



**P**erseverance and  
**P**ersistence

**SUPERSHAKTI METALIKS LIMITED**

ANNUAL REPORT 2022-23

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Please find our online version at  
<http://www.supershaktimetaliks.com>  
Or simply scan to download



**Investor information**



BSE Code:

▶ 541701

ISIN:

▶ INE00SY01011

# Corporate information

## BOARD OF DIRECTOR

### Mr. Dilipp Agarwal

Chairman & Non-Executive Director  
Member CSR Committee

### Mr. Deepak Agarwal

Non-Executive Director  
Member, Audit Committee,  
Member, Nomination & Remuneration Committee  
Chairman, Stakeholders Relationship Committee

### Mr. Sudipto Bhattacharyya

Whole-Time Director  
Member, Stakeholders Relationship Committee  
Chairman, CSR Committee

### Mr. Vijay Kumar Bhandari

Independent Director  
Chairman, Audit Committee  
Chairman, Nomination & Remuneration Committee

### Mrs. Bhawna Khanna

Independent Woman Director  
Member, Audit Committee  
Member, Stakeholders Relationship Committee

### Mr. Tuhinanshu Shekhar Chakrabarty

Independent Director  
Member, Audit Committee  
Member, Nomination & Remuneration Committee  
Member, CSR Committee

## COMPANY SECRETARY

Mr. Navin Agarwal

## CHIEF FINANCIAL OFFICER

Mr. Shyam S. Somani

## AUDITORS

### Statutory Auditor

Singhi & Co. Chartered Accountant

### Internal Auditor

Mr. Krishna Kumar Gupta

### Cost Auditor

S Chhaparia & Associates

### Secretarial Auditor

M & A Associates

## BANKERS

Indian Overseas Bank

Union Bank of India

Bank of Baroda

## REGISTERED OFFICE

39, Shakespeare Sarani, 2nd Floor, Kolkata,

West Bengal -700017

Tel No.: +91 33 2289 2734/35/36

Fax No.: +91 33 2289 2726

CIN: L28910WB2012PLC189128

Website: [www.supershaktimetaliks.com](http://www.supershaktimetaliks.com)

Email: [info@ssml.in](mailto:info@ssml.in)

## WORKS

Kanjilal Avenue, Opp. DPL,

Zone "B" Substation

Durgapur - 713210

Achieving true success is an ongoing endeavour. Upon mastering a skill, you continue to refine it and improve upon it. Once you have introduced a ground-breaking concept, you persist in innovating to define the next trend. After achieving an important objective, you persistently move towards realizing another.

Essentially, you persistently strive to exceed your own expectations and push beyond your limits because success doesn't favour those who are content. Individuals who don't solely rely on past achievements but constantly aim for improvement and greater accomplishments, are the ones who sustain their position in the industry's summit.

Hence for us, our core philosophy is one that includes idealism as well as realism, competence as well as greater ambitions.

Thus at **Supershakti Metaliks Limited**, the operative words are

**P**erseverance and  
**P**ersistence





# Creating a sustainable future with steel

Supershakti Metaliks Limited is Eastern India's leading secondary steel manufacturer with a resolute focus on making sustainable steel through Induction Furnace route, enabled by agile innovation, best-in-class technology adoption and digitalisation. While pursuing our strategic business objectives, we are playing a key role in India's development story, working towards safeguarding the environment and making a meaningful difference to lives of our people, partners and communities.



Vision

The vision of our organization is to become the fastest growing and the most comprehensive steel company in the nation. Moreover, constantly developing the skills of our employees and fostering team work for the development of our country. We believe that together, we can achieve a new phase of globalization therefore we keep ourselves involved in the welfare of the community through women and child education, providing employment to the needy and a cleaner environment.

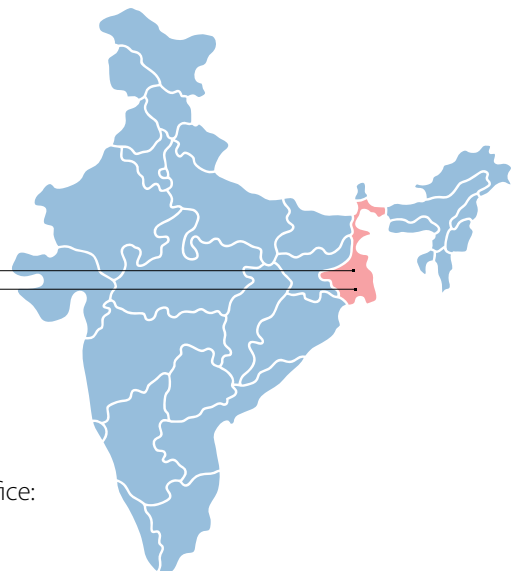


Mission

The mission of our organization is to provide utmost satisfaction to the consumers through superior quality and customer care. We don't only produce the best quality at the lowest cost but we also keep upgrading the products through innovations and new technologies. We are determined to safeguard and enhance the value of our shareholders and employees. At the same time, we utilize the surpluses for the welfare of the employees and society at large.



Geographic footprint



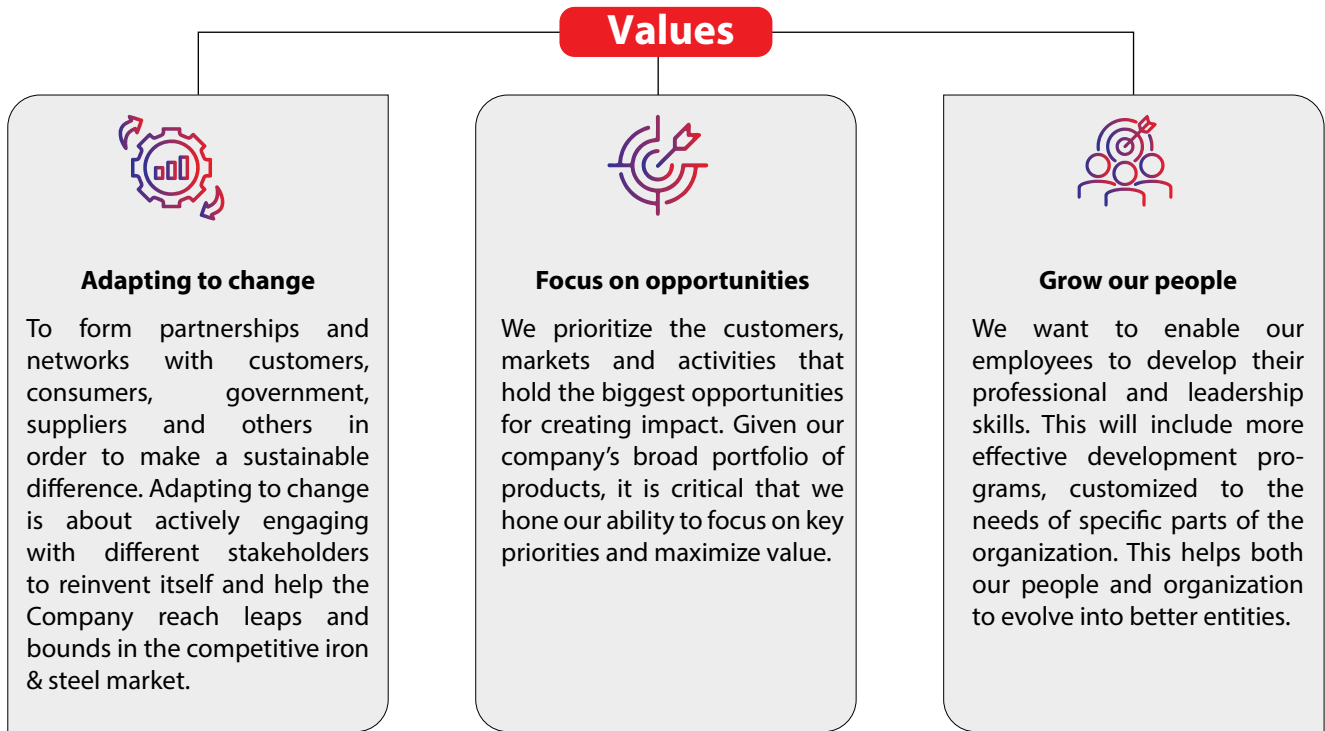
Manufacturing plant:  
Durgapur



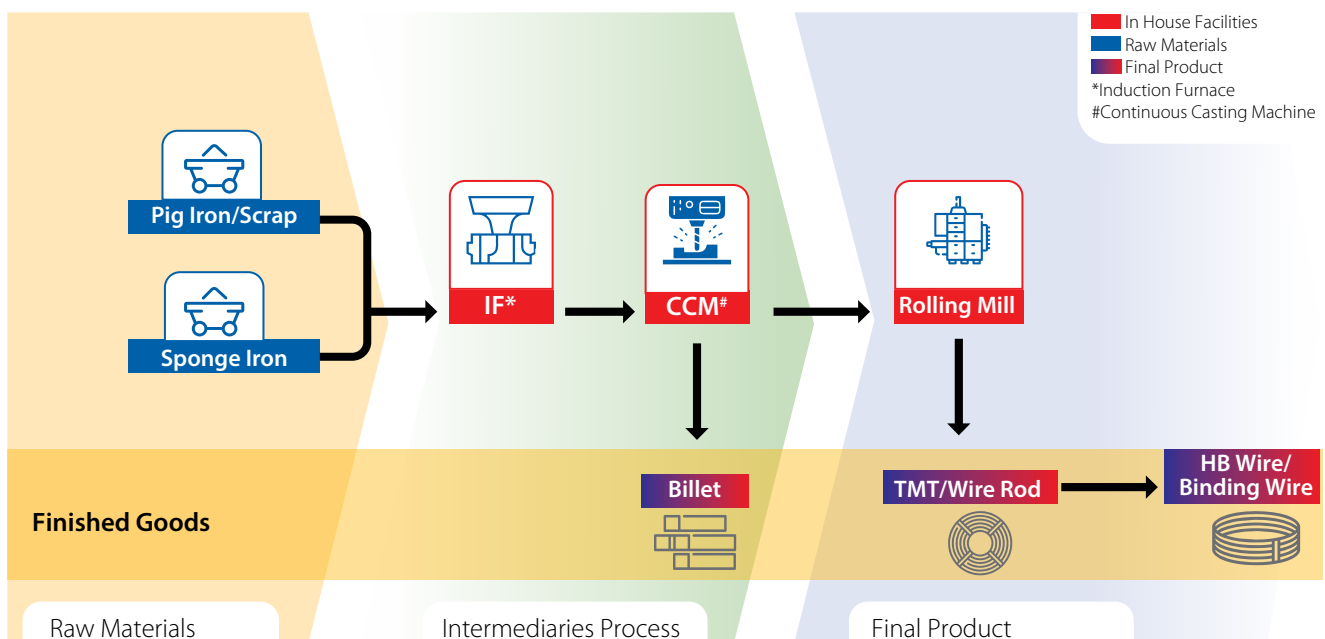
Head Office:  
Kolkata



# Perseverance and persistence through a robust business model



## Our robust value chain





## Our product outputs



**Billets**



**Wire Rod**



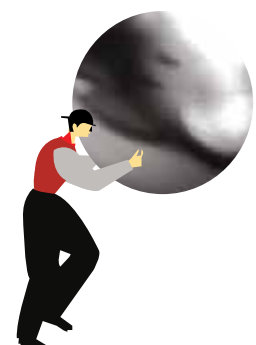
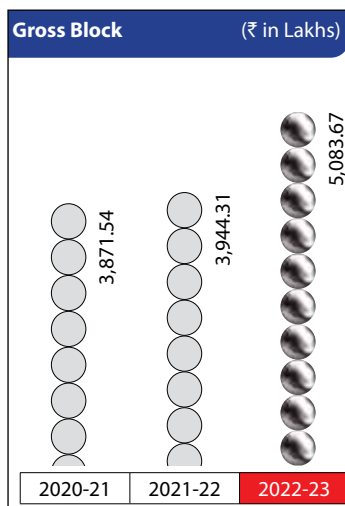
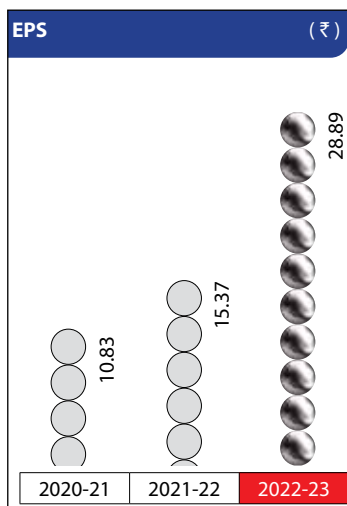
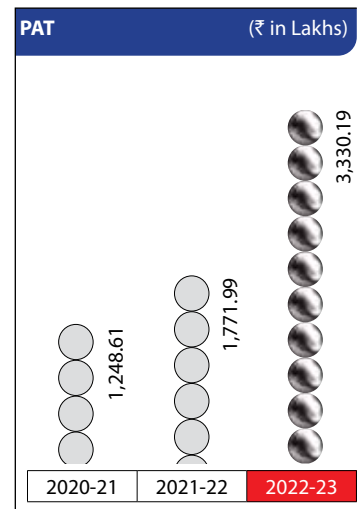
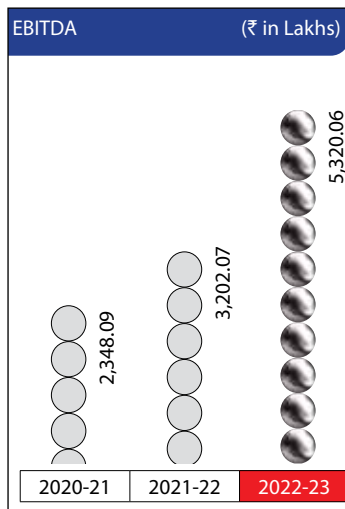
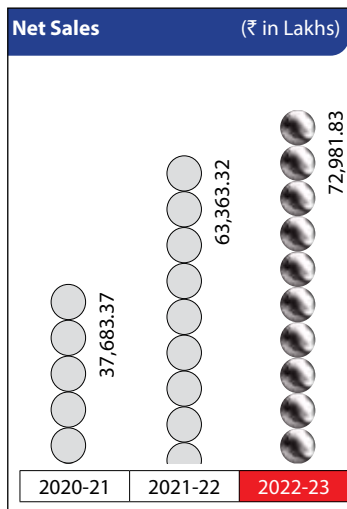
**HB Wire**

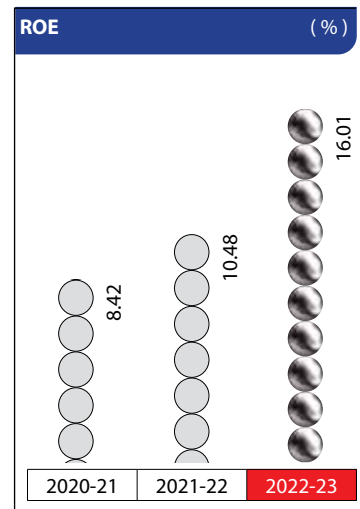
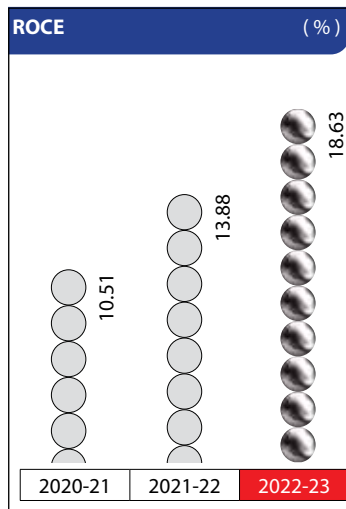
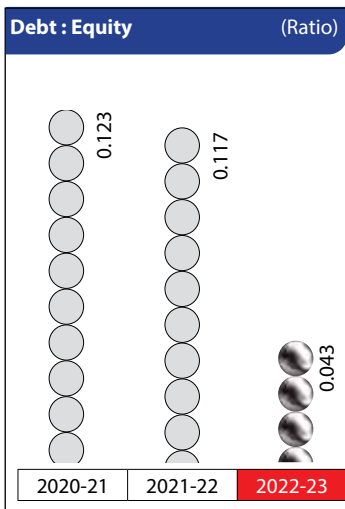


**Binding Wire**

# Perseverance and persistence through strong financials

Our capital allocation strategy is built to capture value-accretive opportunities, while maintaining our leverage well under stated levels. Through our efforts, we have been able to deliver superior returns for shareholders through dividends and share price appreciation. We continue to maintain a healthy balance sheet despite charting out continuous investments to expand our capacity. Despite the persistent inflation, we are consistently trying to reducing our cost of capital with access to diverse pools of liquidity and strong relationships with institutions domestically. Our credit ratings from both domestic and international agencies remain stable.





₹ 1,23,941.05  
Lakhs  
Cost of materials  
consumed in last 3  
years

₹ 1,74,028.52  
Lakhs  
Total Sales in last 3  
years

**'BBB+'  
Outlook Stable  
Long Term Bank  
Facilities**

**'A2'  
Short Term Bank  
Facilities**

# Perseverance and persistence by integrating with stakeholders and ensuring togetherness

The story of Supershakti is not just about corporate strategies and their implementation, it is also about integrating the stakeholders (employees, society, customers, supply chain partners and lenders) that helps us to strive hard to achieve a higher vision.



## HUMAN RESOURCE

We are committed to a culture of diversity, which is reflected in our large and varied workforce. The value of this diversity is a rich and unique blend of minds and cultures that makes working at Supershakti more compelling and exciting. The organization’s HR strategy is developed in alignment with the corporate strategy, focusing on leadership development and maximizing the return on investment from the organization’s human capital.

At our organisation, employee participation is encouraged by inviting suggestions and opinions. This is coupled with competitive compensation, rewards and training through various development programmes. We encourage communication and a participative environment and also provide various proactive platforms for brain storming and idea sharing.

During the year 2022-23, we not only retained our existing workforce but also plan to hire selectively, while concurrently investing in capabilities improvement to drive organic growth.





## CORPORATE SOCIAL RESPONSIBILITY

We at Supershakti operate with a strong belief that giving back to the society and contributing towards its sustainable development is every organization's responsibility. We are committed to society, ecology and education. Building upon our Values, our CSR policy has been designed to systematically assess community requirements and implement programmes in alignment with our CSR Vision and Mission.

The proposed program undergoes several steps before the final implementation. The planning and need assessment process are briefly explained.



### Planning and Need Assessment:

Prior to getting into the specifics of the CSR activities, careful planning and budgeting are done. The roles and responsibilities of the team members is decided, and the first task carried out is need assessment for the CSR Project. To maximise the project impact and make it sustainable it is necessary to assess the exact need of community. The socio-political impact, environmental issues, condition of infrastructure, health facilities, education awareness and level, sanitation requirements are to be assessed before the CSR

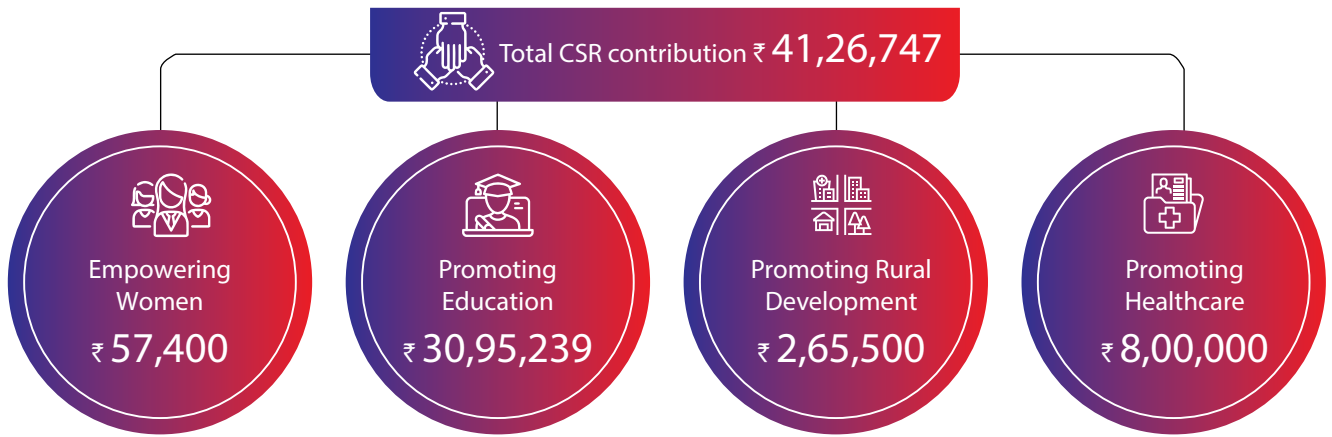
project kicks-off. A thorough need assessment is required to make it effective for the community and to showcase the corporate philanthropy.

