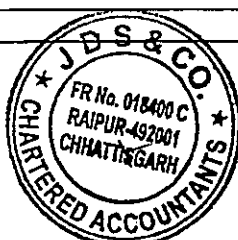
The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

**31. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.**

Investment made are given under the respective heads. Further the company has not given any guarantee.

Loan given by the Company in respect of loans as at 31st March, 2022

	Amount in INR Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Name of Company</b>		
Bhairavi Buildcon Private Ltd.	161.17	150.35
Godawari Real Build Pvt. Ltd.	127.46	118.90
Golden Apple Realmart Pvt.Ltd	-	34.39
Grey Star Buildcon Pvt.Ltd	52.10	48.60
Hanuman Heritage Real Estate Pvt.Ltd	14.44	13.47
Hira Infra- Tek Ltd.	-	111.34
Kumar Homes India Pvt. Ltd.	192.06	179.16
Narmada Iron & Steel Private Limited	-	112.55
Pink Star Realbuild Pvt.Ltd	28.08	26.20
Planet Earth Realbuild LLP	1,186.91	1,107.19
R.R. Realcon LLP	89.39	83.39
Tirupati Balaji Realtor Pvt. Ltd.	-	342.18
Vasudeo Real Estate Pvt.Ltd	355.62	331.73
Vrindavan Real Build Pvt. Ltd	23.66	22.07
Sumeet Infracon Pvt.Ltd	703.57	635.03
Bhilai Engineering Corp.Ltd	200.00	-
Rama Buildcon	300.00	-
Rama Real Estate Pvt.Ltd	405.00	-
Shubham K-Mart Pvt. Ltd	224.70	-
Sumeet Synfeb Pvt Ltd	145.00	-
Heritage Buildcon Pvt Ltd	75.00	-
Avinash Infraventures LLP	125.00	-
Chouhan Housing	140.00	-
DD Builders Ltd	268.00	-
Vardha Energy & Engineering Pvt.Ltd	10.39	-
<b>Total</b>	<b>4,827.57</b>	<b>3,316.55</b>





**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****32. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS**

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

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

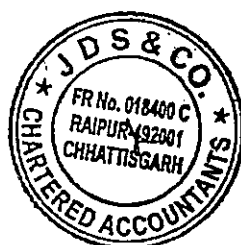
Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Carrying amount As at 31.03.2022	Level 1	Level 2	Level 3
<b>Financial assets at amortised cost:</b>				
Trade receivables	0.00	-	-	-
Loans and other receivables	4827.57	-	-	-
Bank, Cash and cash equivalents	84.75	-	-	-
<b>Total</b>	<b>4912.31</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Investments	2817.46	-	2817.46	-
<b>Total</b>	<b>2817.46</b>	<b>-</b>	<b>2817.46</b>	<b>-</b>
<b>Financial liabilities at amortised cost:</b>				
Long term loans	201.52	-	-	-
Short term borrowings	11.02	-	-	-
Trade and other payables	161.12	-	-	-
Other financial liabilities (current)	49.38	-	-	-
<b>Total</b>	<b>423.04</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Carrying amount As at 31.03.2021	Level 1	Level 2	Level 3
<b>Financial assets at amortised cost:</b>				
Trade receivables	12.10	-	-	-
Loans and other receivables	3316.55	-	-	-
Bank, Cash and cash equivalents	8.53	-	-	-
<b>Total</b>	<b>3337.18</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Investments	2817.46	-	2817.46	-
<b>Total</b>	<b>2817.46</b>	<b>-</b>	<b>2817.46</b>	<b>-</b>
<b>Financial liabilities at amortised cost:</b>				
Long term loans	199.36	-	-	-
Short term borrowings	14.72	-	-	-
Trade and other payables	215.72	-	-	-
Other financial liabilities (current)	97.88	-	-	-
<b>Total</b>	<b>527.67</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the reporting period ending 31st March, 2022 and 31st March, 2021, there were no transfers between Level 1 and Level 2 fair value measurements.



**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****33. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS:****a. Defined Contribution Plan:**

Amount of Rs. 19.49 lacs (P.Y. Rs. 12.43 lacs) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans:

Benefit (Contribution to):	2021-22	2020-21
Provident and other fund	19.49	12.43
<b>Total</b>	<b>19.49</b>	<b>12.43</b>

**b. Defined benefit plan:****Gratuity:**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days salary for each completed year of service subject to a maximum of Rs.20 Lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Company makes annual contributions to Crompton Greaves Limited Gratuity Trust, which is funded defined benefit plan for qualifying employees.