### Monitoring and Evaluation of CSR:

Monitoring is important to assess our projects, if they are viable and where to make some amendments. The CSR activity of our project is duly monitored. The monitoring process adopted by our Company include obtaining reports of different kind, self-declaration, On-site visit, pictures or videos of project sites, etc. Further

monitoring process involves.

- 1. Periodic reporting:** The implementing agency (Supershakti Foundation) is required to submit project fund utilisation statement along with photographs of the project.
- 2. Periodic review and assurance visits:** Periodic field visits, review calls, conducting evaluation visits to assess the project implementation including key milestones or key performance indicator and usage of capital assets, etc.





## INTEGRATING STAKEHOLDERS

A success of the business is not solely measured by its ability to generate profits, but also its ability to bring a paradigm shift into the business of its stakeholders. We recognise that corporate endurance can only be achieved through a governance-driven approach that enhances the confidence of all stakeholders and corporate respect.



### Governance practices

We have always looked upon responsible governance as a key driver in achieving sustainable growth for stakeholders. Responsible governance has enabled us to effectively manage economic, environmental, and social risks impacting our business. Our governance practices not only focuses on robust compliance management but also on adopting best practices. The Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee provides the highest-level oversight in the enforcement of various policies and procedures.



### Customer centric

We have made a habit of achieving higher volumes and profits over the years on a consistent basis. This has only been possible due to innovative management policies to ensure the development and trust of various customers. We have always put a habit of going back to clients and appraise them of various opportunities and appetite of their business. With this we have consistently kept shifting to a higher orbit of highly valued and respected corporate domestically as well as internationally.



### Supply-chain partners

We recognise that growth does not come from how well we can grow our assets. But from how well we can grow our relationships. So the soul of our unwritten mission statement is not about the profits for the Company, but with value for the various supply-chain partners associated with the Company who work tirelessly and provide the best of services to us and thereby help us grow through leaps and bounds.



### Comfort of lenders

Our strong financials are backed by impeccable credibility across our value chain. Due to our stable credit ratings we also gets access to low cost finance as we are able to raise funds at various intervals from our lenders consortium banks. Such healthy credit lines enabled the Company to fully exploit the low cost purchase opportunity of various inputs at competitive prices and help the company remain agile.

# Chairman's thought

*Dear Shareholders*

It is with great pride and pleasure that I report to you at the end of a very successful financial year that saw us report market-leading numbers. Moreover, the Company also triggered off multiple strategic initiatives during the year aimed at realising our long-term vision of a sustainable future.

Creating value for all stakeholders is inbuilt into our strategy, including the way we measure our performance. Our report now reflects the outcomes of our actions and the impact of our strategy and integrated thinking.

## **An encouraging environment**

As per the recent economy survey, India had a good monsoon, and reservoir levels are higher than last year and the 10-year average. The fundamentals of the Indian economy are sound as it enters its Amrit Kaal, the 25-year



journey towards its centenary as a modern, independent nation. As per the estimates of Asian Development Bank, India's gross domestic product (GDP) is expected to moderate to 6.4% in fiscal year (FY) 2023 ending on 31st March 2023 and rise to 6.7% in FY 2023-2024, driven by private consumption and private investment on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem. Going forward private consumption is expected to rise as employment opportunities and consumer confidence strengthen. However, geopolitical tensions and weather-related shocks are key risks to India's economic RI. Despite such challenges, the government of India recently announced a capital expenditure programme of ₹10 lakh crores in the Union Budget which also constitutes 3.3% of the current GDP will continue to support the domestic economy.

India's domestic steel demand is estimated to grow annually by 7.5% to reach 128.85 million tonnes (MT) in the current financial year. According to estimates by the Indian Steel Association (ISA), domestic steel demand stood at 119.86 MT in fiscal 2022-23. Demand is expected to rise further by 6.3% to reach 136.97 MT in the next financial year 2024-25 as per the ISA projections. FY2023 is expected to witness two significant milestones for the steel sector. Firstly, the Central Government's current year capex is expected to touch the average annual run-rate envisaged in the National Infrastructure Pipeline for the very first time. Secondly, the sector will be witnessing two back-to-back years of double-digit steel consumption growth rates after a gap of more than a decade. The last time this rare feat was achieved was in FY2010/FY2011. The Government's capex drive has helped maintain the industry's capacity utilisation rate at an estimated 79% in FY2023. With steel consumption expected to grow in high-single digits next year, we expect the industry's capacity utilisation rate to improve to around 80% in FY2024. All these abodes well for the domestic steel industry.

### Setting new milestones

Super Shakti achieved a record performance in the year. With record shipments and a buoyant domestic demand our total sales stood at ₹ 72,981.83 and Profit after Tax jumped by 87.13%. Our relentless efforts to enhance operational efficiencies are yielding rich dividends as reflected in our robust Return on Capital Employed (ROCE) ratio of 18.63%-thereby placing us amongst the competitive secondary steel manufacturers. Deleveraging was a key theme that played out during the year. Stronger profitability and improved leverage ratios led to stable credit rating. We are very positive about the long-term growth potential for steel consumption in the

domestic market. We will be looking to capitalise on this opportunity and invest in capacity expansion in years down the line and growing the market share.

### Quality – the biggest imperative

We have always believed that nothing rewards more than great quality. We take pride in our ability to deliver the highest standards of quality products to our clients – each and every time. Our capability emanates from consistent initiatives to increase quality awareness amongst our employees across units and hierarchies. Our operations are certified to the internationally recognized quality standard *ISO 9001: 2015 & ISO 14001: 2015*.

### Sustainability practices

At Super Shakti, we have always taken pride on our sustainability efforts which go beyond regulatory compliance, since we believe, sustainability is not just a legal responsibility but a shared responsibility we all have towards our planet. We have stood on the firm foundations of sustainable business operations. Our endeavour to drive the change through sustainable manufacturing practices and maintain a culture of business stability and material aspects to our stakeholders.

### Conclusion

I am confident of achieving higher peaks in the future. I would like to extend a heartfelt gratitude to each and every member of our team for their sustained, untiring efforts in making Super Shakti a leading secondary steel manufacturing Company in India. I would also like to thank all our Stakeholders, Board, Bankers and the Central and various State Governments for the support and assistance provided throughout our journey. I solicit your continued cooperation.

Sincerely

**Dilipp Agarwal**  
Chairman



## Director's Report

To,  
The Members,

Your Directors are pleased to present the 11<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2023.

### FINANCIAL HIGHLIGHT

The table below depicts the financial performance of your Company for the Financial Year ended 31<sup>st</sup> March, 2023.

(₹ in Lakhs)

Particulars	2022-23	2021-22
Net Revenue from Operations (A)	72,981.83	63,363.32
Other Income (B)	319.77	159.58
<b>Total Revenue (A) + (B)</b>	<b>73,301.60</b>	<b>63,522.90</b>
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	5,320.06	3,202.27
Finance Costs	371.39	374.26
Depreciation and Amortization Expense	481.90	497.42
<b>Profit before Tax (PBT)</b>	<b>4,466.77</b>	<b>2,330.59</b>
Tax expense	1,136.58	558.60
<b>Profit after Tax (PAT)</b>	<b>3,330.19</b>	<b>1,771.99</b>

**4,466.77** Lakhs  
Profit before tax

**3,330.19** Lakhs  
Profit after tax

### STATE OF COMPANY'S FINANCIAL AFFAIRS

Your Company has achieved total revenue ₹ 73,301.60 Lakhs as compared to ₹ 63,522.90 Lakhs in the previous year due to higher finished products realization thus increasing the revenue by more than 15%. The net Profit Before Tax was almost doubled as compared to previous year due better operational efficiency and favorable market conditions and better capacity utilization.



## Director's Report

### MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR TILL THE DATE OF THIS REPORT

No material changes and commitments affecting the financial position of the Company have occurred during the Financial Year and the date of this report.

### FUTURE OUTLOOK

The Steel Sector is performing well and momentum is likely to continue in next few quarters, your Company has made strategic investment in the Greenfield project of Giridhan Metal Private Limited which has started production of steel and very soon will start full scale production which will bring good returns for the investment made and the Company would like to raise its stake at an appropriate and opportune time and is hopeful of generating good cash flows from the project in near future. Your Company is also exploring possibilities of expansion in terms of capacity addition of value added products to better utilize its reserves.

### NATURE OF BUSINESS

Your Company is into the manufacturing of diversified products of secondary Steel through Induction Furnace route and currently operating a Steel Melting Section to produce semi-finished product (i.e. Billet) and Rolling Mill Section to produce Wire Rods, HB Wires, and Binding Wires etc. There has been no change in the nature of business of the Company during the Financial Year.

### DIVIDEND

The Board of Directors has recommended a Dividend of ₹ 1 per Equity Share having face value of ₹ 10 each @ 10% subject to the approval of the Members at the ensuing Annual General Meeting ("AGM"), payable to those Shareholders whose names appear in the Register of Members as on the Book Closure/Record Date. In the previous year, the Company had paid ₹ 1 per Equity Share having face value of ₹ 10 each @ 10%.

Pursuant to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Dividend Distribution Policy is not applicable to our Company.

### CREDIT RATING

Credit Rating of the Company is 'BBB+' Outlook: Stable for Long Term Bank Facilities and 'A2' for Short Term Bank Facilities as assigned by CARE Ratings Limited.

### DEMATERIALIZATION OF EQUITY SHARES

All the Equity Shares of the Company are in Dematerialized Form with either of the depositories viz. NSDL and CDSL. The ISIN No. allotted is INE00SY01011.

### TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for the Financial Year ended 31<sup>st</sup> March, 2023.

### FINANCE

Cash and cash equivalents as at 31<sup>st</sup> March, 2023 were ₹ 1,345.09 Lakhs. The Company continues to focus on judicious management of its Working Capital, Receivables, and Inventories. Other Working Capital parameters were kept under strict check through continuous monitoring.

### SHARE CAPITAL

During the year under review, there was no change in Capital Structure of the Company. The Authorized Share Capital of the Company is ₹ 15,00,00,000. The Paid-Up Equity Share Capital of the Company is ₹ 11,52,52,780. The Shares of the Company are listed on the SME platform of BSE Limited.

During the year under review, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. The Company has paid Listing Fees for the Financial Year 2023-24, to the Stock Exchange, where its Equity Shares are listed.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Board of Directors:

During the Year, the Board of Directors of the Company has Mr. Vijay Kumar Bhandari, Mr. Tuhinanshu Shekhar Chakrabarty and Mrs. Bhawna Khanna as the Independent Directors. The Company has received the necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their Independence laid down in Section 149(6) of the Act. In terms of Section 152 of the Companies Act, 2013 Mr. Dilipp Agarwal (DIN: 00343856) Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

The Board confirms that none of the Directors of the Company is disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and necessary declaration has been obtained from all the Directors in this regard.

Below Table mentions the List of Director's and Key Managerial Personnel as on the date of this report:-

Sl. No.	Name of the Director	Designation
1.	Mr. Dilipp Agarwal	Chairman & Non-Executive Director
2.	Mr. Sudipto Bhattacharyya	Whole-Time Director
3.	Mr. Deepak Agarwal	Non - Executive Director

## Director's Report

Sl. No.	Name of the Director	Designation
4.	Mr. Vijay Kumar Bhandari	Independent Director
5.	Mr. Tuhinanshu Shekhar Chakrabarty	Independent Director
6.	Mrs. Bhawna Khanna	Independent Director
7.	Mr. Shyam S. Somani	Chief Financial Officer
8.	Mr. Navin Agarwal	Company Secretary

### Meetings of the Board:

During the Financial Year 2022-23, total of Four Meetings of the Board of Directors were held on; 27-05-2022; 05-08-2022; 14-11-2022 and 01-03-2023. The maximum time-gap between any two consecutive Meetings did not exceed 120 days.

The names of Members of the Board, their attendance at the Board Meetings are as under:

Sl. No.	Name of the Director	Number of Meetings attended
1.	Mr. Dilipp Agarwal (Chairman & Non-Executive Director)	3/4
2.	Mr. Sudipto Bhattacharyya (Whole-Time Director)	4/4
3.	Mr. Deepak Agarwal (Non-Executive Director)	3/4
4.	Mr. Vijay Kumar Bhandari (Independent Director)	3/4
5.	Mr. Tuhinanshu Shekhar Chakrabarty (Independent Director)	4/4
6.	Mrs. Bhawna Khanna (Independent Director)	4/4

### COMMITTEES OF THE BOARD

There are Four Board Committees as on 31<sup>st</sup> March, 2023 viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee.

#### Audit Committee:

The Board has constituted the Audit Committee. The Board of Directors has accepted all the recommendations given by Audit Committee during the Financial Year 2022-23. During the Financial Year, Four Audit Committee Meeting took place dated 27-05-2022; 05-08-2022; 14-11-2022 and 01-03-2023. The composition and attendance of the Members at the Committee Meetings held during the year under review was as below:

Sl. No.	Name of the Members	Number of Meetings attended
1.	Mr. Vijay Kumar Bhandari (Chairman)	3/4
2.	Mr. Deepak Agarwal (Member)	3/4
3.	Mr. Tuhinanshu Shekhar Chakrabarty (Member)	4/4
4.	Mrs. Bhawna Khanna (Member)	4/4

#### Nomination and Remuneration Committee:

The Board has constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee had Three Meeting during the Financial Year dated 27-05-2022; 05-08-2022 and 01-03-2023. The composition and attendance of the Members at the Committee Meeting held during the Financial Year under review was as below:

Sl. No.	Name of the Members	Number of Meetings attended
1.	Mr. Vijay Kumar Bhandari (Chairman)	3/3
2.	Mr. Deepak Agarwal (Member)	3/3
3.	Mr. Tuhinanshu Shekhar Chakrabarty (Member)	3/3

#### Corporate Social Responsibility Committee:

The Board has constituted the Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee had One Meeting during the Financial Year dated 27-05-2022. The composition and attendance of the Members at the Committee Meeting held during the Financial Year under review was as below:

Sl. No.	Name of the Members	Number of Meetings attended
1.	Mr. Sudipto Bhattacharyya (Chairman & Whole-Time Director)	1/1
2.	Mr. Dilipp Agarwal (Member)	0/1
3.	Mr. Tuhinanshu Shekhar Chakrabarty (Member)	1/1

#### Stakeholder Relationship Committee:

The Board has constituted the Stakeholder Relationship Committee. The Stakeholder Relationship Committee had One Meeting during the Financial Year dated 27-05-2022. The composition and attendance of the Members at the Committee Meeting held during the Financial Year under review was as below:



## Director's Report

Sl. No.	Name of the Members	Number of Meetings attended
1.	Mr. Deepak Agarwal (Chairman)	1/1
2.	Mrs. Bhawna Khanna (Member)	1/1
3.	Mr. Sudipto Bhattacharyya (Member)	1/1

### POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

In accordance with Section 178 of the Companies Act, 2013 and other regulations as applicable. The Board of Directors has framed the policy which lays down a framework in relation to Remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration Policy is available on the Company's website [www.supershaktimetalks.com](http://www.supershaktimetalks.com).

### BOARD EVALUATION

The Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board has carried out an Annual Evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board and after seeking inputs from all the Directors based on the criteria such as the Board composition and structure, effectiveness of Board processes, information flow, frequency of meetings and functioning etc. The performance of the Committees was evaluated by the Board and after seeking input from the Committee Members. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors based on the criteria such as the contribution of the individual Director to the Board and Committee Meetings. The Chairman was also evaluated on the key aspects of his role. In a separate Meeting of Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated.

### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has adopted policy on prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of the Policy are posted on the website of the Company [www.supershaktimetalks.com](http://www.supershaktimetalks.com). The Company has set up Internal Complaints Committee (ICC) to redress the complaints in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and ICC has not received any complaints during Financial Year ended 31<sup>st</sup> March 2023.

### HUMAN RESOURCES

Your Company considers its Human Resources the key to achieving its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered, and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

### VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company is committed to the highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

It also provides for adequate safeguards against the victimization of Employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

The details of the Policy are posted on the website of the Company [www.supershaktimetalks.com](http://www.supershaktimetalks.com).

### RISK MANAGEMENT POLICY

The Company has a risk management policy which covers risk associated with financial assets and liabilities and identifies therein elements of risk, which in the opinion of the Board may threaten the existence of the Company.

The details of the Policy are posted on the website of the Company [www.supershaktimetalks.com](http://www.supershaktimetalks.com).

### POLICY ON PRESERVATION OF THE DOCUMENTS

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

The details of the Policy are posted on the website of the Company [www.supershaktimetalks.com](http://www.supershaktimetalks.com).

### POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the Policy are posted on the website of the Company [www.supershaktimetalks.com](http://www.supershaktimetalks.com).

## Director's Report

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the Financial Year under review, all the Related Party Transactions were in the Ordinary Course of the business and at Arm's Length Basis and hence provisions of Section 188 of the Companies Act, 2013 is not applicable. Related Party Transactions were placed before the Audit Committee for their approval. Related Party Transactions under India Accounting Standard-24 (IND-AS-24) are disclosed in the notes to the Financial Statement in Note No. 44. Related Party Transactions are disclosed in **Annexure-1** in Form **AOC-2** pursuant to clause (h) of Sub Section (3) of Section 134 read with Rule 8(2) of Companies (Accounts) rules, 2014 for which necessary Members approval are in place.

The details of the Policy are posted on the website of the Company [www.supershaktimetalks.com](http://www.supershaktimetalks.com).

### CORPORATE SOCIAL RESPONSIBILITY

As part of the Corporate Social Responsibility initiative the Company has spent an amount of ₹ 41.27 Lakhs towards the various CSR activities during the Financial Year 2022-23. Details of **CSR Activity Report** are provided in **Annexure-2**.

The details of the Policy are posted on the website of the Company [www.supershaktimetalks.com](http://www.supershaktimetalks.com).

### AUDITORS AND AUDITORS REPORT

#### Statutory Auditor:

The Shareholders of the Company at their 9<sup>th</sup> Annual General Meeting (AGM), held on 29<sup>th</sup> September 2021 have appointed **Singhi & Co.** Chartered Accountants, Kolkata (FRN: ICAI – **302049E**) as the Statutory Auditor of the Company, for a period of five years i.e. from the conclusion of 09<sup>th</sup> AGM till the conclusion of 14<sup>th</sup> AGM. The Companies Amendment Act, 2017 has done away with the ratification of Auditor's appointment and the auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### Internal Auditor:

The Board, at its Meeting held on 05<sup>th</sup> August, 2022, has appointed **Mr. Krishna Kumar Gupta** (Assistant-Manager Audit) for conducting Internal Audit of the Company for Financial Year 2022-23 and onwards. The Company's Internal Audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly.

#### Internal Audit Controls and their Adequacy:

The Company's Internal Audit is being carried on by internal Audit department of the Company. The main thrust

of Internal Audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the Industry. Based on the Internal Audit Reports, process owner takes corrective actions in their respective areas and thereby strengthens the controls. The Report is presented before the Audit Committee for review at regular intervals. Your Company has an effective Internal Control and Risk-Mitigation System, which are constantly assessed and strengthened. New/revised standard operating procedures are being adopted 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 Company's Internal Control System is commensurate with its size, scale and complexities of its operations and is capable for the timely preparation of reliable financial information. The Internal Audit department monitors and evaluate the efficiency and adequacy of the Internal Control System in the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

#### Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 requires every Listed Company to annex to its Board's report, a Secretarial Audit Report, given in the prescribed form, by a Company Secretary in practice. The Board had appointed **M & A Associates**, Kolkata a firm of Company Secretaries bearing Firm unique Code P2019WB076400, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2022-23 and their Report is annexed to this report **Annexure-3**. There are no qualifications, observations, adverse remark or disclaimer in the said Report.

#### Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013 read together with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company is required to carry out audit of the cost accounting records of the Company for every Financial Year. The Cost Audit report of your Company for the Financial Year ended 31<sup>st</sup> March 2022 was filled on 13<sup>th</sup> October, 2022. The Auditors' Report does not contain any qualification, reservation or adverse remark. Cost records as required to be maintained by the Company pursuant to an order of the Central Government are maintained.

The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of **S Chhaparia & Associates**, Cost Accountants, (Firm Registration No. 101591) Kolkata, for the Financial Year ending 31<sup>st</sup> March, 2024 the remuneration proposed to be paid to them for the Financial Year 2023-24 requires ratification of the Shareholders of the Company. In view of this, the Board recommends the ratification for payment of remuneration to the Cost Auditor at the ensuing Annual General Meeting.



## Director's Report

None of the Auditors of the Company have reported any fraud during the Financial Year under review.

### PARTICULARS OF EMPLOYEES

Your Directors place on record their deep appreciation for the contribution made by the Employees of the Company at all levels. The information on Employees particulars as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), is forming part of this Board's Report as **Annexure-4**. There are no Employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### CORPORATE GOVERNANCE

As per Regulation 27 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance is not applicable to the Company listed on the SME platform (BSE). Hence the Company is not required to disclose information as covered under Para (C), (D) and (E) of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per Para (F) of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company do not have and is not required to have the Demat Suspense Account neither Unclaimed Suspense Account.

### PUBLIC DEPOSITS

During the Financial Year 2022-23, the Company has not accepted any deposit within the meaning of Sections 73 and 76 of the Companies Act 2013, read together with the Companies (Acceptance of Deposits) Rules, 2014.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

#### A. Energy Conservation

- Use of LED Lights indoor and outdoor, LED lights reduces the Energy Consumption at Outdoor and Indoor Lightning.
- Use of Direct Hot Rolling from CCM, by use of Direct Hot Rolling we have saved furnace oil for reheating Billets.
- Use of CBM (Coal based Methane Gas) in reheating furnace in place of oil furnace, natural gas reduces the energy cost of fuel.

#### B. Technology Absorption

Our Company is in the Manufacturing of MS Billet, HB Wire, TMT Bar and MS Wire Rod. It had not taken any Research and Development during the year under review. As such no expenditure has been incurred on Research and Development.

### C. Foreign Exchange Earnings and Outgo

(₹ in Lakhs)

Details	FY 2022-23	FY 2021-22
Foreign Exchange earned in terms of actual inflows	0.00	0.00
Foreign Exchange outgo in terms of actual outflows	2,079.49	2,232.34

**Note:** Actual payment during Financial Year 2023 is considered in Financial Year 2022-23 as against Invoice value of Purchase during Financial Year 2022.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There were no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has an investment of ₹ 4,930.06 Lakhs in Giridhan Metal Private Limited an upcoming Iron and Steel Greenfield project also your Company has issued Corporate Guarantee to Giridhan Metal Private Limited for setting up of 0.3 Million TPA Integrated Steel Plant (ISP) at Jamuria Industrial Estate, Jamuria, Paschim Bardhaman, West Bengal – 713344. During the Financial Year, your Company has provided Inter-Corporate Unsecured Loans to Group Company and has earned interest as per Prevailing Market Rate.

### EMPLOYEES RELATIONS

The relationship with the staff and workers continued to be cordial during the entire year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company is taking necessary steps to recruit the required personnel from time to time.

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company did not have any funds lying Unpaid or Unclaimed for a period of seven years. Therefore, there are no funds which are required to be transferred to Investor Education and Protection Fund (IEPF).

### CONSOLIDATION OF ASSOCIATES /JOINT VENTURES/ SUBSIDIARIES

As on the reporting day your Company do not have any Associate or Joint Venture or Subsidiaries hence consolidation of accounts is not required.

## Director's Report

### INSIDER TRADING REGULATIONS

Based on the requirements under Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 read with Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the code of conduct for prevention of Insider Trading and the Code for Fair Disclosure ("Code"), as approved by the Board from time to time, are in force by the Company. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any Price Sensitive Information and to prevent any Insider Trading activity by dealing in Shares of the Company by its Directors, Designated Employees and other Employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, Designated Employees and other Employees from trading in the Securities of Supershakti Metaliks Limited at the time when there is Unpublished Price Sensitive Information.

The details of the Policy are posted on the website of the Company [www.supershaktimetaliks.com](http://www.supershaktimetaliks.com).

### MANAGEMENT DISCUSSION ANALYSIS

A detailed Report on the **Management Discussion & Analysis** is provided as a separate **Annexure-5** in the Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 Board of Directors of the Company,

- In preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March 2023 the applicable Accounting Standards have been followed along with proper explanation to material departures.
- The Directors have selected Accounting Policies, in consultation with the Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at end of the Financial Year and of the profit or loss of the Company, for that period.
- The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and.
- The Directors have prepared the Annual Accounts of the Company on a going concern basis.
- The Directors, had laid down Internal Financial Controls

to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

- There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### POLICIES

The Companies Act, 2013 along with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and mandate to formulations of certain policies for all listed Companies. Accordingly, the Company has formulated the Policies for the same as the Company believed to retain and encourage high level of ethical standard in business transactions. All our Policies are available on our website [www.supershaktimetaliks.com](http://www.supershaktimetaliks.com).

### COPY OF ANNUAL RETURN

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the web-link:

<http://supershaktimetaliks.com/annual-reports/>

### DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

There are no instances of one-time settlement during the Financial Year 2022-23.

### STATUS ON COMPLIANCE WITH THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the Financial Year 2022-23.

### ACKNOWLEDGEMENT

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of India, the State Government and other regulatory authorities and government agencies for their support and looking forward to their continued support in the future.

For and on behalf of  
**Supershakti Metaliks Limited**

**Deepak Agarwal**

Director

DIN: 00343812

**Sudipto Bhattacharyya**

Whole-Time Director

DIN: 06584524

Place: Kolkata

Dated: 22-05-2023



## Annexure to the Director's Report

### Annexure-1

#### Form No. AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014). Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto.

- I. There are no contracts/arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are not at Arm's Length basis.
- II. Material contracts/arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are at Arm's Length basis are as follows :

Nature of Transaction	Name of Related Party	Nature of Relationship	Duration of Contract	(₹ in Lakhs)
Purchase	Super Smelters Limited	Group Company	Regular	22,019.87
	Giridhan Metal Private Limited			25,898.40
Sales	Super Smelters Limited	Group Company	Regular	2,018.40
	Giridhan Metal Private Limited			14.16
	Sai Electrocasting Private Limited			783.65

For and on behalf of  
**Supershakti Metaliks Limited**

**Deepak Agarwal**  
Director  
DIN: 00343812

**Sudipto Bhattacharyya**  
Whole-Time Director  
DIN: 06584524

Place: Kolkata  
Dated: 22-05-2023

## Annexure to the Director's Report

Annexure-2

### CSR Annual Report

1. Brief outline on CSR Policy of the Company: At Supershakti Metaliks Limited, CSR is no mere acronym, is an integral part of the culture imbibed by one and all involved in the working of the Company. Our vision is to actively contribute to the social and economic development of the communities in which we operate. In doing so to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

#### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation in Committee	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1.	Mr. Sudipto Bhattacharyya	Chairman	27-05-2022 (One Meeting)	1
2.	Mr. Dilipp Agarwal	Member		0
3.	Mr. Tuhinanshu Shekhar Chakrabarty	Member		1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company : [www.supershaktimetaliks.com](http://www.supershaktimetaliks.com)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub- rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable : **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:

Sr. No.	Financial Year	Amount available for Set-Off from preceding Financial Year	Amount required to be Set-Off for the Financial Year (₹ in Lakhs)
1	2022-23	Nil	₹ 5.33

(₹ in Lakhs)

6. Average Net Profit of the Company as per section 135(5) ₹ 1,797.02

7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 35.94

(b) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years. -

(c) Amount required to be set off for the Financial Year, if any -

(d) Total CSR obligation for the Financial Year (7a+7b-7c). ₹ 35.94

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹	NA	NA	NA	NA	NA



## Annexure to the Director's Report

(b) Details of CSR amount spent against Ongoing Projects for the Financial Year:

1	2	3	4	5		6	7	8	9	10	11
				State	District						
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project	Amount spent in the current Financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency
	<b>Total</b>										NIL

c. Details of CSR amount spent against **other than ongoing projects** for the Financial Year:

1	2	3	4	5		6	7	8
				State	District			
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes No)	Mode of implementation - Through implementing agency:
1	Donation of Equipments to All India Ashihara Karate Organisation	(vii) Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports	Yes	West Bengal	Paschim Bardhaman	₹ 0.57	No	Supershakti Foundation CSR Registration No.- CSR00008657
2	Donation of Computer and Accessories_ Turnstone Global	ii)Promoting education, including special education especially among children	Yes	West Bengal	Kolkata	₹ 8.13	No	
3	Donation For Shuddhi Project	i) Promoting Healthcare including Preventive Healthcare ii)Promoting education, including special education especially among children	Yes	West Bengal	Kalimpong	₹ 8.00	No	
4	Construction of Road and Drain at Bhagatpally	x) Rural development projets	Yes	West Bengal	Paschim Bardhaman	₹ 2.66	No	
5	Construction of Education Training Center at Damodarapur	ii)Promoting education, including special education especially among children	Yes	West Bengal	Paschim Bardhaman	₹ 22.82	No	
	<b>TOTAL</b>					<b>₹ 42.18*</b>		

\*The Company has spent ₹ 41.27 Lakhs towards CSR

## Annexure to the Director's Report

- (d) Amount spent in Administrative Overheads: **Not Applicable**  
 (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **₹ 41.27 Lakhs**  
 (g) Excess amount for set off, if any: **Not Applicable**

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	₹ 35.94
(ii)	Total amount spent for the Financial Year	₹ 41.27
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 5.33
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹ 5.33

### 9. (a) Details of Unspent CSR amount for the preceding three Financial Years: **NOT APPLICABLE**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial Years
				Name of the Fund	Amount	Date of transfer	
1.							
2.							
	<b>TOTAL</b>						

### (b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year.	Status of the project - Completed / Ongoing
	<b>TOTAL</b>							

### 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year. **(asset-wise details). Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).  
 (b) Amount of CSR spent for creation or acquisition of capital asset.  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

### 11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): **Not Applicable**

For and on behalf of  
**Supershakti Metaliks Limited**

**Deepak Agarwal**

Director

DIN: 00343812

**Sudipto Bhattacharyya**

Whole-Time Director

DIN: 06584524

Place: Kolkata

Dated: 22-05-2023



# Annexure to the Director's Report

## Annexure-3

### FORM NO-MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**SUPERSHAKTI METALIKS LIMITED**  
39, SHAKESPEARE SARANI, 3RD FLOOR KOLKATA  
KOLKATA WB 700017 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices, under the Companies Act, 2013, by SUPERSHAKTI METALIKS LIMITED bearing CIN: L28910WB2012PLC189128 (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2023, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms, and returns filed, and other records made available to us and maintained by the Company for the financial year ended on March 31, 2023 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (External Commercial Borrowings are not applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - a] The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b] The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d] The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [(erstwhile the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (repealed w.e.f. August 13, 2021)];
  - e] The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (erstwhile The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (repealed w.e.f. August 9, 2021);
  - f] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g] The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
  - h] The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not

## Annexure to the Director's Report

Applicable to the Company during the Audit Period)

- i] The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
- vi. Specific laws as applicable are mentioned here under:
  1. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982
  2. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
  3. Environment (Protection) Act, 1986 read with the Environment (Protection) Rules, 1986;
  4. Factories Act, 1948 & the Central Rules, or Concerned State Rules, made thereunder and allied State Laws
  5. The Employees' State Insurance Act, 1948 & its Central Rules/ State Rules.
  6. The Minimum Wages Act, 1948 & its Central Rules/ State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
  7. The Payment of Wages Act, 1936 & its Central Rules/ State Rules if any.
  8. The Payment of Bonus Act, 1965 & its Central Rules/ State Rules if any.
  9. The Payment of Gratuity Act & its Central Rules/ State Rules if any.
  10. The Maternity Benefit Act, 1961 & its Rules.
  11. Information Technology Act, 2000 and the rules made thereunder
  12. The Indian Copyright Act, 1957
  13. The Patents Act, 1970
  14. The Trade Marks Act, 1999

### We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with Stock Exchange BSE-SME

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

### We further report that

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

Following were the changes in the Appointment & Re-appointment of Auditors during the year:

- a) The Board, at its Meeting held on 05th August, 2022, has appointed Mr. Krishna Kumar Gupta (Assistant-Manager Audit) for conducting Internal Audit of the Company for Financial Year 2022-23 and onwards.
- b) The Shareholders of the Company at their 9th Annual General Meeting (AGM), held on 29th September, 2021 have appointed Singhi & Co. Chartered Accountants, Kolkata (FRN: ICAI – 302049E) as the Statutory Auditor of the Company, for a period of five years i.e. from the conclusion of 09th AGM till the conclusion of 14th AGM.
- c) The Board had appointed M & A Associates, Kolkata a firm of Company Secretaries bearing Firm unique Code P2019WB076400, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2022-23 and appointed as the Scrutinizer for scrutiny of the votes cast at the AGM.
- d) The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of S Chhaparia & Associates, Cost Accountants, (Firm Registration No. 101591) Kolkata, for the year ending 31st March, 2023

2. Adequate notice was given to all directors to schedule Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance (a few meetings were convened at shorter notice for which necessary approvals were obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



## Annexure to the Director's Report

3. All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.
4. We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
5. We further report that during the audit period, the Company has not undertaken any specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:
  - a. *The Board of Directors at its meeting held on 27.05.2022 had recommended a Dividend of Rs. 1 per Equity Share having face value of Rs.10 each @ 10% which was duly approved by the Members at the Annual General Meeting held on September 29, 2022 amount was remitted to those Shareholders whose names appear in the Register of Members as on the Book Closure/Record Date*

For **M&A Associates**  
A Firm of Company Secretaries

**Vivek Mishra**

Partner

FCS 8540

CP No. 17218

UDIN: F008540E000350937

Peer review: 2000/2022

Place: Kolkata

Date- 22/05//2023

## Annexure to the Director's Report

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

### 'Annexure A'

To,  
The Members,  
**SUPERSHAKTI METALIKS LIMITED**  
39, SHAKESPEARE SARANI, 3RD FLOOR KOLKATA  
KOLKATA WB 700017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/ Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws.
8. We further report that the compliance by the Company of applicable financial laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

Place: Kolkata  
Date- 22/05//2023

For **M&A Associates**  
A Firm of Company Secretaries

**Vivek Mishra**

*Partner*

FCS 8540

CP No. 17218

UDIN: F008540E000350937

Peer review: 2000/2022



## Annexure to the Director's Report

### Annexure-4

The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the Median Employees Remuneration and other details as required pursuant to Section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

#### Disclosure Pursuant to Section 197(12) of the Companies Act, 2013 and the Rules made thereunder:

- I. The ratio of the remuneration of Whole-Time Director to the Median Remuneration of the Employees of the Company for the Financial Year: 5.03
- II. The percentage increase in Remuneration of each Director (23.84), Chief Financial Officer (CFO) (5.52), Company Secretary N.A
- III. The percentage increase in the Median Remuneration of Employees in the Financial Year; is 14.36 % (The figure is calculated by comparing Median Remuneration of Financial Year 2022-23 with Median Remuneration of 2021-22). Ratio to the Median Remuneration is calculated on Employees getting remuneration of ₹ 1 Lakh and above during both the FY.
- IV. The number of permanent Employees on the rolls of Company.

The total number of Employees including Whole-Time Director as on 31<sup>st</sup> March, 2023 is 107.

- V. Average percentile increase already made in the salaries of Employees other than the Managerial Personnel in the last Financial Year is in line with management policy.
- VI. The Company has a remuneration policy as per provisions of Companies Act, 2013 during the Financial Year 2022-23 and the remuneration is in accordance with such policy.

List of Top Ten Employees in the Payroll of the Company										
Employee name	Age	Qualification	Designation	DOJ	Remuneration (₹)*	% Increase*	Experience	Last Employment*	Relation with MGT	Shareholding
Mr. Shyam S. Somani	40	B.Com (H) FCA	CFO	01.04.2018	32,92,155	5.52	17	Super Smelters Limited	N.A	Nil
Mr. Sudipto Bhattacharyya	50	B.Com PGDM(PM&IR)	Director	08.08.2016	16,28,611	23.84	25	Super Smelters Limited	N.A	Nil
Mr. Navin Agarwal	49	B.Com (H) ACA, ACS	CS & Compliance Officer	01.04.2018	14,95,000	N.A	23	Super Smelters Limited	N.A	Nil
Mr. Sachin Singh	36	B.Com ACA	Manager	01.11.2021	12,13,030	N.A	9	Jindal India Limited	N.A	Nil
Mr. Dheeraj Kumar Pant	56	Factory Manager	MSC	08.08.2016	10,76,901	N.A	36	Super Smelters Limited	N.A	Nil
Mr. Chandan Pal	41	B.E Mechanical	Sr Manager	08.08.2016	8,03,592	N.A	28	Super Smelters Limited	N.A	Nil
Mr. Rakesh Kumar Verma	40	M.B.A Finance	Dy. Manager	08.02.2021	7,95,496	15	17	Electrosteel Steel Limited	N.A	Nil
Mr. Ashni Kumar	55	Madhyamik, ITI	Sr Foreman	08.08.2016	7,93,837	N.A	34	Super Smelters Limited	N.A	Nil
Mrs. Shreemoyee Ghoshal	36	B.Com Executive MBA	Manager-Human Resources	02.04.2018	7,60,793	N.A	17	Super Smelters Limited	N.A	Nil
Mr. Santosh Kumar Jha	41	B.Com	Dy. Manager	02.04.2018	7,52,564	N.A	18	Super Smelters Limited	N.A	Nil

- Actual received after deduction & not considered for new entry

## Annexure to the Director's Report

Annexure-5

### Management Discussion and Analysis

#### Steel Industry Scenario

##### Opportunities

Global steel experts led by the world steel association have predicted that India is going to be the epicenter of growth of the global steel growth. India's finished steel production has increased by over 6%, whereas globally steel production declined by 4.2% in calendar year 2022. Steel Ministry is in the process of aligning policies with the Gati Shakti Master Plan, which will complement the hundred lakh crore investments for infrastructure development. Increased indigenous defence procurement and a growing manufacturing sector in the country is expected to contribute to steel demand. The demand for steel in India continues to be robust as compared to other countries. India's Steel consumption has grown over 11% to 119 million tonnes in FY 2023 from 105 million tonnes in FY 2022. Central Government has implemented the Steel Scrapping policy and Vehicle Scrapage Policy for enhancing the supply of steel scrap to the industry. The scrapping policy will also accelerate and facilitate the production of green steel.

##### Threats

Global Scenario involving Russia -Ukraine war, With rising tensions in south China Sea , slowdown in US Economy and European markets may impact demand and results in supply chain disruptions.

##### Segment-Wise Performance

Our Companies main products are Billets, Wire Rods and HB Wire. Billets are mainly used as intermediary products and our products basically caters to the B2B segment and has good market for its products.

##### Outlook

With opening up of Mining Sector availability of raw materials for Steel manufacturing will improve similarly with infrastructure thrust of the present government along with political stability the outlook of the Industry as a whole seems to be positive, and your Company is well placed to tap this opportunity going forward. Your Company has already made a strategic investment in a Greenfield Project which has already started its production , your company may increase its stake going further, similarly your company is exploring possibilities of expansion by way of capacity addition of value-added products either at same location or nearby areas.

##### Risk and concerns

The Key risks are global steel demand scenario, domestic steel demand, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as iron ore, coal and labour etc., coupled with market fluctuations. The Company does not apprehend any

inherent risk in the long run, with the exception of certain primary concerns that have afflicted the progress of our industry in general, like:

- Government policies
- Import and Export Duty

##### Mitigation of Risk /Risk Management

The Board identifies and categorizes risks in the areas of operations, finance, marketing, regulatory compliances and corporate matter. The Company has prepared Risk Matrix and its adheres to Internal financial control. The Company annually reviews the 'List of Risk Area' to identify potential business threats and takes suitable corrective actions. Confirmations of compliance with appropriate statutory requirements are obtained from the respective units/divisions.