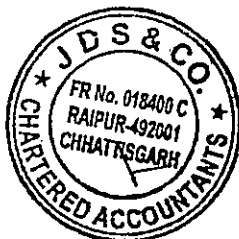
Particulars	Gratuity		Leave	
	2021-22	2020-21	2021-22	2020-21
	(Non Funded)	(Non Funded)	(Non Funded)	(Non Funded)

**I Change In Present value of defined benefit obligation during the year:**

Present value of defined benefit obligation at the beginning of the year	11.26	7.63	9.34	5.73
Interest Cost	0.78	0.53	0.64	0.40
Current Service Cost	5.39	3.34	6.80	4.39
Past Service Cost	-	-	-	-
Benefit paid	(0.17)	-	(2.97)	(0.02)
Actuarial Changes arising from changes in demographic assumption	-	-	-	-
Actuarial Changes arising from changes in financial assumption	(0.26)	0.11	(0.27)	0.09
Actuarial Changes arising from changes in experience assumption	3.55	(0.35)	0.18	(1.26)
Present value of defined benefit obligation at the end of the year	20.56	11.26	13.72	9.34

**II Net asset / (liability) recognised in the balance sheet:**

Present Value of defined benefit obligation at the end of the year	20.56	11.26	13.72	9.34
Fair value of plan assets at the end of the year	-	-	-	-
Amount recognised in the balance sheet	-	-	-	-
Net asset / (liability) - Current	0.90	0.39	1.30	0.84
Net asset / (liability) - Non Current	19.65	10.87	12.43	8.49



# JAGDAMBA POWER & ALLOYS LIMITED

## Notes to financial statements for the year ended 31st March, 2022

### III Expenses recognized in the statement of profit and loss for the year:

Current Service Cost	5.39	3.34	6.80	4.39
Interest Cost on benefit obligation (Net)	0.78	0.53	0.64	0.40
Total expenses included in employee benefits expenses	6.17	3.87	7.44	4.79

### IV Recognized in other comprehensive income for the year:

Actuarial Changes arising from changes in demographic assumption	-	-	-	-
Actuarial Changes arising from changes in financial assumption	(0.26)	0.11	(0.27)	0.09
Actuarial Changes arising from changes in experience assumption	3.55	(0.35)	0.18	(1.26)
Return on plan assets excluding interest income	-	-	-	-
Recognized in other comprehensive income for the year:	3.29	(0.24)	(0.09)	(1.17)

### V Maturity profile of defined benefit obligation:

Within the next 12 months (next annual reporting period)	0.90	0.39	1.30	0.84
Between 2 and 5 years	5.23	0.95	4.19	0.33
Between 6 and 10 years	9.26	9.71	4.32	1.45

### VI Quantitative Sensitivity analysis for significant assumption is as below:

1 1% point increase in discount rate	20.46	10.24	12.50	8.51
1% point decrease in discount rate	20.63	12.45	15.15	10.31
1% point increase rate of salary increase	22.87	12.50	15.21	10.35
1% point decrease rate of salary increase	18.55	10.18	12.43	8.46
1% point increase rate of employee turnover rate	18.66	11.14	13.85	9.40
1% point decrease rate of employee turnover rate	22.77	11.38	13.58	9.26

### 2 Sensitivity Analysis Method:

Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count.

Particulars	Gratuity		Leave	
	2021-22	2020-21	2021-22	2020-21
	Non Funded	Non Funded	(Non Funded)	(Non Funded)

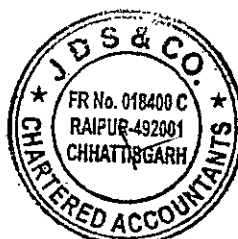
### VII Actuarial assumptions:

1 Discount rate	7.10%	6.90%	7.10%	6.90%
2 Salary escalation	6.00%	6.00%	6.00%	6.00%
3 Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012- 14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
4 Mortality post retirement rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012- 14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
5 Rate of Employee Turnover	1% to 8%	1% to 8%	1% to 8%	1% to 8%

Expected contribution to the defined plan for the next reporting period:

### Notes:

- The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected Unit Credit Method.



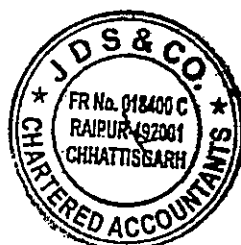
**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****34. Segment-wise Revenue Results :**

Basis of preparation :

- i) Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly wire drawing division and Power have been identified as the business segments.
- ii) The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since there is no Export Market Revenue, the same has not been disclosed. The entire capital employed is within India.