##### Internal Control Systems and their Adequacy

The Company has appointed Mr. Krishna Kumar Gupta to carry out Internal Audit. The Audit is based on focused, and risk based Internal Audit plan, which is reviewed each year after consulting the Audit Committee. In line with international practice, the conduct of internal audit is oriented towards the review of Internal Controls and risks in its operations of its business. The Internal Audit function endeavors to make meaningful contributions to the organization's overall Governance, Risk Management and Internal Controls.

The Audit Committee reviews reports submitted by Internal Auditors' suggestions to improve any process are considered by the management and the Audit Committee follows up on corrective actions taken by the management. Singhi & Co, the Statutory Auditors of the Company Audited the Financial Statements included in this Annual Report and issued a report on the Internal Controls over financial reporting (as defined in Section 143 of the Companies Act, 2013).

The Audit Committee also meets the Company's Statutory Auditors to ascertain, inter alia, their views on the adequacy of Internal Control Systems and keeps the Board of Directors informed of its major observations periodically. Based on its evaluation [as provided under Section 177 of the Companies Act, 2013 and Clause 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] the Audit Committee has concluded that as of 31<sup>st</sup> March, 2023 the Internal Financial Controls were adequate and operating effectively.

##### Financial and Operational Performance

The Total Revenue of the Company increased 15% compared to last and the net profit of the company is almost doubled as compared to previous year. The capacity utilization was



## Annexure to the Director's Report

robust and operational efficiency helped the company to perform better.

Some of the Financial Indicators are:

Indicator's	Ratio
Trade Receivable Turnover Ratio	44.61
Current Ratio	1.61
Debt Equity Ratio	0.044
Net Profit Ratio	4.56
Return on Equity Ratio	16.01
Inventory Turnover Ratio	14.21

Material Developments in Human Resources/Industrial Relations Front and Number of People Employed.

The manpower strength of the Company as on 31<sup>st</sup> March, 2023 was 430. The Company maintained harmonious industrial relations during the Financial Year 2022-23.

### Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's Operations. These include climatic and economic conditions affecting demand and supply, Government regulations, taxation, and natural calamities over which the Company does not have any direct control.

## Independent Auditor's Report

To the Members of  
**Supershakti Metaliks Limited**

### Report on the Audit of the Financial Statements

#### OPINION

- We have audited the accompanying financial statements of Supershakti Metaliks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statement").
- 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, as amended ("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 Standard) 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, 2023 and total comprehensive income (comprising profit and other 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 financial statements in accordance with the Standards on Auditing (SAs), as 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### KEY AUDIT MATTERS

- Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Sl. No	Key Audit Matter	Auditor's Response
1.	<p><b>Valuation of Inventory</b></p> <p>Refer to note 12 to the financial statements. As described in the accounting policies in note 3.5 to the financial statements, inventories are carried at lower of cost or net realizable value. As a result, the management applies judgement in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realizable value below cost based upon future plans for sale of inventory. The total amount of Inventory as on the reporting date stood at Rs. 3,514.94 Lakhs.</p> <p>We determined this to be a matter of significance to our audit due to quantum of the amount, estimation involved.</p>	<p>We have obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:</p> <ol style="list-style-type: none"> <li>completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk;</li> <li>Verifying the effectiveness of key inventory controls operating over inventories;</li> <li>Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision, if any.</li> <li>Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year, if any.</li> </ol>



## Independent Auditor's Report

Sl. No	Key Audit Matter	Auditor's Response
		<p>vi. Re-computing provisions recorded to verify that they are in line with the Company policy.</p> <p>vii. Also, we have reviewed the inventory valuation calculations and compared the cost with the subsequent realization value to confirm whether item is required to be shown at cost or net realizable value. Necessary adjustment has been made wherever it was required to comply with the requirement of Ind AS – 2 "Inventories".</p> <p>Based on the above procedures performed, we concluded that measurement and valuation of the inventory at year end is appropriate.</p>
2.	<p><b>Assessment of fair value of Investment in Unquoted Equity shares</b></p> <p>Refer to note 8 to the financial statements. As described in the accounting policies in note 3.18 to the financial statements, long term investments amounting to Rs 13,046.20 Lakhs are measured at Fair Value through Other Comprehensive Income (FVTOCI). Fair valuation is done at the year-end in accordance with Ind AS 109.</p> <p>These financial instruments need to be valued and classified as Level 1, 2 or 3 financial instruments as per the fair value hierarchy. This was an area of focus for our audit as it represents 42.70% of total assets of the company and the area where significant audit effort was directed.</p>	<p>Our audit procedures included the following:</p> <p>i. We have reviewed the Independent professional valuer's report on valuation investments furnished by the management and assessed the valuation methodology used by the independent professional valuer to estimate the fair value of the Investment.</p> <p>ii. We understood, assessed, and tested the design and operating effectiveness of key controls surrounding fair valuation of investments.</p> <p>iii. We have obtained demat account holding statement to verify the existence and ownership of the Company's investments.</p> <p>iv. We evaluated the cash flow forecasts (with underlying economic growth rate) by comparing them to the budgets and our understanding of the internal and external factors.</p> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the fair value of investment.</p>

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

5. 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, and Shareholders' Information, but does not include the financial statements and our auditor's 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 RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

6. 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments

## Independent Auditor's Report

and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

7. 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.
8. As part of an audit in accordance with SAs, we exercise professional judgement 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 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 with reference to financial statement and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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.
11. 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.
12. 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



## Independent Auditor's Report

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

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. 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 Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
  - (g) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
  - (h) With respect to the other matters to be included in the Auditors' 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- Refer Note 38 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented to us that, to the best of its knowledge and belief, no funds which are material whether individually or in 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented to us that, to the best of its knowledge and belief, no funds, which are material whether individually or in aggregate, have been received by the company from any person(s) or entity(ies), including foreign entities ("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 from or on behalf of the Ultimate Beneficiaries; and
    - (c) Based on our 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 paragraph 15(h) (iv)(a) and (b) above, contain any material misstatement.
    - v. a. The dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

## Independent Auditor's Report

- b. As stated in note 17(e) to the financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts)

Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**(Shrenik Mehta)**  
*Partner*

Membership No.063769  
UDIN: 23063769BGYRKD8367

Place: Kolkata  
Dated: 22<sup>th</sup> May, 2023



## Annexure 1 to the Independent Auditor's Report

### (Referred to in paragraph 13 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company of even date)

With reference to the Annexure referred to in the Independent Auditors' Report to the Members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2023, we report that:

i. In respect of its Property, Plant & Equipment:

- a. i) The Company has maintained proper records showing full particulars including quantitative details and situation of the Property, Plant & Equipment.
- ii) The Company does not have any intangible assets. Hence, reporting under this clause is not applicable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has regular programme of physical verification of all Property, Plant & Equipment, over a period of one year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given by the management, and on the basis of our examination of the records of the Company, 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) as disclosed in the financial statements are held in the name of the Company.
- d. According to the information and explanations given to us and on the basis of our examination

of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.

- e. Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. In the respect of matters specified in clause (ii) of paragraphs 3 the Order:
  - a. The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
  - b. During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the books of account, however such differences between the amounts disclosed to the banks and those as per the books of accounts as given in the table below have been reconciled. (Also refer Note 42 to the financial statements)

## Annexure 1 to the Independent Auditor's Report

# Statement for the quarter ended March 25, 2023 are being submitted to bank.

Name of bank / Financial Institution	Quarter ended	Aggregate working capital limit sanctioned (Rs. in lakhs)	Nature of current Assets / Liabilities	Amount as per books of account (Rs. in lakhs)	Amount as reported in the quarterly return/ statement (Rs. in lakhs)	Amount of difference (Rs. in lakhs)	Reason for Material difference
Indian Overseas Bank / Bank of Baroda / Union Bank of India	June 30, 2022	11200	Trade Receivables	3,011.31	2,881.24	(130.07)	Note. 1
			Advance for Inventories	621.55	621.55	-	Note. 2
			Inventories	5,027.11	5,073.34	46.23	Note. 3
			Trade Payable for supplies	1,193.75	459.39	(734.36)	Note. 4
			Advance from Customers	295.92	295.72	(0.20)	Note. 5
	September 30, 2022	11200	Trade Receivables	1,973.61	1,930.77	(42.84)	Note. 1
			Advance for Inventories	357.18	357.18	-	Note. 2
			Inventories	4,474.04	4,465.71	(8.33)	Note. 3
			Trade Payable for supplies	2,301.65	1,700.04	(601.61)	Note. 4
			Advance from Customers	180.06	268.30	88.24	Note. 5
	December 31, 2022	11200	Trade Receivables	1,576.50	1,432.23	(144.27)	Note. 1
			Advance for Inventories	344.32	344.32	-	Note. 2
			Inventories	5,580.40	5,587.71	7.31	Note. 3
			Trade Payable for supplies	2,686.38	1,277.67	(1,408.71)	Note. 4
			Advance from Customers	183.08	181.99	(1.09)	Note. 5
	# March 31, 2023	11200	Trade Receivables	1,290.18	2,436.86	1,146.68	Note. 1
			Advance for Inventories	535.09	200.82	(334.27)	Note. 2
			Inventories	3,514.94	4,078.09	563.15	Note. 3
			Trade Payable for supplies	2,201.20	1,478.66	(722.54)	Note. 4
			Advance from Customers	572.07	360.39	(211.68)	Note. 5

**Note 1:** Impact of sales reversal/ adjustments arising out of provision for debit and credit notes/ expected credit loss provision/ debtors beyond 120 days not considered in returns/ statements submitted to the banks.

**Note 2:** Impact is immaterial, which is on account of miscellaneous adjustment not considered in returns/ statements submitted to the banks

**Note 3:** Adjustments pertaining to cut offs, goods in transit, overhead allocation on work-in-progress and finished goods, etc. are done only on finalization of books of accounts/financial statements. Same has not been considered in returns/statements submitted to the banks.

**Note 4:** Impact of provision for operational expenses not considered in returns/statements submitted to the banks.

**Note 5:** Impact is immaterial, which is on account of miscellaneous adjustment not considered in returns/ statements submitted to the banks.

- iii. In the respect of matters specified in clause (iii) of paragraphs 3 the Order:
- a) The Company has not made any investment during the year. The Company has not granted secured/unsecured loans/advances in the nature of loans to any Company/Firm/Limited Liability Partnership/other party during the year other than unsecured loans to one company. The Company did not stand guarantee, or provided security to any Company/Firm/Limited Liability Partnership/ other party during the year other than Corporate Guarantee given to banks on behalf of one company (a related party). The aggregate amount granted during the year and balance outstanding at the balance sheet date with respect to such loans granted to the aforesaid company are as per the table given below.



## Annexure 1 to the Independent Auditor's Report

Particulars	Guarantee (Rs. in Lakhs)	Loans (Rs. in Lakhs)
Aggregate amount granted/provided during the year Company (related party)	4,930	4,200
Balance outstanding as at Balance Sheet date in respect of above Company (related party)	4,930	4,200

- b) In respect of the aforesaid loans to company being related party, the terms and conditions under which such loans were granted/ investments were made/security provided are not prejudicial to the Company's interest.
- c) In our opinion and according to the information and explanation given to us, 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 the aforesaid loans to company, there is no amount which is overdue for more than ninety days.
- e) No loan or advance in the nature of 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 loan or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the

Act, with respect to the investments made and loans, guarantees and security given by the Company.

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the central government under sub section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Services Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the dues of Excise Duty, Service Tax, Value Added Tax, Sales Tax, Provident Fund, Employees' State Insurance, Income Tax, Goods & Services Tax, Duty of Customs and Cess as at 31st March, 2023 which have not been deposited on account of dispute and forum where the disputes are pending are as under:

## Annexure 2 to the Independent Auditor's Report

Name of Statute	Nature of Dues	Amount (in Rs in lakhs)	Period to which it relates	Forum where dispute is pending
The Central Excise Act, 1944	Cenvat Credit/ Service Tax Credit Disallowances	3158.07	2005-06 to 2014-15	The Central Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Cenvat Credit/Service Tax Credit Disallowances	449.87	2005-06 to 2012-13	Commissioner Appeals
The Central Goods & Services Tax, 2017	Input Tax Credit Disallowances/ Service Tax Credit Disallowances/Short payment of taxes	1184.64	2017-18	Superintendent, CGST & Central Excise
The Central Goods & Services Tax, 2017	Service Tax	212.75	2016-17	Commissioner
The Central Excise Act, 1944	Cenvat Credit/Service Tax Credit Disallowances	1402.24	2014-15 to 2017-18	Assistant Commissioner
Income Tax Act, 1961	Income Tax	1.25	2017-18	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	37.87	2019-20	Deputy Commissioner of Income Tax
The Central Goods & Services Tax, 2017	Input Tax Credit Disallowances/ Service Tax Credit Disallowances/Short payment of taxes	1552.91	2018-19 to 2019-20	Superintendent, CGST & Central Excise

- viii. According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. a. 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.
- b. According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c. According to the information and explanations given to us, the company has applied the term loans for the purpose for which loans were obtained.
- d. According to the information and explanations given to us, we report that no funds raised on short term basis have been used for long-term purposes by the Company.
- e. The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- f. The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Companies.
- x. a. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the company.
- b. According to the information and explanations given to us, The Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) during the year and hence reporting under clause (x)(b) of the Order is not applicable to Company.
- xi. a. According to the information and explanations given to us and based on our examination of the books and records of the Company, no case of frauds by the Company or 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 2013 has been filed by the auditors 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. According to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.



## Annexure 1 to the Independent Auditor's Report

- xii. In our opinion and according to the information and explanation provided to us, the company is not a Nidhi Company, therefore, the reporting under Clause 3 (xii) (a), 3(xii)(b) & 3(xii)(c) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given by the management, all transactions during the year with the related parties were approved by the Audit Committee and are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. a. In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- b. We have considered, the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities.
- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- d. According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses during the current financial year 2022-23 or immediately preceding financial year 2021-22.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) is not applicable.
- xix. On the basis of the financial ratios disclosed in Note 49 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year
- xxi. The Company does not have any subsidiary, associate or joint venture and there is no requirement to prepare consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. 302049E

**(Shrenik Mehta)**

Partner

Membership No.063769

UDIN: 23063769BGYRKD8367

Place: Kolkata

Dated: 22<sup>th</sup> May, 2023

## Annexure 2 to the Independent Auditor's Report

(Referred to in paragraph 15(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Supershakti Metaliks Limited for the year ended March 31, 2023)

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

1. We have audited the internal financial controls with reference to financial statements of Supershakti Metaliks Limited ("the Company") as of 31<sup>st</sup> March 2023 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 WITH REFERENCE TO FINANCIAL STATEMENTS

2. The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 (hereinafter referred to as "the Act").

### AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements 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.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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



## Annexure 2 to the Independent Auditor's Report

### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively

as at 31<sup>st</sup> March 2023, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **Singhi & Co.**

*Chartered Accountants*

Firm's Registration No. 302049E

**(Shrenik Mehta)**

*Partner*

Membership No.063769

UDIN: 23063769BGYRKD8367

Place: Kolkata

Dated: 22<sup>th</sup> May, 2023

## Balance Sheet as at 31st March, 2023

(₹ in Lakhs)

Particulars	Notes No.	As at 31st March, 2023	As at 31st March, 2022
<b>I. ASSETS</b>			
<b>(A) Non-Current Assets</b>			
(a) Property, Plant and Equipment	5	3,687.06	2,973.68
(b) Capital Work in Progress	7	1,690.33	986.61
(c) Right of Use-Assets	6	228.09	246.01
(d) Intangible Assets		-	-
(e) Financial Assets			
(i) Investments	8	13,046.20	9,689.51
(ii) Loans	8A	4,200.00	-
(iii) Other Financial Assets	9	4.87	103.90
(f) Non -Current Tax Assets (Net)	10	200.26	148.42
(g) Other Non- Current Assets	11	104.28	724.88
<b>Total Non-Current Assets</b>	<b>(A)</b>	<b>23,161.09</b>	<b>14,873.01</b>
<b>(B) Current Assets</b>			
(a) Inventories	12	3,514.94	6,756.87
(b) Financial Assets			
(i) Investments	13	-	199.99
(ii) Trade Receivables	14	1,290.18	1,981.71
(iii) Cash and Cash Equivalents	15	1,345.09	317.33
(iv) Bank Balances (other than above)	16	492.76	440.00
(v) Other Financial Assets	9	17.86	18.51
(c) Other Current Assets	11	728.73	471.64
<b>Total Current Assets</b>	<b>(B)</b>	<b>7,389.56</b>	<b>10,186.05</b>
<b>Total Assets</b>	<b>(A+B)</b>	<b>30,550.65</b>	<b>25,059.06</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(A) Equity</b>			
(a) Equity Share Capital	17	1,152.53	1,152.53
(b) Other Equity	18	22,572.88	16,728.95
<b>Total Equity</b>	<b>(C)</b>	<b>23,725.41</b>	<b>17,881.48</b>
<b>(B) Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	143.81	212.54
(ii) Lease Liabilities	20	-	12.18
(b) Provisions	21	215.73	200.02
(c) Deferred Tax Liabilities (Net)	22	1,880.52	1,175.29
<b>Total non-current liabilities</b>	<b>(D)</b>	<b>2,240.06</b>	<b>1,600.03</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	887.75	1,874.95
(ii) Lease Liabilities	20	12.18	14.23
(iii) Trade Payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		36.40	35.69
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,164.81	2,705.84
(iv) Other Financial Liabilities	24	232.40	252.55
(b) Provisions	21	34.35	21.90
(c) Current Tax Liabilities (Net)	25	7.23	18.71
(d) Other Current Liabilities	26	1,210.06	653.68
<b>Total current liabilities</b>	<b>(E)</b>	<b>4,585.18</b>	<b>5,577.55</b>
<b>Total Liabilities</b>	<b>(F=D+E)</b>	<b>6,825.24</b>	<b>7,177.58</b>
<b>Total Equity and Liabilities</b>	<b>(C+F)</b>	<b>30,550.65</b>	<b>25,059.06</b>

Significant Accounting Policies and Key accounting estimates &amp; Judgements 1 - 4

The accompanying notes are integral part of the Financial Statements

As per our report of even date annexed herewith

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No : 302049E

**SHRENIK MEHTA**

(Partner)

Membership No. 063769

Place: Kolkata

Date: 22nd May, 2023

**For and on behalf of the Board****SUDIPTO BHATTACHARYYA**

(Whole Time Director)

DIN 06584524

**NAVIN AGARWAL**

(Company Secretary)

**DEEPAK AGARWAL**

(Director)

DIN 00343812

**SHYAM SUNDAR SOMANI**

(Chief Financial Officer)

**Statement of Profit and Loss for the year ended 31st March, 2023**

(₹ in Lakhs)

Particulars	Notes No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Income</b>			
Revenue from operations	27	72,981.83	63,363.32
Other income	28	319.77	159.58
<b>Total Income (I)</b>		<b>73,301.60</b>	<b>63,522.90</b>
<b>Expenses</b>			
Cost of Materials Consumed	29	50,968.80	46,413.66
Purchases of Stock-in-Trade		1,511.76	2,035.12
Changes in Inventories of Finished Goods, Stock-in-Trade & Work-In Progress	30	2,851.37	(79.75)
Employee benefits expense	31	1,090.43	984.94
Finance costs	32	371.39	374.26
Depreciation and amortization expenses	33	481.90	497.42
Other expenses	34	11,559.18	10,966.66
<b>Total Expenses (II)</b>		<b>68,834.83</b>	<b>61,192.31</b>
<b>Profit before Tax (I)-(II)=(III)</b>		<b>4,466.77</b>	<b>2,330.59</b>
<b>Tax Expenses</b>	35		
Current tax		1,163.38	556.12
Deferred tax		(26.80)	26.47
Earlier year Tax		-	(23.99)
<b>Total Tax Expenses (IV)</b>		<b>1,136.58</b>	<b>558.60</b>
<b>Profit for the year (III)-(IV)= (V)</b>		<b>3,330.19</b>	<b>1,771.99</b>
<b>Other Comprehensive Income (OCI)</b>	37		
<b>Items that will not be reclassified to profit or loss</b>			
(a) Fair Valuation of Investments in equity investment designated at OCI		3,356.69	236.42
(b) Re-measurement gain/(loss) on defined benefit plans		4.32	(14.82)
(c) Income tax relating to item above		(732.03)	11.23
<b>Other Comprehensive Income/(Loss) (VI)</b>		<b>2,628.98</b>	<b>232.83</b>
<b>Total Comprehensive Income/(Loss) for the year (V)+(VI)= VII</b>		<b>5,959.17</b>	<b>2,004.82</b>
<b>Earnings per share</b>			
Basic (₹)		28.89	15.37
Diluted (₹)		28.89	15.37

Significant Accounting Policies and Key accounting estimates &amp; Judgements 1 - 4

The accompanying notes are integral part of the Financial Statements

As per our report of even date annexed herewith

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No : 302049E

**SHRENIK MEHTA**

(Partner)

Membership No. 063769

Place: Kolkata

Date: 22nd May, 2023

**For and on behalf of the Board****SUDIPTO BHATTACHARYYA**

(Whole Time Director)

DIN 06584524

**NAVIN AGARWAL**

(Company Secretary)

**DEEPAK AGARWAL**

(Director)

DIN 00343812

**SHYAM SUNDAR SOMANI**

(Chief Financial Officer)

## Statement of Changes in Equity for the year ended 31st March, 2023

### A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance at the beginning of the reporting year	1,152.53	1,152.53
Changes in Equity Share capital to prior period errors	-	-
Restated balance at the beginning of the current reporting period	1,152.53	1,152.53
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	1,152.53	1,152.53

### B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Securities Premium	General reserve	Retained Earnings	Gain/(Loss) on Equity Instruments FVTOCI	
	(A)	(B)	(C)	(D)	(A+B+C+D)
Balance as at 1 April, 2021	5,197.59	25.41	6,045.21	3,513.54	14,781.74
Profit/(Loss) for the year	-	-	1,771.99	-	1,771.99
Dividend paid	-	-	(57.63)	-	(57.63)
Gain/(Loss) on Equity Instruments FVTOCI	-	-	-	236.42	236.42
Remeasurement gain/(loss) of defined benefit obligations	-	-	(14.82)	-	(14.82)
Impact of tax	-	-	3.73	7.50	11.23
<b>Total Comprehensive Income / (loss) for the year</b>	-	-	<b>1,703.28</b>	<b>243.92</b>	<b>1,947.21</b>
<b>Balance as at 31 March, 2022</b>	<b>5,197.59</b>	<b>25.41</b>	<b>7,748.49</b>	<b>3,757.47</b>	<b>16,728.95</b>
Profit/(Loss) for the year	-	-	3,330.19	-	3,330.19
Dividend paid	-	-	(115.25)	-	(115.25)
Gain/(Loss) on Equity Instruments FVTOCI	-	-	-	3,356.69	3,356.69
Remeasurement gain/(loss) of defined benefit obligations	-	-	4.32	-	4.32
Impact of tax	-	-	(1.09)	(730.94)	(732.03)
<b>Total Comprehensive Income / (loss) for the year</b>	-	-	<b>3,218.18</b>	<b>2,625.76</b>	<b>5,843.92</b>
<b>Balance as at 31st March, 2023</b>	<b>5,197.59</b>	<b>25.41</b>	<b>10,966.66</b>	<b>6,383.22</b>	<b>22,572.88</b>

Significant Accounting Policies and Key accounting estimates &amp; Judgements 1 - 4

The accompanying notes are integral part of the Financial Statements

As per our report of even date annexed herewith

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No : 302049E

**SHRENIK MEHTA**

(Partner)

Membership No. 063769

Place: Kolkata

Date: 22nd May, 2023

**For and on behalf of the Board****SUDIPTO BHATTACHARYYA**

(Whole Time Director)

DIN 06584524

**NAVIN AGARWAL**

(Company Secretary)

**DEEPAK AGARWAL**

(Director)

DIN 00343812

**SHYAM SUNDAR SOMANI**

(Chief Financial Officer)

**Statement of Cash Flow for the year ended 31st March, 2023**

(₹ in Lakhs)

Particulars	Year ended 31.03.2023 (Audited)		Year ended 31.03.2022 (Audited)	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>Cash Flow from Operating Activities</b>				
<b>Profit before Tax:</b>		<b>4,466.77</b>		<b>2,330.59</b>
<b>Adjustments for :</b>				
Depreciation & Amortisation Expenses	481.90		497.42	
Finance costs	371.39		374.26	
Interest Income	(269.26)		(61.11)	
Interest on Income Tax Refund	(0.11)		-	
Unwinding of Interest on Security Deposits	(0.27)		(0.25)	
Profit on Sale of Investment	(1.14)		(0.63)	
Net (Gain)/Loss on sale of property, plant & equipment	(11.23)			
Net (Gain)/Loss on Foreign Currency Transactions	(3.40)		(17.29)	
Net (Gain)/loss arising on forward contracts designated as FVTPL	10.85		(10.92)	
Liabilities no longer required written back	(9.16)		(38.11)	
Bad Debts written off	7.68		296.28	
Reversal of Provision for Doubtful Debts relating to earlier year	-		(262.60)	
Sundry Balances and Advances Written off	-		25.23	
Provision for Expected Credit Loss on Debtors	22.52		-	
Provision for Non-moving / Obsolete Store Items	5.10		0.70	
		604.83		802.98
<b>Operating Profit before working Capital Changes</b>		<b>5,071.60</b>		<b>3,133.57</b>
<b>Adjustments for (increase)/ decrease in operating assets</b>				
Inventories	3,236.83		(2,028.12)	
Trade Receivables	706.37		(525.85)	
Other Non Current Financial Assets And Other Non-Current Assets	8.39		55.64	
Other Current Financial Assets And Other Current Assets	(271.88)		(30.55)	
<b>Adjustments for increase/ (decrease) in operating liabilities</b>				
Trade payables	(531.17)		1,204.97	
Other Current Financial Liabilities And Other Current Liabilities	568.95		556.11	
Non-current financial and non-financial liabilities				
Current provisions	15.72		1.73	
Non-current provisions	12.45		30.12	
		<b>3,745.66</b>		<b>(735.96)</b>
<b>Cash Generated from Operations</b>		<b>8,817.26</b>		<b>2,397.62</b>
Tax Paid / Refund (Net)		(1,241.48)		(536.48)

## Statement of Cash Flow for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year ended 31.03.2023 (Audited)		Year ended 31.03.2022 (Audited)	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>Net Cash Generated from Operating Activities ( A)</b>		<b>7,575.78</b>		<b>1,861.14</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Property, Plant & Equipment (including Capital Work-in-Progress) and Intangible Assets	(1,287.79)		(1,447.88)	
Purchase of Investment	-		(199.99)	
Proceeds from Sale of Investment	201.13		-	
Loan Given	(4,200.00)		-	
Interest Received	245.23		61.11	
Net Receipt from Fixed deposits	37.89		265.51	
<b>Net Cash Used in Investing Activities (B)</b>		<b>(5,003.56)</b>		<b>(1,321.26)</b>
<b>Cash Flow from Financing Activities</b>				
Proceeds from Issuance of Share Capital	-		-	
Dividend Paid	(115.25)		(57.63)	
Proceeds/(Repayment) from Long Term Loan Borrowings	(78.57)		(73.65)	
Repayment to Short Term Loan Borrowings	(977.35)		202.39	
Interest Paid	(357.34)		(371.45)	
Payment of Lease Liabilities	(15.95)		(2.81)	
<b>Net Cash Generated from Financing Activities ( C)</b>		<b>(1,544.46)</b>		<b>(303.15)</b>
<b>Net Increase/(Decrease) in cash and Cash Equivalents (A+B+C)</b>		<b>1,027.76</b>		<b>236.73</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>317.33</b>		<b>80.60</b>
<b>Cash and Cash Equivalents at the end of the year</b>		<b>1,345.09</b>		<b>317.33</b>

Cash & Cash Equivalents Consists of :	As at 31.03.2023		As at 31.03.2022	
Cash on Hand		13.57		16.65
Earmarked Balances with Banks*				
Balance with Banks		1,331.52		300.68
<b>Total</b>		<b>1,345.09</b>		<b>317.33</b>

\* Amount spent towards Corporate Social Responsibility is ₹ 41.27 Lakhs (Previous Year ₹ 39.00 Lakhs).

### Notes :

The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS) -7 on statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

As per our report of even date annexed herewith

#### For SINGHI & CO.

Chartered Accountants  
Firm Registration No : 302049E

#### SHRENIK MEHTA

(Partner)  
Membership No. 063769  
Place: Kolkata  
Date: 22nd May, 2023

#### For and on behalf of the Board

#### SUDIPTO BHATTACHARYYA

(Whole Time Director)  
DIN 06584524

#### NAVIN AGARWAL

(Company Secretary)

#### DEEPAK AGARWAL

(Director)  
DIN 00343812

#### SHYAM SUNDAR SOMANI

(Chief Financial Officer)



## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

### 1. CORPORATE AND GENERAL INFORMATION

Supershakti Metaliks Limited (the Company), was incorporated in India in the year 2012. The Company is domiciled in India, and has its registered office at 39, Shakespeare Sarani, Premlata Building, 3rd Floor, Kolkata-700 017. The Company is a Public Limited Company incorporated as per the provision of Companies Act applicable in India. The Company is engaged in business of Iron and steel manufacturing and allied activities. The Company is having its integrated steel plant at Durgapur, West Bengal. The shares of the Company are listed on Bombay Stock Exchange, SME Platform..

These financial statements have been approved by the Board of Directors of the Company in their meeting held on 22nd May, 2023.

### 2. BASIS OF ACCOUNTING

#### 2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The Company has uniformly applied the Accounting Policy during the period presented.

For all the periods up to, and including 31st March, 2021, the company had prepared its Financial Statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts), Rules, 2014 and the Companies Act, 2013 (collectively referred to as "Indian GAAP"). The Company followed the provisions of IND AS 101 in preparing its opening IND AS Balance Sheet as of the date of transition, 1st April, 2020.

#### 2.2 Basis of Preparation

The financial statements are 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 which are classified as fair value through Statement of profit and loss or fair value through other comprehensive income;
- defined benefit plans and plan assets.

#### 2.3 Functional and Presentation Currency

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

#### 2.4 Use of Estimates and Accounting Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Any revision to such estimates is recognised in the period in which the same is determined.

#### 2.5 Recent Indian Accounting Standards (Ind AS) issued not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

##### Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

##### Ind AS 12 - Income Taxes

Ind AS 12, "Income Taxes"- Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary

## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision. The Company has evaluated the effect of the above on the financial statements and the impact is not material.

### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. Accounting estimates include - a) Selection of a measurement technique (estimation or valuation technique) , b) Selecting the inputs to be used when applying the chosen measurement technique. The Company does not expect this amendment to have any significant impact in its financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1 Property, Plant and Equipment

##### 3.1.1 Recognition and Measurement

###### Tangible Assets

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and impairment losses. The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use, if any.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs including trial run expenses (net of revenue).

Any material Spares having useful life of more than one year are capitalised under the respective heads as and when available for use.

Profit or loss arising on the disposal of property, plant and equipment is recognised in the Statement of Profit and Loss.

##### 3.1.2 Subsequent Cost

Subsequent expenditure is recognised as an increase in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits derived from the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of replaced item(s) is derecognised. Any material repairs of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits of the costs incurred will flow to the Company. The carrying amount of the replaced item(s) is derecognised.

##### 3.1.3 Capital Work-in-Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

##### 3.1.4 Depreciation and Amortisation

Depreciation on tangible assets is provided on straight line method, considering residual value of 5% of the cost of the asset, over the useful lives of the assets, as specified in Schedule II of the Companies Act, 2013 except in case of Plant and Machinery and components thereof, where useful life is determined by technical experts. The useful life assumed by the technical experts is as under:



## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Asset category	Estimated useful life (in years)
Factory Building & Shed	30 - 60
Plant & Machinery	5 - 30
Furniture & Fixture	10
Vehicles	8 - 10
Office Equipments & Computers	3 - 6

For these classes of assets, based on technical evaluation carried out by external technical experts, the Company believes that the useful lives as given above best represent the period over which Company expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The estimated useful lives and residual values of depreciable/amortisable assets are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Where the historical cost of a depreciable asset undergoes a change, the depreciation on the revised unamortised depreciable amount is provided over the residual useful life of the asset. Depreciation on addition/deletion during the year is provided on pro-rata basis with reference to the month of addition/deletion. Assets costing up to ₹ 0.05 Lakhs are fully depreciated in the year in which they are put to use. Depreciation on capital spares is provided over the useful life of the spare or remaining useful life of the mother asset, as reassessed, whichever is lower.

### 3.2 Intangible assets

#### 3.2.1 Recognition and measurement

Intangible assets are stated at cost less accumulated amortization. Cost includes directly attributable expenditure for making the assets for its intended use.

#### 3.2.2 Subsequent Cost

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss.

### 3.3 Impairment of Non-Financial Assets

The Company reviews the carrying amount of its assets on each Balance Sheet date for the purpose of ascertaining impairment indicators if any, by considering assets of entire Plant as Cash Generating Unit (CGU). If any such indication exists, the assets' recoverable amount is estimated, as higher of the Net Selling Price and the Value in Use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### 3.4 Borrowing costs

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time. Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

### 3.5 Inventories

Inventories of stores and spare parts are valued at or below cost after providing for cost of obsolescence and other anticipated losses wherever considered necessary.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Inventories of items other than those stated above are valued at cost or net realizable value whichever is lower. Cost in respect of:

- a) Raw Materials, Consumables, Stores & Spares and Traded Goods are computed under weighted average basis.
- b) Work-in-Progress and Finished Goods are computed under weighted average basis.
- c) By- Products are valued at net realisable value.

Net Realizable Value is the estimated selling price in the ordinary course less the estimated cost of completion and the estimated costs necessary to make the sale.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

### 3.6 Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at fair amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset.

### 3.7 Foreign Currency Transactions

Foreign Currency Transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognised in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

### 3.8 Employee Benefits

#### Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

#### Other Long Term Employee Benefits

The liabilities for leave encashment that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurement as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

#### Post Employment Benefits

The Company operates the following post employment schemes:

##### — Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the



## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurement of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

### — Defined Contribution Plan

Defined contribution plans such as provident fund etc. are charged to the statement of profit and loss as and when incurred. Contribution to Superannuation fund, a defined contribution plan is made in accordance with the company's policy and is recognised in the Statement of profit and loss.

### 3.9 Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. the contract involves the use of an identified asset
2. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
3. the Company has the right to direct the use of the asset.

#### Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

### 3.10 Right-of-use assets

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.3 Impairment of non-financial assets.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease hold Land for 60 years

Office Premises for 3 years

## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

### 3.11 Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Lease liabilities have been classified as current and non current under the head financial liabilities. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant & Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

On transition to IND AS dated April 1, 2020, the adoption of new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 137.57 lakh, being leasehold land recognised as ROU Assets transferred from property, plant & equipment. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

#### Others

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

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- (b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, variable lease and low value asset.
- (c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (d) The effective interest rate for lease liabilities is 8.5% p.a.

### 3.12 Provisions, Contingent Liabilities and Contingent Assets

#### Provisions and Contingent Liabilities

A Provision is recognised when the Company has present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are discounted to their present value, where the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as a separate asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

In cases where the possible outflow of economic resources as a result of present obligation is considered improbable or remote, no Provision is recognised or disclosure is made.

### Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

### 3.13 Equity and Reserves

Share Capital represents the nominal value of shares that have been issued. Securities premium includes any premium received on issue of Share Capital.

#### Other components of equity include the following:

- Re-measurement of defined benefit liability comprises the actuarial gain or loss from changes in demographic and financial assumptions and return on plan assets.
- Change in fair value of investment in equity instrument designated as Fair Value through Other Comprehensive Income (FVTOCI).
- General Reserve is created mainly on the account of amalgamation.
- Retained earnings include all current and prior period retained profits.

### 3.14 Financial Instruments

#### Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised and are measured initially at fair value adjusted by transactions costs, except for those financial assets which are classified at Fair Value through Profit & Loss (FVTPL) at inception. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

#### Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

#### Amortised cost

A financial asset is measured at amortised cost using effective interest rates if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) 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.

#### Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or that are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

### Financial assets at FVOCI

FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non-trading equity instruments that are irrevocable designated to this category at inception.

FVOCI financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in statement of profit or loss.

### Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognized in profit or loss. All derivative financial instruments are accounted for at FVTPL.

### Embedded Derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

### Impairment of Financial Assets

In accordance with IndAS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

### Trade Receivables

The Company applies approach as specified in Indian Accounting Standards (Ind AS) 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

### Other Financial Assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition.

### Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 'Financial Instruments' and the amount recognized less cumulative amortization. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### Offsetting financial instruments

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

### 3.15 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

### 3.16 Income Taxes

Income Tax comprises current and deferred tax. It is recognized in The Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

#### 3.16.1 Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.



## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

### 3.16.2 Deferred Tax

Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and the unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit or part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.17 Impairment

The carrying amounts of Tangible Fixed Assets are reviewed at each balance sheet date to determine, if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of Tangible Fixed Assets exceeds its recoverable amount which represents greater of the "net selling price" and "value in use" of the respective assets. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

### 3.18 Investments

- i) Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long-term term investments expected to be realized within twelve months after the reporting date are disclosed under current investments.
- ii) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.
- iii) Long-Term Investments designated as equity instrument being non trading in nature are measured at Fair Value through Other Comprehensive Income (FVTOCI).
- iv) Short Term Investments being classified as current investment designated as equity instrument / Debt instrument being trading in nature are measured at Fair Value through Profit & Loss (FVTPL).

### 3.19 Revenue Recognition

The Company is primarily engaged in the manufacturing of Iron & Steel products and generate revenue from the sale of the product.

Revenue from sale of product is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the product.

At contract inception, the Company assess the goods promised in a contract with a customer and identifies as a performance obligation of each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods is transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

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, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration and excluding taxes or duties collected on behalf of the Government.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

### a) Sale of Goods

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Certain contracts provide a customer with a right to return the goods within a specified period. The company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price for goods that are expected to be returned instead of revenue the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

### b) Sale of Services

In contracts involving the rendering of services, revenue is measured using the completed service method.

### c) Other Operating Revenue

Export incentive and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Insurance & other claims, where quantum of accruals cannot be ascertained with reasonable certainty are recognised as income only when revenue is virtually certain which generally coincides with receipt/acceptance.

### d) Interest Income

For all financial instruments measured at amortised cost, Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

### 3.20 Earnings Per Share

Basic Earnings Per Share (EPS) is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the result are anti-dilutive.

### 3.21 Cash Flow Statement

Cash Flow Statement presents the Cash Flows by operating, investing and financing activities of the Company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand, cash at bank, and short - term investments with an original maturity of three months or less.

### 3.22 Proposed Dividend

Dividend recommended/declared after the Balance Sheet Date but before the Financial Statements are approved by Shareholders in the General Meeting are not recognized as a liability at the Balance Sheet Date because no obligation exists at the Balance Sheet Date. Such Dividend is disclosed in the Notes.