Particulars	Year Ended	Year Ended
	31.03.2022	31.03.2021
	Audited	Audited
Particulars		
<b>Segment Revenue</b>		
- Steel	-	-
- Power	7500.68	6382.40
<b>Total Income from Operations</b>	<b>7500.68</b>	<b>6382.40</b>
<b>Segment Result</b>		
- Steel	-	-
- Power	517.07	343.19
Unallocable income/(expenditure)	133.63	384.11
<b>Profit before finance and tax</b>	<b>650.70</b>	<b>727.30</b>
Less: Finance Cost	17.35	7.38
<b>Profit before tax</b>	<b>633.35</b>	<b>719.92</b>
Less: Exceptional item	0.00	0.00
<b>Profit before tax</b>	<b>633.35</b>	<b>719.92</b>
Less: Tax expenses	168.56	211.78
<b>Profit after tax</b>	<b>464.78</b>	<b>508.14</b>

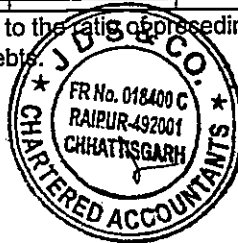
Particulars	Year Ended	Year Ended
	31.03.2022	31.03.2021
	Audited	Audited
<b>Segment Assets:</b>		
- Steel	-	12.10
- Power	3543.65	2929.12
- Unallocable	8224.09	6294.00
<b>Segment Liabilities:</b>		
- Steel	-	-
- Power	3167.56	961.39
- Unallocable	253.87	389.99



**JAGDAMBA POWER & ALLOYS LIMITED****Notes to financial statements for the year ended 31st March, 2022****35. Financial Ratios**

Particulars	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	% Variance
<b>1. Current Ratio</b> The current ratio indicates a company's overall liquidity position. It is widely used by banks in making decisions regarding the advancing of working capital credit to their clients.	Current Assets	Current Liabilities	0.68	0.80	-14.97
<b>2. Debt-Equity Ratio</b> Debt-to-equity ratio compares a Company's total debt to shareholders equity. Both of these numbers can be found in a Company's balance sheet.	Total Debt	Total Shareholders' Equity	0.03	0.03	-6.22
<b>3. Debt Service Coverage Ratio</b> Debt Service coverage ratio is used to analyse the firm's ability to pay-off current interest and instalments.	Net Profit after taxes + depreciation + Interest + loss/(profit) on sale of PPE etc.	Interest + Principal Repayments	24.61	33.26	-26.00
<b>4. Return on Equity Ratio</b> It measures the profitability of equity funds invested in the Company. The ratio reveals how profitability of the equity-holders' funds have been utilized by the Company. It also measures the percentage return generated to equity-holders.	Net Profits after taxes	Average Shareholders' Equity	60.60%	66.25%	-8.53
<b>5. Trade Receivables turnover ratio</b> It measures the efficiency at which the company is managing the receivables.	Net Credit Sales	Average Trade Receivables	1240.20	197.92	526.61
<b>7. Trade payables turnover ratio</b> It indicates the number of times sundry creditors have been paid during a period. It is calculated to judge the requirements of cash for paying sundry creditors. It is calculated by dividing the net credit purchases by average creditors.	Net credit purchases	Average Trade payables	29.72	15.66	89.72
<b>8. Net capital turnover ratio</b> It indicates a company's effectiveness in using its working capital.	Net Sales	Working Capital	-7.38	-28.33	-73.95
<b>9. Net profit ratio</b> It measures the relationship between net profit and sales of the business.	Net Profit	Net Sales	6.20%	7.96%	-22.17
<b>10. Return on Capital employed</b> Return on capital employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders. Higher the ratio, more efficiently is the capital being employed by the company to generate returns.	Earning before interest and taxes	Tangible Net Worth + Total Debt - Deferred Tax Assets	7.63%	9.09%	-16.09

Note : Variance in the ratio by more than 25% as compared to the ratio of preceding year is mainly on account of decrease in trade payable, receivables and repayment of debts.



## JAGDAMBA POWER & ALLOYS LIMITED

### Notes to financial statements for the year ended 31st March, 2022

36. The company has taken steps for getting the required informations but none of the supplier has provided information about their being Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2022. Therefore no details could be disclosed as required.
37. During the year the company has incurred ₹ 7.00 lacs on account of Corporate Social Responsibility Activities. According to provisions of section 135 of the Companies Act, 2013, the company is required to spend ₹ 6.87 lacs amount based on the average net profits/loss of the previous three years. The break-up of amount spent during the year are as follows:

Particulars	In Cash	Yet to be Paid in Cash	Total
- Construction/acquisition of any assets	7.00	-	7.00
- On Purpose other than above	-	-	-

No unspent amount was pending towards Corporate Social Responsibility as on 31.03.2022, however, the company has incurred excess amount of ₹ 0.13 lac during the year.

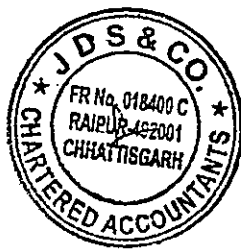
38. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

For JDS & Co

(ICAI Firm Reg. No.018400C)  
Chartered Accountants

Sanjay Dewangan  
Partner  
Membership No.409524

Place : Raipur  
Date : 12.05.2022



For and on behalf of the Board of Directors of

Jagdamba Power & Alloys Limited

Alok Agrawal  
Managing Director  
DIN : 00494805

M. Chandramohan Rao  
CFO

Arun Poddar  
Director  
DIN: 02992106

Shweta Sharma  
Company Secretary  
A 55881