### 3.23 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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. The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits



## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

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 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- Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3- Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

#### 4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

##### **Depreciation / Amortization and Impairment on Property, Plant and Equipment / Intangible Assets:**

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher than assets or cash generating units (CGU), fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

##### **Income taxes :**

Significant judgement is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

##### **Recognition of Deferred Tax Assets :**

The extent to which deferred tax assets can be recognised is based on a assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

##### **Defined Benefit Obligation (DBO) :**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

##### **Provisions and Contingencies :**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37 , 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2023

### **Impairment of Financial Assets :**

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### **Allowances for Doubtful Debts :**

The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

### **Fair value measurement of Financial Instruments :**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**Notes forming part of the Financial Statements for the year ended 31st March, 2023****NOTE '5' - Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Gross carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2022	Addition	Deletion / Adjustment	As at 31.03.2023	As at 01.04.2022	For the Year	Deletion / Adjustment	As at 31.03.2023	As at 31.03.2023
Factory Building & Shed	411.13	63.27	-	474.40	50.72	26.20	-	76.92	397.48
Plant & Machineries	2,903.17	1,111.57	26.06	3,988.68	745.54	349.39	26.06	1,068.87	2,919.81
Furniture & Fixture	27.43	0.42	-	27.85	4.93	2.64	-	7.57	20.28
Vehicles (Incl. Cycle)	555.36	-	13.30	542.06	150.21	76.12	11.93	214.40	327.66
Office Equipments & Computers	47.22	3.46	-	50.68	19.23	9.62	-	28.85	21.83
<b>Total</b>	<b>3,944.31</b>	<b>1,178.72</b>	<b>39.36</b>	<b>5,083.67</b>	<b>970.63</b>	<b>463.97</b>	<b>37.99</b>	<b>1,396.61</b>	<b>3,687.06</b>

Particulars	Gross carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 01.04.2021	Addition	Deletion / Adjustment	As at 31.03.2022	As at 01.04.2021	For the Year	Deletion / Adjustment	Upto 31.03.2022	As at 31.03.2022
Factory Building & Shed	411.13	-	-	411.13	25.36	25.36	-	50.72	360.41
Plant & Machineries	2,842.84	60.34	-	2,903.17	379.39	366.15	-	745.54	2,157.63
Furniture & Fixture	25.03	2.40	-	27.43	2.37	2.56	-	4.93	22.50
Vehicles (Incl. Cycle)	553.81	1.55	-	555.36	74.17	76.04	-	150.21	405.15
Office Equipments & Computers	38.73	8.49	-	47.22	9.84	9.39	-	19.23	27.99
<b>Total</b>	<b>3,871.54</b>	<b>72.77</b>	<b>-</b>	<b>3,944.31</b>	<b>491.13</b>	<b>479.50</b>	<b>-</b>	<b>970.63</b>	<b>2,973.68</b>

**B. Title deeds of immovable properties not held in the name of the Company**

All the title deeds of immovable properties are held in the name of the company.

**C. Details of Benami Property held**

No proceedings have been initiated on or are pending against the company for holding benami property during the reporting year or any preceding financial years under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder.

**D. Disclosure on revaluation of Property, Plant and Equipment**

The Company has not revalued its Property, Plant and Equipment during the reporting period.

**NOTE '6' - Right of Use Assets**

(₹ in Lakhs)

Particulars	Gross carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As At 01.04.2022	Addition / Adjustment	Less: Sales / Adjustments	As At 31.03.2023	As At 01.04.2022	For the Year	Less: Sales / Adjustments	Upto 31.03.2023	As At 31.03.2023
Leasehold Land & Site Development	228.50	-	-	228.50	7.18	3.82	-	11.00	217.50
Building	42.34	-	-	42.34	17.64	14.11	-	31.75	10.59
<b>Total</b>	<b>270.84</b>	<b>-</b>	<b>-</b>	<b>270.84</b>	<b>24.82</b>	<b>17.93</b>	<b>-</b>	<b>42.75</b>	<b>228.09</b>

**Notes forming part of the Financial Statements for the year ended 31st March, 2023**

(₹ in Lakhs)

Particulars	Gross carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As At 01.04.2021	Addition	Less: Sales/ Adjustments	As At 31.03.2022	As At 01.04.2021	For the Year	Less: Sales/ Adjustments	Upto 31.03.2022	As At 31.03.2022
Leasehold Land & Site Development	228.50	-	-	228.50	3.37	3.81	-	7.18	221.31
Building	42.34	-	-	42.34	3.53	14.11	-	17.64	24.70
<b>Total</b>	<b>270.84</b>	<b>-</b>	<b>-</b>	<b>270.84</b>	<b>6.90</b>	<b>17.92</b>	<b>-</b>	<b>24.82</b>	<b>246.01</b>

**i) Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

(₹ in Lakhs)

Particulars	31-03-2023	31-03-2022
Short-term leases	1.00	1.00
Leases of low value assets	0.03	0.03
Variable lease payments	-	-

**ii) Total cash outflow for leases for the year ended 31 March, 2023 was ₹ 15.94 Lakhs (31 March, 2022 : ₹ 15 Lakhs).****iii) Maturity of lease liabilities**

(₹ in Lakhs)

The table below provides details regarding the contractual maturities of lease liabilities of contractual commitments as on 31st March 2023 are as follows:

Particulars	Lease payments	Interest expense	Net Present Values
Not later than 1 year	12.59	0.41	12.18
Later than 1 year not later than 5 years	-	-	-
Later than 5 years	-	-	-
	<b>12.59</b>	<b>0.41</b>	<b>12.18</b>

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

**iv) The following is the break-up of current and non-current lease liabilities for the year ended as at**

(₹ in Lakhs)

Particulars	31-03-2023	31-03-2022
Non-current lease liabilities	-	12.18
Current lease liabilities	12.18	14.23
	<b>12.18</b>	<b>26.41</b>

The effective interest rate for lease liabilities is 8.50% (PY 8.50%) as on 31st March, 2023.

**v) The following is the movement in lease liabilities for the year ended 31 March 2023**

(₹ in Lakhs)

Particulars	31-03-2023	31-03-2022
Balance at the beginning of the year	26.41	38.61
Additions	-	-
Finance cost accrued during the year	1.71	2.81
Deletions	-	-
Payment of lease liabilities	(15.94)	(15.01)
	<b>12.18</b>	<b>26.41</b>

**Notes forming part of the Financial Statements for the year ended 31st March, 2023**

vi) The following are the amounts recognised in the Statement of Profit &amp; Loss:

(₹ in Lakhs)

Particulars	31-03-2023	31-03-2022
Depreciation expense of right-of-use assets	17.93	17.92
Interest expense on lease liabilities	1.71	2.81
Interest income on fair value of security deposit	(0.27)	(0.25)
Expense relating to short-term leases (included in other expenses)	1.00	1.00
Expense relating to leases of low-value assets (included in other expenses)	0.03	0.03
<b>Total</b>	<b>20.40</b>	<b>21.51</b>

vii) Information about extension and termination options for the FY ended on 31st March, 2023.

(₹ in Lakhs)

Particulars	Office Premises	Leasehold Land
Number of leases	1	1
Range of remaining term (in years)	0.75 Years	57 Years
Average remaining lease term (in years)	0.75 Years	57 Years
Number of leases with extension option	1	1
Number of leases with termination option	-	-

**Disclosure on revaluation of Right of use Assets**

The Company has not revalued its Right of use assets during the reporting period.

**NOTE '7' - Capital Work-in-Progress**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work in Progress	1,690.33	986.61

**a) Age Analysis of CWIP**

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Balance as at 31.03.2023
	Less than 1 year	1-2 year	2-3 year	More years than 3	
Project in Progress (A)	1,211.54	324.34	31.40	123.05	1,690.33
Projects temporarily suspended (B)	-	-	-	-	-
Capital Work in Progress Total (A + B)	1,211.54	324.34	31.40	123.05	1,690.33

CWIP	Amount in CWIP for a period of				Balance as at 31.03.2022
	Less than 1 year	1-2 year	2-3 year	More years than 3	
Project in Progress (A)	773.05	90.50	39.42	83.64	986.61
Projects temporarily suspended (B)	-	-	-	-	-
Capital Work in Progress Total (A + B)	773.05	90.50	39.42	83.64	986.61

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

b) For CWIP whose completion is overdue or has exceeded its cost compared to its original plan, completion schedule is as below:

As at March 31, 2023

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Balance as at 31.03.2023
	Less than 1 year	1-2 year	2-3 year	More years than 3	
Project in progress:					
Furnace	1,240.45	-	-	-	1,240.45
Wire Drawing Extension	447.59	-	-	-	447.59
<b>Total</b>	<b>1,688.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,688.04</b>

As at March 31, 2022

There are no projects on reporting date where activity had been suspended. Also there are no projects as on the reporting date which has exceeded cost as compared to its original plan or where completion is overdue.

### NOTE '8' - Non Current -Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>INVESTMENT CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>		
<b>Investment in Equity Instruments (Unquoted)</b>		
Giridhan Metal Private Limited	13,046.20	9,689.51
	<b>13,046.20</b>	<b>9,689.51</b>
<b>Aggregate amount of Unquoted Instruments</b>	<b>13,046.20</b>	<b>9,689.51</b>

### Details of Investment in unquoted equity instrument:

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>No. of shares</b>	31.82 Lakhs	31.82 Lakhs
Face Value Per shares (In ₹)	10	10
Fair Value per shares (in ₹)	410.00	304.51

### Disclosure on Layers of Investment

The Company doesn't have any subsidiary company as defined in Section 2(87) of the Companies Act'2013. The Company has only investment in unquoted share of Giridhan Metal Private Limited shown as above.

### 8A Loans

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>Non-current</b>		
<b>A. Loans to related parties*</b>	4,200.00	-
(Unsecured, considered good)	4,200.00	-
<b>B. Loans to others</b>	-	-
(Unsecured, considered good)	-	-
	<b>4,200.00</b>	<b>-</b>

\* Refer Note No 39.2 & 44 for loan given



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### NOTE '9' - Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>A. Non-current</b>		
<b>(Unsecured, considered good)</b>		
Security Deposit (Includes 31st March, 2023: ₹ NIL, 31st March, 2022: ₹ 3.75 Lakhs to Related Parties)	4.87	8.10
Bank Deposits for more than 12 months*	-	90.65
Interest Accrued on Earmarked Balances	-	5.15
	<b>4.87</b>	<b>103.90</b>

\*Non-current Earmarked Balances with Bank represents deposits due for realisation after 12 months from the balance sheet date. These are primarily pledged as margin money/ security against issue of Bank guarantees and Letter of Credit.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>B. Current</b>		
<b>(Unsecured, considered good)</b>		
Security Deposits (Includes 31st March, 2023: ₹ 3.50 Lakhs, 31st March, 2022: ₹ NIL to related parties)	3.50	-
Foreign Exchange Forward Contract (MTM)	0.08	10.92
Interest Accrued on Earmarked Balances	14.28	7.59
	<b>17.86</b>	<b>18.51</b>

### NOTE '10' - Non - Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
Advance tax /TDS/TCS and Income Tax Refundable	1,645.20	1,037.24
Less : Provision for Income Tax	(1,444.94)	(888.82)
	<b>200.26</b>	<b>148.42</b>

### NOTE '11' - Other assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>A. Non-current</b>		
<b>Capital Advances (Considered good-Unsecured )</b>		
Credit Impaired	102.49	718.33
Less : Allowance for credit losses	13.10	13.10
	(13.10)	(13.10)
	<b>102.49</b>	<b>718.33</b>
<b>Advances other than Capital Advances</b>		
Prepaid Expenses	1.79	6.55
<b>Total</b>	<b>104.28</b>	<b>724.88</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>B. Current</b>		
<b>Advances other than Capital Advances</b>		
<b>(i) Advances to related parties</b>		
Considered Good-Unsecured	407.57	-
	<b>407.57</b>	<b>-</b>
<b>(ii) Other Advances against supply of goods and services</b>		
Considered Good-Unsecured	225.33	298.63
Credit Impaired	12.14	12.14
Less : Allowance for credit losses	(12.14)	(12.14)
	<b>225.33</b>	<b>298.63</b>
Balances with Government and statutory authorities	67.14	138.21
Prepaid expenses	16.22	20.82
Advances to Employees	0.56	0.96
Export Incentive/Duty Drawback Receivable	6.58	13.02
Pre-spent Corporate Social Responsibility Expenses (Refer Note 40)	5.33	-
	321.16	471.64
<b>Total (i)+(ii)</b>	<b>728.73</b>	<b>471.64</b>

### NOTE '12' - Inventories

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
Raw Materials	2,006.75	2,285.63
Raw Materials In Transit	7.87	131.63
Work In Progress	126.46	179.72
Finished Goods	1,041.55	3,839.66
Stores and Spares In Transit	9.37	-
Stores and Spares*	322.94	320.23
	<b>3,514.94</b>	<b>6,756.87</b>

\*Net of provision of Non moving/Obsolete items (As at 31st March,2023: ₹ 76.27 Lakhs ;As at 31st March, 2022: ₹ 71.17 Lakhs)

### NOTE '13' - Current - Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>Investment at Fair Value through Profit or Loss</b>		
<b>Investment in Mutual Fund (Quoted)</b>		
Union Liquid Fund Growth - Direct Plan	-	199.99
	-	<b>199.99</b>
Aggregate Book Value of Quoted Investments	-	199.99
Aggregate Market Value of Quoted Investments	-	199.99



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### NOTE '14' - Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
a) Considered good - Unsecured	1,284.98	1,944.90
b) Significant increase in credit risk	18.34	68.23
c) Credit Impaired	40.80	-
	<b>1,344.12</b>	<b>2,013.13</b>
Less: Allowance for credit losses	53.94	31.42
<b>Total</b>	<b>1,290.18</b>	<b>1,981.71</b>

14.1 In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

14.2 The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2023 to be ₹ 1290.18 lakhs (March 31, 2022: ₹ 1981.71 lakhs), which is the carrying value of trade receivables after allowance for credit losses. The Company's exposure to customers is diversified and only one customer contributes more than 10% of the outstanding receivables for an amount ₹ 251.88 lakhs as at March 31, 2023. (₹ 248.45 lakhs as at March 31, 2022)

14.3 Trade Receivables are generally on terms of 0 to 90 days credit period.

14.4 No trade or other receivables are due from Directors or other officers of the company either severally or jointly with any other person.

14.5 Trade Receivables Includes 31st March, 2023: ₹ NIL and 31st March, 2022: ₹ NIL to Related parties.

**For trade receivable outstanding, the ageing schedule is given below:**

#### As at March 31, 2023

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Month	6 month- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable -considered good-Unsecured	1,237.37	39.19	8.42	-	-	-	<b>1,284.98</b>
Undisputed Trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- Credit impaired	-	-	-	-	-	40.80	<b>40.80</b>
Disputed Trade receivable -considered goods-Unsecured	-	-	-	-	-	-	-
Disputed Trade receivable -which have significant increase in credit risk	-	18.34	-	-	-	-	<b>18.34</b>
Disputed Trade receivable -Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,237.37</b>	<b>57.53</b>	<b>8.42</b>	<b>-</b>	<b>-</b>	<b>40.80</b>	<b>1,344.12</b>
<b>Less: Allowance for Credit losses</b>							<b>53.94</b>
<b>Total Trade Receivables</b>							<b>1,290.18</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

As at March 31, 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Month	6 month-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable -considered good-Unsecured	1,801.14	135.94	7.82	-	-	-	1,944.90
Undisputed Trade receivable - which have significant increase in credit risk	-	11.35	7.04	1.04	28.80	20.00	68.23
Undisputed Trade Receivables- Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivable -considered goods-Unsecured	-	-	-	-	-	-	-
Disputed Trade receivable -which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivable -Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,801.14</b>	<b>147.29</b>	<b>14.86</b>	<b>1.04</b>	<b>28.80</b>	<b>20.00</b>	<b>2,013.13</b>
<b>Less: Allowance for Credit losses</b>							<b>31.42</b>
<b>Total Trade Receivables</b>							<b>1,981.71</b>

### NOTE '15' - Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>Balances with banks:</b>		
- In current accounts	0.08	300.68
- In Earnest Money deposit accounts with original maturity of 3 months or less	-	-
- In Cash Credit accounts	1,331.44	-
Cash on hand	13.57	16.65
	<b>1,345.09</b>	<b>317.33</b>

### NOTE '16' - Bank balances (other than Note 15)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
Earmarked Balances with Banks*	492.76	440.00
	<b>492.76</b>	<b>440.00</b>

\*Earmarked balances with bank represent balances held as margin money / security against issue of Bank guarantees and Letter of Credit.



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### NOTE '17' - Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31 March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorized Share Capital</b>				
Ordinary Equity shares of ₹ 10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	<b>1,50,00,000</b>	<b>1,500.00</b>	<b>1,50,00,000</b>	<b>1,500.00</b>
<b>Issued Share Capital</b>				
Ordinary Equity shares of ₹ 10 each	1,15,25,278	1,152.53	1,15,25,278	1,152.53
	<b>1,15,25,278</b>	<b>1,152.53</b>	<b>1,15,25,278</b>	<b>1,152.53</b>
<b>Subscribed and Paid-up Share Capital</b>				
Ordinary Equity Shares of ₹ 10/- each fully paid-up	1,15,25,278	1,152.53	1,15,25,278	1,152.53
	<b>1,15,25,278</b>	<b>1,152.53</b>	<b>1,15,25,278</b>	<b>1,152.53</b>

#### a) Reconciliation of shares outstanding at the beginning and at the end of the year :

Particulars	As at 31st March, 2023		As at 31 March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares at the beginning of the year</b>	<b>1,15,25,278.00</b>	<b>1,152.53</b>	<b>1,15,25,278</b>	<b>1,152.53</b>
Add/(Less): Changes in equity share capital during the year	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>1,15,25,278.00</b>	<b>1,152.53</b>	<b>1,15,25,278</b>	<b>1,152.53</b>

#### b) Shareholders holding more than 5% shares of the company :

Name of the Shareholders	As at 31st March, 2023		As at 31 March, 2022	
	Number	% Holding	Number	% Holding
Khandelwal Finance Private Limited	22,67,114	19.67%	22,67,114	19.67%
Veerbhadr Sales Private Limited	16,22,204	14.08%	16,22,204	14.08%
Sabita Agarwal	14,79,142	12.83%	14,79,142	12.83%
Priti Agarwal	13,53,000	11.74%	13,53,000	11.74%
Vibha Agarwal	13,27,000	11.51%	13,27,000	11.51%

#### c) Shareholding of Promoters

Name of Promoters	As at 31st March, 2023			As at 31 March, 2022		
	Number of Shares	% of shares	% of change	Number of Shares	% of shares	% of change
Khandelwal Finance Private Limited	22,67,114	19.67	-	22,67,114	19.67	-
Veerbhadr Sales Private Limited	16,22,204	14.08	-	16,22,204	14.08	-
Deepak Agarwal	1,51,186	1.31	-	1,51,186	1.31	-
Dilipp Agarwal	1,25,232	1.09	-	1,25,232	1.09	-
	<b>41,65,736</b>	<b>36.15</b>	<b>-</b>	<b>41,65,736</b>	<b>36.15</b>	<b>-</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### d) Terms / Rights attached to Equity Shares

#### (i) Voting

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend.

#### (ii) Dividend

The dividend proposed by the Board of Directors if any is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

#### (iii) Liquidation

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

- e) The Board of Directors has recommended a final dividend of ₹ 1/- per equity share for the year ended 31st March, 2023 subject to the approval of shareholders at the ensuing Annual General Meeting.
- f) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- g) No calls are unpaid by any Director or Officer of the Company during the year.
- h) No securities convertible into equity or preference shares have been issued by the company during the year.
- i) The company does not have any Holding Company/ Ultimate Holding Company.
- j) **The company has:**
- issued 1,07,25,078 number of Equity shares of ₹ 10/- each, for consideration other than cash which includes 57,62,639 bonus shares issued during the year 2019-20.
  - Has not allotted shares pursuant to contracts without payment received in cash.
  - not bought back any shares during last 5 years.

### NOTE '18' - Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>Other equity</b>		
<b>(A) Other Reserves</b>		
<b>(i) Securities Premium:</b>		
Balance at the beginning of the year	5,197.59	5,197.59
Balance at the end of the year	<b>5,197.59</b>	<b>5,197.59</b>
<b>(ii) General Reserve:</b>		
Balance at the beginning of the year	25.41	25.41
Balance at the end of the year	<b>25.41</b>	<b>25.41</b>
<b>(B) Retained Earnings</b>		
Balance at the beginning of the year	7,748.49	6,045.21
Add: Profit for the year	3,330.19	1,771.99
Add/(Less): Actuarial Gain/(Loss) based on the valuation	4.32	(14.82)
Less: Tax on above	(1.09)	3.73
Less: Final Dividend	(115.25)	(57.63)
Balance at the end of the year	<b>10,966.67</b>	<b>7,748.49</b>
<b>(C) Other Comprehensive Income</b>		
<b>(i) Equity instrument through Other Comprehensive Income</b>		
Balance at the beginning of the year	3,757.47	3,513.54
Add/(Less): Change in Fair Value	3,356.69	236.42
Add/(Less): Tax on above	(730.94)	7.50
Balance at the end of the year	<b>6,383.22</b>	<b>3,757.47</b>
	<b>22,572.88</b>	<b>16,728.95</b>



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### Nature and purpose of other reserves

#### a) Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

#### b) General Reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

#### c) Retained Earnings

Retained Earnings are created from the profit / loss of the company, as adjusted for distributors to owners, transfer to other reserves etc.

#### d) Equity investment through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity instruments in Other Comprehensive Income. These changes are accumulated within the "Equity investment through Other Comprehensive Income" reserve within equity. The Company transfers amounts from this reserve to Retained Earnings when the relevant equity shares are derecognised.

### NOTE '19' - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>Non Current</b>		
Vehicle Loan**	143.81	212.54
<b>Total secured borrowings (A)</b>	<b>143.81</b>	<b>212.54</b>
<b>Break up of Security Details</b>		
Secured	143.81	212.54
Unsecured	-	-
	<b>143.81</b>	<b>212.54</b>
<b>Current</b>		
<b>Short Term Borrowings</b>		
Vehicle Loan	65.02	74.86
	<b>65.02</b>	<b>74.86</b>
<b>Break up of Security Details</b>		
Secured	65.02	74.86
Unsecured	-	-
<b>Loan Repayable on Demand</b>		
-Working capital Loans*	822.73	1,800.09
	<b>822.73</b>	<b>1,800.09</b>
	<b>887.75</b>	<b>1,874.95</b>
<b>The above amount includes</b>		
Secured Borrowings	887.75	1,874.95
Unsecured Borrowings	-	-
	<b>887.75</b>	<b>1,874.95</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### \*Details of Security :

Working capital loan from Banks of ₹ 822.73 lakhs (As on 31st March, 2022 - ₹ 1,800.09 lakhs) is secured by first pari- passu charge on the entire current assets and second pari passu charge on the entire fixed assets of Durgapur Plant at Kanjilal Avenue, of the Company, Personal Guarantee of directors and relatives and Corporate Guarantee of some of the shareholders.

Particulars					As at 31st March, 2023	As at 31 March, 2022
<b>**Details of security &amp; Terms of Repayment of Secured Loans from Banks</b>						
Name of the Bank	Non Current Maturities ₹	Current Maturities ₹	Nature of Security	Rate of Interest (%)	Repayment Terms	Instalment Due
YES Bank	-	0.97	Hypothecation of respective assets procured against the Loan.	9.00%	4 monthly instalment of ₹ 24685/- ending on 15th July 2023	4
YES Bank	-	2.33		8.25%	2 monthly instalment of ₹ 117564/- ending on 2nd May 2023	2
Union Bank of India	143.81	61.72		8.70%	38 monthly instalment of ₹ 6,50,240/- ending on 31st May 2026	38
<b>Total</b>	<b>143.81</b>	<b>65.02</b>				-

### NOTE '20' - Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>A. Non-current</b>		
Other Lease Liabilities (Refer Note No. 6)	-	12.18
	-	<b>12.18</b>
<b>B. Current</b>		
Other Lease Liabilities (Refer Note No. 6)	12.18	14.23
	<b>12.18</b>	<b>14.23</b>

### NOTE '21' - Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>A. Non-current</b>		
Provision for Gratuity (Refer Note No. 43 )	207.05	192.81
Provision for Leave Encashment (Refer Note No. 43)	8.68	7.21
	<b>215.73</b>	<b>200.02</b>
<b>B. Current</b>		
Provision for Gratuity (Refer Note No. 43 )	13.33	0.35
Provision for Leave Encashment (Refer Note No. 43)	21.02	21.55
	<b>34.35</b>	<b>21.90</b>



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### NOTE '22' - Deferred Tax Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>Deferred Tax Liabilities (Net)</b>		
<b>Deferred Tax Liability arising on account of</b>		
Property, Plant & Equipment	226.72	243.49
Fair Valuation of Investment	1,748.09	1,017.15
On Right of Use Assets	2.66	6.22
On the Remeasurement Defined Benefit Obligation & Others	(2.62)	(1.70)
<b>Less : Deferred Tax Assets arising on account of</b>		
Provision for Employee Benefit (As per section 43B of Income Tax Act,1961)	58.43	52.54
Provision for Slow and Non-Moving Items	19.20	17.56
On Expected Credit Loss of Trade Receivable	13.57	12.99
On Lease Liabilities	3.07	6.65
On Others	0.06	0.13
<b>Closing Deferred Tax Liabilities (Net)</b>	<b>1,880.52</b>	<b>1,175.29</b>

### Movement in deferred tax assets and liabilities during the year ended 31st March, 2023 and 31st March, 2022

Particulars	As at 1 April, 2022	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31 March, 2023
<b>Deferred Income Tax Liabilities</b>				
Property, Plant & Equipments	243.49	(16.77)	-	226.72
Fair Valuation of Investment	1,017.15	-	730.94	1,748.09
On Right of Use Assets	6.22	(3.56)	-	2.66
On the Remeasurement Defined Benefit Obligation & Others	(1.70)	(2.01)	1.09	(2.62)
<b>(A)</b>	<b>1,265.16</b>	<b>(22.34)</b>	<b>732.03</b>	<b>1,974.85</b>
<b>Deferred Income Tax Assets</b>				
Provision for Employee Benefit (As per section 43B of Income Tax Act,1961)	52.54	5.89	-	58.43
Provision for Slow and Non-Moving Items	17.56	1.64	-	19.20
On Expected Credit Loss of Trade Receivable	12.99	0.58	-	13.57
On Lease Liabilities	6.65	(3.58)	-	3.07
On Others	0.13	(0.07)	-	0.06
<b>(B)</b>	<b>89.87</b>	<b>4.46</b>	<b>-</b>	<b>94.33</b>
<b>(A-B)</b>	<b>1,175.29</b>	<b>(26.80)</b>	<b>732.03</b>	<b>1,880.52</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### Movement in deferred tax assets and liabilities during the year ended 31st March, 2022 and 31st March, 2021

Particulars	As at 1st April, 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2022
<b>Deferred Income Tax Liabilities</b>				
Property, Plant & Equipments	278.32	(34.85)	-	243.49
Fair Valuation of Investment	1,024.66	-	(7.51)	1,017.15
On Right of Use Assets	9.77	(3.55)	-	6.22
On the Remeasurement Defined Benefit Obligation & Others	(0.40)	2.42	(3.72)	(1.70)
<b>(A)</b>	<b>1,312.35</b>	<b>(35.98)</b>	<b>(11.23)</b>	<b>1,265.16</b>
<b>Deferred Income Tax Assets</b>				
Provision for Employee Benefit (As per section 43B of Income Tax Act,1961)	51.09	1.45	-	52.54
Provision for Slow and Non- Moving Items	17.74	(0.18)	-	17.56
On Expected Credit Loss of Trade Receivable	72.74	(59.75)	-	12.99
On Lease Liabilities	9.72	(3.07)	-	6.65
On Others	1.01	(0.90)	-	0.13
<b>(B)</b>	<b>152.30</b>	<b>(62.45)</b>	<b>-</b>	<b>89.87</b>
<b>(A-B)</b>	<b>1,160.05</b>	<b>26.47</b>	<b>(11.23)</b>	<b>1,175.29</b>

Deferred tax assets and deferred tax liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

#### NOTE '23' - Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
<b>For goods and services</b>		
- Total outstanding dues of micro enterprises and small enterprises	36.40	35.69
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptance	840.95	1,695.26
Trade Payables	1,323.86	1,010.58
	<b>2,201.21</b>	<b>2,741.53</b>

(Includes 31st March, 2023: ₹ 0.12 Lakhs, 31st March, 2022: ₹ 0.13 Lakhs to Related parties)



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### a) Age analysis of Trade Payables

As at March 31, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less Than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	-	36.40	-	-	-	36.40
Undisputed dues- Others	790.25	0.12	1,374.44	-	-	-	2,164.81
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
	<b>790.25</b>	<b>0.12</b>	<b>1,410.84</b>	-	-	-	<b>2,201.21</b>

As at March 31, 2022

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less Than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	-	35.69	-	-	-	35.69
Undisputed dues- Others	678.27	0.13	2,026.83	0.61	-	-	2,705.84
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
	<b>678.27</b>	<b>0.13</b>	<b>2,062.52</b>	<b>0.61</b>	-	-	<b>2,741.53</b>

b) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31st March 2023 and year ended 31st March 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
a) The Principal amount and interest due thereon on amount remaining unpaid at the end of the accounting year.	36.40	35.69
b) The amount of interest paid by the buyer in terms of Section 16 of the Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which have paid but beyond the appointed day during the year but without adding interest specified under Act)	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
e) The amount of further interest remaining due and payable even in succeeding years	Nil	Nil

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### NOTE '24' - Other Current financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
Employee Related Liabilities (Includes 31st March, 2023: ₹ 10.50 Lakhs, 31st March, 2022: ₹ 8.03 Lakhs to Related parties)	140.30	121.13
Interest accrued but not due on borrowings	0.06	0.18
Amount Payable for Capital Goods	32.75	65.45
Contractor Related Liabilities	59.29	65.79
	<b>232.40</b>	<b>252.55</b>

### NOTE '25' - Current tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
Provision for income tax (Net of advance)	7.23	18.71
	<b>7.23</b>	<b>18.71</b>

### NOTE '26' - Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
Advance Received from Customer (Includes 31st March, 2023: ₹ 321.55 Lakhs, 31st March, 2022: ₹ NIL Lakhs to Related parties)	572.07	632.49
Statutory dues	637.99	21.19
	<b>1,210.06</b>	<b>653.68</b>

### NOTE '27' - Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Sale of Products</b>		
Domestic Sale	71,352.83	61,126.40
Export Sale	70.12	197.32
Trading Sale	1,558.88	2,039.60
<b>Total</b>	<b>72,981.83</b>	<b>63,363.32</b>

#### (i) Nature of goods and services

The Company is primarily engaged in the manufacturing of Iron & Steel products and generate revenue from the sale of the product. It is also the only reportable segment of the Company.

#### (ii) Disaggregation of revenue for the year ended 31st March, 2023 and 31st March, 2022

In the following table, revenue is disaggregated by major products lines and primary geographical market etc.

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>-Based on major products</b>		
Iron & Steel Products	72,981.83	63,363.32
Others	-	-
	<b>72,981.83</b>	<b>63,363.32</b>



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>-Based on geographical market</b>		
India	72,911.71	63,166.00
Outside India	70.12	197.32
	<b>72,981.83</b>	<b>63,363.32</b>

### (iii) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Receivables, which are included in 'Trade receivable'	1,290.18	1,981.71
Contract Assets	1,237.37	1,801.14
Contract Liabilities	572.07	632.49

### (iv) Reconciliation of amount of revenue recognised in the Statement of Profit and Loss with Contracted price

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue as per Contracted price	72,981.83	63,363.32
Less: Discounts and Commissions	-	-
<b>Revenue from Contact with Customers</b>	<b>72,981.83</b>	<b>63,363.32</b>

### NOTE '28' - Other income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Interest Income</b>		
On Margin Money	22.59	29.44
On Income Tax	0.11	-
On Unwinding of Interest on Financial Assets	0.27	0.25
On Unsecured Loan to Related Party	238.98	31.67
On Others	7.69	-
<b>Other Non-Operating Income:</b>		
Insurance Claim and Miscellaneous Receipt	25.20	30.57
Net Gain/(Loss) on Sale of Current Investments	1.14	0.63
Net Gain on sales of property, plant & equipment	11.23	-
Net Gain/(Loss) on Foreign Currency Transactions	3.40	17.29
Net Gain arising from Financial Instruments designated as FVTPL (MTM)	-	10.92
Liabilities no longer required written back	9.16	38.81
<b>Total</b>	<b>319.77</b>	<b>159.58</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### NOTE '29' - Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventory at the beginning of the year	2,285.63	577.78
Add: Purchases	50,689.92	48,121.51
	<b>52,975.55</b>	<b>48,699.29</b>
Less: Inventory at the end of the year	2,006.75	2,285.63
<b>Total</b>	<b>50,968.80</b>	<b>46,413.66</b>

### NOTE '30' - Changes in Inventories of Finished Goods, Stock-in-Trade & Work-In Progress

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>(A) Inventories at the end of the year</b>		
Finished Goods	1,041.55	3,839.66
Work In progress	126.46	179.72
<b>Total (A)</b>	<b>1,168.01</b>	<b>4,019.38</b>
<b>(B) Inventories at the beginning of the year</b>		
Finished Goods	3,839.66	3,805.49
Work In progress	179.72	134.14
<b>Total (B)</b>	<b>4,019.38</b>	<b>3,939.63</b>
<b>Change in Inventories (B-A)</b>	<b>2,851.37</b>	<b>(79.75)</b>

### NOTE '31' - Employee benefits expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Salaries, Wages &amp; Bonus</b>	976.41	884.93
Managerial Remuneration	16.31	13.15
Contribution to Provident and Other funds	61.60	62.57
Gratuity Expenses (Refer Note No 43)	34.42	14.95
Staff Welfare Expenses	1.69	9.34
<b>Total</b>	<b>1,090.43</b>	<b>984.94</b>

### NOTE '32' - Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>(i) Interest Expenses</b>		
- on Working Capital loan	154.80	171.55
- on Vehicle loan	18.69	24.36
- on Lease Liabilities	1.71	2.81
- on others	12.60	0.53
<b>(ii) Other Borrowing Cost</b>	183.59	175.01
<b>Total</b>	<b>371.39</b>	<b>374.26</b>



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### NOTE '33' - Depreciation and amortization Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on Tangible Assets	463.97	479.50
Depreciation on Right of use Assets	17.93	17.92
<b>Total</b>	<b>481.90</b>	<b>497.42</b>

### NOTE '34' - Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>MANUFACTURING EXPENSES</b>		
Consumption of Stores & Spares	1,491.27	1,307.70
Power & Fuel	9,080.05	8,679.36
Repairs to Machinery	22.54	18.51
Job /Labour Charges	555.90	506.84
Other Manufacturing Expenses	50.99	28.47
Less : Power & Fuel Capitalised/ Transferred to CWIP	-	6.14
<b>TOTAL (A)</b>	<b>11,200.75</b>	<b>10,534.74</b>
<b>SELLING &amp; ADMINISTRATION EXPENSES</b>		
Advertisement, Subscription and Business Promotion Expenses	15.61	23.26
Corporate Social Responsibility Expenses (Refer Note No. 40)	35.94	39.00
Carriage Outwards /Forwarding Charges	26.39	52.08
Fees, Rates & Taxes	34.00	47.10
Bank Charges	2.11	1.96
Insurance	24.03	21.62
Director's Sitting Fees	1.18	1.08
Net Loss arising from Financial Instruments designated as FVTPL (MTM)	10.85	-
Motor Vehicle Expenses	22.83	14.59
Rent/ Lease Line Charges	4.31	2.42
Repairs to other Assets	14.10	23.24
Professional & Legal Expenses (Includes Retainership Fees)	46.34	57.90
Printing & Stationery	3.91	3.24
Auditor's Remuneration & Expenses	6.40	6.23
Bad Debts / Sundry Balances written off	7.68	33.68
Provision for sundry balance relating to earlier year	-	25.23
Allowances for Credit Losses/ Provision for Advances	22.52	-
Provision for Non-moving/ Obsolete Store Item	5.10	0.70
Security Charges	64.48	67.72
Miscellaneous Expenses	13.33	12.58
<b>TOTAL (B)</b>	<b>361.11</b>	<b>433.66</b>
Less: Amount Transfer to Capital Work In Progress / Pre Operative Expenses (Refer Note No.7 )	2.68	1.74
<b>TOTAL (C)</b>	<b>2.68</b>	<b>1.74</b>
<b>TOTAL (A+B-C)</b>	<b>11,559.18</b>	<b>10,966.66</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### NOTE '34.1' - Payment to auditors

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>As auditors</b>		
Statutory Audit fees	4.00	4.00
Limited Review	1.50	1.50
Tax audit fees	0.50	0.50
Certification Job	0.20	-
Reimbursement of expenses	0.20	0.23
	<b>6.40</b>	<b>6.23</b>

### NOTE '35' - Tax expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Income tax recognised in the Statement of Profit and Loss</b>		
Current tax	1,163.38	556.12
Deferred tax	(26.80)	26.47
Income tax for earlier Tax	-	(23.99)
	<b>1,136.58</b>	<b>558.60</b>

### NOTE '36' - Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit/(loss) before tax	4,466.77	2,330.59
Indian statutory income tax rate	25.17%	25.17%
Estimated Income tax expenses	1,124.20	586.56
<b>Tax effect on:</b>		
CSR Expenditure	9.05	9.82
On the Account of Section 43B of Income Tax Act, 1961	(0.14)	15.31
On the Account of Depreciation	24.92	39.48
On the Account of Provision of Debtors & Stores	6.95	(80.63)
Others	(1.61)	(14.42)
<b>Current tax provision</b>	<b>1,163.38</b>	<b>556.12</b>
Deferred Tax Liability / (Assets) - (Refer Note No - 22)	(26.80)	26.47
Adjustment for Income Tax in relation to earlier years	-	(23.99)
<b>Income Tax expenses recognised in Statement of Profit &amp; Loss account</b>	<b>1,136.58</b>	<b>558.60</b>
<b>Effective Tax Rate</b>	25.45%	23.97%

The tax rate used for the 31st March, 2023 and 31st March, 2022 reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### NOTE '37' - Other comprehensive income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Items that will not be reclassified subsequently to statement of profit and Loss</b>		
(a) Fair Valuation of Investments in equity instruments designated at OCI	3,356.69	236.42
(b) Remeasurement gain/(loss) on defined benefit plans	4.32	(14.82)
Less : Tax expense on the above	(732.03)	11.23
	<b>2,628.98</b>	<b>232.83</b>

### NOTE '38' - Contingent Liabilities and Commitments (to the extent not recorded a liability in accounts)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>(i) Contingent Liabilities*</b>		
Litigation for various matters relating to:		
-Excise Duty & Service Tax #	7,960.48	6,088.01
-Income Tax	39.12	1.25
	<b>7,999.60</b>	<b>6,089.26</b>

# Figures consists of original demand, interest and penalty

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>(ii) Commitments</b>		
<b>(a) Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on account of capital goods and not provided as liability in accounts (Net of Advances)	43.06	771.42
<b>(b) Other Commitments</b>		
Outstanding Bank Guarantee	2,953.80	2,504.70
	<b>2,996.86</b>	<b>3,276.14</b>

\*The Company has given Corporate Guarantee to Giridhan Metal Private Limited for availing its various credit facilities to the extent of its cost of investment i.e. ₹ 4930.06 Lakhs.

### 39 Others Additional Statutory Information:

#### 39.1 Utilisation of borrowings

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

#### 39.2 Disclosure on Loans & Advances

During the current and previous year there are no Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties, that are repayable on demand or without specifying any terms or period of repayment.

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

Details of loans given by the Company under Section 186 of the Companies Act, 2013, during the financial year 2022-23 are given below:

Name of the Entity	Relation	Amount of Loan Given during the Year (₹ In Lakhs)	Amount outstanding as on 31/03/2023	Particulars of loan, guarantee and investments	Purpose for which the loan is proposed to be utilised
Promotional Equity Services Pvt. Ltd.	Refer Note No. 44	4,200.00	4,200.00	Loan	Business Purpose

### 39.3 Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

### 39.4 Relationship with Struck off companies

The Company does not have any transactions with companies struck off as defined in Section 248 of the Companies Act'2013 or section 560 of Companies Act, 1956.

### 39.5 Registration of Charges or Satisfaction with ROC

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

### 39.6 Disclosure on compliance with approved scheme(s) of Arrangements

During the year no Scheme of Arrangement has been formulated by the Company/pending with competent authority.

### 39.7 Disclosure of Utilisation of Borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 39.8 Disclosure regarding undisclosed income

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

### 39.9 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### 40 The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 as follows:

Sl. No.	Particulars	31-03-2023	31-03-2022
a	Gross Amount required to be spent during the year	35.94	38.89
b	Amount approved by the board to be spent during the year	35.94	38.89
c	Amount spent during the year on:		
	i) Construction/acquisition of any asset	41.27	39.00
	ii) On purposes other than i) above	-	-
d	Amount of expenditure incurred	41.27	39.00
e	Shortfall / (Excess) at the end of the year	(5.33)	-
f	Total of previous years shortfall	-	-
g	Reason for shortfall	-	-
h	Excess amount to be carried forward for next year eligible for set off (Refer No. 11)	5.33	-
i	<b>Nature of CSR activities</b>		
	Activities specified in Schedule VII of the Act	Amount spent in Nasha Mukti, Gram Sadak Yojana, Betiyon ki Raksha, Roshni & Shiksha Projects	
	Activities Other than specified in Schedule VII of the Act	-	-
j	Details of related party transactions	41.27	39.00

**Note:** The above CSR expenditure incurred by the company through a charitable trust Supershakti Foundation . The objectives of Supershakti Foundation includes working in areas of social, economic and health and hygiene awareness, women empowerment education , Rural Infrastructure development , promote flora / fauna etc.

### 41 Code on Social Security

The Code on Social Security, 2020 (Code) related to employee benefits during employment and post-employment received Presidential assent in Sep'2020. The Code has been published in the Gazette of India; however, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. 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. However, the Company envisages that the impact of the above will not be material.

### 42 Borrowing secured against current assets

#### Reconciliation Of Stock Statement

The Company has been sanctioned working capital facilities from banks on the basis of security of current assets. The company has filed quarterly returns/ statements with such banks which are not in agreement with the audited books of account, however such differences between the amounts disclosed to the banks and those as per the books of accounts have been reconciled. Refer table below for summary of reconciliation and reasons of material discrepancies.

Name of bank / Financial Institution	Sanction Limit	Quarter ended	Nature of current Assets / Liabilities	Amount as per books of account (A)	Amount as reported in the quarterly return/ statement (B)	Amount of difference (B-A)	Reason for Material difference
Indian Overseas Bank / Bank of Baroda / Union Bank of India	8,700	June 30, 2021	Trade Receivables	2,401.15	1,962.34	(438.81)	Note 1
			Advance against Raw Materials	266.78	272.47	5.69	Note 2
			Inventories	6,707.46	7,208.07	500.61	Note 3
			Trade Payables for supplies	1,557.33	1,493.19	(64.14)	Note 4
			Advance from Customers	101.48	125.20	23.72	Note 5

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

Name of bank / Financial Institution	Sanction Limit	Quarter ended	Nature of current Assets / Liabilities	Amount as per books of account (A)	Amount as reported in the quarterly return/ statement (B)	Amount of difference (B-A)	Reason for Material difference
Indian Overseas Bank / Bank of Baroda / Union Bank of India	8,700	September 30, 2021	Trade Receivables	2,696.95	2,219.84	(477.11)	Note 1
			Advance against Raw Materials	1,070.57	1,070.57	-	Note 2
			Inventories	4,407.29	4,457.69	50.40	Note 3
			Trade Payables for supplies	898.04	430.91	(467.13)	Note 4
			Advance from Customers	665.09	665.09	0.00	Note 5
Indian Overseas Bank / Bank of Baroda / Union Bank of India	11,200	December 31, 2021	Trade Receivables	2,170.24	1,728.07	(442.17)	Note 1
			Advance against Raw Materials	235.31	235.31	-	Note 2
			Inventories	4,552.80	5,835.29	1,282.49	Note 3
			Trade Payables for supplies	1,160.93	2,193.40	1,032.47	Note 4
			Advance from Customers	309.67	431.71	122.04	Note 5
Indian Overseas Bank / Bank of Baroda / Union Bank of India	11,200	# March 31, 2022	Trade Receivables	2,013.13	1,798.98	(214.15)	Note 1
			Advance against Raw Materials	298.63	610.61	311.98	Note 2
			Inventories	6,756.87	6,987.15	230.28	Note 3
			Trade Payables for supplies	2,741.53	1,115.99	(1,625.56)	Note 4
			Advance from Customers	632.49	587.50	(44.99)	Note 5
Indian Overseas Bank / Bank of Baroda / Union Bank of India	11,200	June 30, 2022	Trade Receivables	3,011.31	2,881.24	(130.07)	Note 1
			Advance against Raw Materials	621.55	621.55	-	Note 2
			Inventories	5,027.11	5,073.34	46.23	Note 3
			Trade Payables for supplies	1,193.75	459.39	(734.36)	Note 4
			Advance from Customers	295.92	295.72	(0.20)	Note 5
Indian Overseas Bank / Bank of Baroda / Union Bank of India	11,200	September 30, 2022	Trade Receivables	1,973.61	1,930.77	(42.84)	Note 1
			Advance against Raw Materials	357.18	357.18	-	Note 2
			Inventories	4,474.04	4,465.71	(8.33)	Note 3
			Trade Payables for supplies	2,301.65	1,700.04	(601.61)	Note 4
			Advance from Customers	180.06	268.30	88.24	Note 5
Indian Overseas Bank / Bank of Baroda / Union Bank of India	11,200	December 31, 2022	Trade Receivables	1,576.50	1,432.23	(144.27)	Note 1
			Advance against Raw Materials	344.32	344.32	-	Note 2
			Inventories	5,580.40	5,587.71	7.31	Note 3
			Trade Payables for supplies	2,686.38	1,277.67	(1,408.71)	Note 4
			Advance from Customers	183.08	181.99	(1.09)	Note 5



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

Name of bank / Financial Institution	Sanction Limit	Quarter ended	Nature of current Assets / Liabilities	Amount as per books of account (A)	Amount as reported in the quarterly return/ statement (B)	Amount of difference (B-A)	Reason for Material difference	
Indian Overseas Bank / Bank of Baroda / Union Bank of India	11,200	# March 31, 2023	Trade Receivables	1,290.18	2,436.86	1,146.68	Note 1	
			Advance against Raw Materials	535.09		200.82	Note 2	
			Inventories	3,514.94		4,078.09	563.15	Note 3
			Trade Payables for supplies	2,201.20		1,478.66	(722.54)	Note 4
			Advance from Customers	572.07		360.39	(211.68)	Note 5

→ Figures mention in quarterly return/ statement represents the details taken from books of accounts dated 25th March, 2023 (PY 25th March, 2022)

### Notes

**Note 1:** Impact of sales reversal/ adjustments arising out of provision for debit and credit notes/ expected credit loss provision/ debtors beyond 120 days not considered in returns/ statements submitted to the banks.

**Note 2:** Impact is immaterial, which is on account of miscellaneous adjustment not considered in returns/ statements submitted to the banks.

**Note 3:** Adjustments pertaining to cut offs, goods in transit, overhead allocation on work-in-progress and finished goods, etc. are done only on finalisation of books of accounts/financial statements. Same has not been considered in returns/statements submitted to the banks.

**Note 4:** Impact of provision for operational expenses not considered in returns/statements submitted to the banks.

**Note 5:** Impact is immaterial, which is on account of miscellaneous adjustment not considered in returns/ statements submitted to the banks.

### 43 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013.

#### a) Defined Contribution Plan

The amount recognized as an expense for the Defined Contribution Plans are as under: (₹ in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Employer's Contribution to Provident Fund	44.89	45.71

#### b) Defined Benefit Plan

The following are the types of defined benefit plans:

##### (i) Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

##### (ii) Provident Fund

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

##### (iii) Leave obligations

The Obligation for Leave encashment is determined and recognised in the same manner as gratuity.

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### c) Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

- Interest rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- Salary escalation risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Demographic risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
- Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20 Lakhs).
- Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.
- Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

### d) Details of Defined Benefit Obligations :

(₹ in Lakhs)

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit Obligations:

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Balance at the beginning of the year</b>	155.28	144.47	43.38	31.22	8.23	7.00
Current Service Cost	9.21	2.60	11.22	5.60	1.29	2.35
Interest Expense or Cost	11.25	5.46	3.14	2.12	0.60	0.48
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>						
Changes in demographic assumptions	-	-	-	-	-	-
Changes in financial assumptions	(2.90)	5.42	(1.44)	2.58	(0.22)	(0.45)
Experience variance (i.e. Actual experience vs assumptions)	1.22	4.67	(1.32)	1.86	(0.91)	(0.33)
Benefits Paid	(4.88)	(7.34)	(2.88)	-	(0.10)	(0.82)
<b>Balance at the end of the year</b>	<b>169.18</b>	<b>155.28</b>	<b>52.10</b>	<b>43.38</b>	<b>8.89</b>	<b>8.23</b>



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### e) Reconciliation of the Plan Assets

(₹ in Lakhs)

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Balance at the beginning of the year	5.50	12.29
Investment Income	0.40	0.84
Benefits Paid	(4.88)	(7.34)
Return on plan assets , excluding amount recognised in net interest expense	(0.13)	(0.29)
<b>Balance at the end of the year</b>	<b>0.89</b>	<b>5.50</b>

### f) Reconciliation of Fair Value of Assets & Obligation - Net Defined Benefit Assets / (Liability) recognised in financial statements:

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Present value of Defined Benefit Obligation	169.18	155.28	52.10	43.38	8.88	8.23
Fair Value of Plan Assets	0.89	5.50	-	-	-	-
Surplus / (Deficit)	(168.29)	(149.78)	(52.10)	(43.38)	(8.88)	(8.23)
Effects of Assets Ceiling, if any	-	-	-	-	-	-
<b>Net Assets/ (Liability) recognised in the Balance Sheet</b>	<b>(168.29)</b>	<b>(149.78)</b>	<b>(52.10)</b>	<b>(43.38)</b>	<b>(8.88)</b>	<b>(8.23)</b>

### g) Expenses recognized in profit or loss

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Current Service Cost	9.21	2.60	11.22	5.60	1.29	2.35
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	10.85	4.63	3.14	2.12	0.60	0.48
Re-measurement (or Actuarial) (gain) / loss arising from:						
Changes in demographic assumptions	-	-	-	-	-	-
Changes in financial assumptions	-	-	-	-	(0.22)	(0.45)
Experience variance (i.e. Actual experience vs assumptions)	-	-	-	-	(0.91)	(0.33)
<b>Total</b>	<b>20.06</b>	<b>7.23</b>	<b>14.36</b>	<b>7.72</b>	<b>0.75</b>	<b>2.05</b>

### h) Remeasurements recognized in other comprehensive income

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
<b>Remeasurements:</b>				
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(2.90)	5.42	(1.44)	2.58
Experience variance (i.e. Actual Experience vs assumptions)	1.22	4.67	(1.32)	1.86
Return on plan assets, excluding amount recognised in net interest expense	0.13	0.29	-	-
Components of defined benefit costs recognised in other comprehensive income	(1.56)	10.38	(2.76)	4.44

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### Major Categories of Plan Assets

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Insurer Managed Funds	100%	100%

(i) The Gratuity Scheme is invested in a Group Gratuity - Cum - Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on the assumed rate of return provided by the company.

### (i) Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset). The scheme is managed on unfunded basis.

### j) Actuarial Assumptions

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Financial Assumptions</b>						
Discount Rate	7.45%	7.25%	7.45%	7.25%	7.45%	7.25%
Salary Escalation Rate	7.80%	7.80%	7.80%	7.75%	7.00%	7.00%
<b>Demographic Assumptions</b>						
Mortality Rate	100% of IALM 2012-2014	100% of IALM 2012-2014	100% of IALM 2012-2014	100% of IALM 2012-2014	100% of IALM 2012-2014	100% of IALM 2012-2014
Normal retirement age	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
<b>Withdrawal Rate</b>						
Upto 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

k) 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.

### l) Maturity Analysis

The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1 Year	11.77	7.46	2.45	0.73	0.20	1.03
2 to 5 Years	46.15	43.45	8.24	7.45	2.95	2.73
6 to 10 Years	101.78	81.83	12.62	9.27	1.11	0.78
More than 10 Years	188.61	199.61	149.96	131.80	22.98	19.10
Weighted average duration of defined benefit obligation (based on discounted cashflows)	9 years	9 years	14 years	15 years	13 years	13 years



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### m) Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

#### Gratuity (Funded)

Variable	Sensitivity Level	Effect on Defined Benefit Obligations			
		Gratuity (Funded)		31 March, 2022	
		31 March, 2023		Increase	Decrease
		Increase	Decrease	Increase	Decrease
Discount Rate	+/- 1%	155.77	184.33	142.04	170.35
Salary Escalation Rate	+/- 1%	184.13	155.70	170.12	141.99
Attrition rate	+/- 50%	169.05	169.32	155.04	155.54
Mortality rate	+/- 10%	169.17	169.19	155.27	155.30

#### Gratuity (Unfunded)

Variable	Sensitivity Level	Effect on Defined Benefit Obligations			
		Gratuity (Funded)		31 March, 2022	
		31 March, 2023		Increase	Decrease
		Increase	Decrease	Increase	Decrease
Discount Rate	+/- 1%	45.68	59.81	37.67	50.29
Salary Escalation Rate	+/- 1%	58.85	46.38	49.42	37.67
Attrition rate	+/- 50%	52.09	52.11	43.06	43.72
Mortality rate	+/- 10%	52.11	52.09	43.37	43.38

#### Leave Encashment

Variable	Sensitivity Level	Effect on Defined Benefit Obligations			
		Gratuity (Funded)		31 March, 2022	
		31 March, 2023		Increase	Decrease
		Increase	Decrease	Increase	Decrease
Discount Rate	+/- 1%	7.87	10.10	7.36	9.29
Salary Escalation Rate	+/- 1%	10.09	7.85	9.28	7.35
Attrition rate	+/- 50%	8.91	8.85	8.25	8.22
Mortality rate	+/- 10%	8.88	8.88	8.24	8.23

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### 44 Related Party Disclosures:

#### 1. Relationships

##### (i) Key Management Personnel (KMP)

##### A. Executive Directors

Sudipto Bhattacharyya

##### B. Non-Executive Directors

Dilipp Agarwal

Deepak Agarwal

Bhawna Khanna

Vijay Kumar Bhandari

Tuhinanshu Shekhar Chakrabarty

##### C. Key Management Personnel (KMP) other than above

Shyam Sundar Somani

Navin Agarwal

##### (ii) Relatives of Key Management Personnel (KMP)

Sitaram Agarwal

Sabita Agarwal

Vibha Agarwal

Priti Agarwal

##### (iii) Enterprises over which key management personnel and relatives of such personnel exercise significant influence and control (others)

Super Smelters Limited

Sai Electrocasting Private Limited

Giridhan Metal Private Limited

Linkview Realty Private Limited

Supershakti Foundation

Promotional Equity Services Private Limited

#### 2. Transactions with Related Parties

(₹ in Lakhs)

Particulars	KMP		Relatives of KMP		Enterprises over which KMP and relatives of such personnel exercise significant influence		Total	
	Year Ended		Year Ended		Year Ended		Year Ended	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Purchase of Goods/ License</b>								
Super Smelters Limited	-	-	-	-	22,019.87	36,095.80	22,019.87	36,095.80
Giridhan Metal Private Limited	-	-	-	-	25,898.40	7,845.77	25,898.40	7,845.77
<b>Sale of Goods / License</b>								
Super Smelters Limited	-	-	-	-	2,018.04	2,599.91	2,018.04	2,599.91
Giridhan Metal Private Limited	-	-	-	-	14.16	-	14.16	-
Sai Electrocasting Private Limited	-	-	-	-	783.65	619.76	783.65	619.76
<b>Investments</b>								
Giridhan Metal Private Limited	-	-	-	-	-	-	-	-
<b>Loan &amp; Advances</b>								
Promotional Equity Services Private Limited	-	-	-	-	4,200.00	2,700.00	4,200.00	2,700.00
<b>Loan Repayment</b>								
Promotional Equity Services Private Limited	-	-	-	-	-	2,700.00	-	2,700.00
<b>Interest Income</b>								
Promotional Equity Services Private Limited	-	-	-	-	238.98	31.67	238.98	31.67



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

Particulars	KMP		Relatives of KMP		Enterprises over which KMP and relatives of such personnel exercise significant influence		Total	
	Year Ended		Year Ended		Year Ended		Year Ended	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Reimbursement of Expenses</b>								
Super Smelters Limited	-	-	-	-	31.33	40.52	31.33	40.52
Sai Electrocasting Private Limited	-	-	-	-	-	-	-	-
<b>Recovery of Expenses</b>								
Super Smelters Limited	-	-	-	-	-	655.44	-	655.44
Navin Agarwal	-	-	-	-	-	-	-	-
<b>Rent / Electricity Expenses Paid</b>								
Linkview Realty Private Limited	-	-	-	-	20.40	19.29	20.40	19.29
<b>Security Deposit</b>								
Linkview Realty Private Limited	-	-	-	-	-	-	-	-
<b>Paid to Trust for CSR Activities</b>								
Supershakti Foundation	-	-	-	-	41.27	39.00	41.27	39.00
<b>Remuneration, Perquisites &amp; Others</b>								
Sudipto Bhattacharyya	16.31	13.15	-	-	-	-	16.31	13.15
Shyam S. Somani	32.92	31.20	-	-	-	-	32.92	31.20
Navin Agarwal	14.95	14.95	-	-	-	-	14.95	14.95
Bhawna Khanna	0.38	0.38	-	-	-	-	0.38	0.38
Vijay Kumar Bhandari	0.35	0.30	-	-	-	-	0.35	0.30
Tuhinanshu Chakrabarty Shekhar	0.45	0.40	-	-	-	-	0.45	0.40
<b>Dividend Paid</b>								
Deepak Agarwal	1.51	0.76	-	-	-	-	1.51	0.76
Dilipp Agarwal	1.25	0.63	-	-	-	-	1.25	0.63
Sabita Agarwal	-	-	14.79	7.40	-	-	14.79	7.40
Vibha Agarwal	-	-	13.27	6.64	-	-	13.27	6.64
Priti Agarwal	-	-	13.53	6.77	-	-	13.53	6.77

### 3. Amount due to/ from Related Parties

(₹ in Lakhs)

Particulars	KMP		Relatives of KMP		Enterprises over which KMP and relatives of such personnel exercise significant influence		Total	
	Year Ended		Year Ended		Year Ended		Year Ended	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Trade Receivable</b>								
Sai Electrocasting Private Limited	-	-	-	-	-	-	-	-
<b>Advance against Purchase of Raw Material</b>								
Super Smelters Limited	-	-	-	-	-	-	-	-
Giridhan Metal Private Limited	-	-	-	-	407.57	-	407.57	-
<b>Advance received against Supply of Goods</b>								
Super Smelters Limited	-	-	-	-	321.55	-	321.55	-
<b>Trade Payables</b>								
Linkview Realty Private Limited	-	-	-	-	0.12	0.13	0.12	0.13
<b>Security Deposit Receivable</b>								
Linkview Realty Private Limited	-	-	-	-	3.75	3.75	3.75	3.75
<b>Payable to KMPs</b>								
Sudipto Bhattacharyya	2.56	1.98	-	-	-	-	2.56	1.98
Shyam S. Somani	5.71	3.91	-	-	-	-	5.71	3.91
Navin Agarwal	2.23	2.14	-	-	-	-	2.23	2.14

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### 45 Financial Instrument by Category

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.14 to the financial statements.

#### i) Fair Valuation of Financial Assets and Financial Liabilities

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at March 31, 2023 ; March 31, 2022. (₹ in Lakhs)

Particulars	31 March, 2023			31 March, 2022		
	Fair Value through Profit & loss	Fair Value through OCI	Amortised Cost	Fair Value through Profit & loss	Fair Value through OCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
'Equity Investment in Unquoted share	-	13,046.20	-	-	9,689.51	-
- Mutual Funds	-	-	-	199.99	-	-
Trade Receivables	-	-	1,290.18	-	-	1,981.71
Cash and Cash Equivalents	-	-	1,345.09	-	-	317.33
Other Bank Balances	-	-	492.76	-	-	440.00
Loans	-	-	4,200.00	-	-	-
Other Financial Assets	0.08	-	22.65	10.92	-	111.48
<b>Total Financial Assets</b>	<b>0.08</b>	<b>13,046.20</b>	<b>7,350.68</b>	<b>210.91</b>	<b>9,689.51</b>	<b>2,850.52</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	1,031.55	-	-	2,087.48
Lease Liabilities	-	-	12.18	-	-	26.41
Trade Payables	-	-	2,201.20	-	-	2,741.53
Other Financial Liabilities	-	-	232.40	-	-	252.55
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,477.33</b>	<b>-</b>	<b>-</b>	<b>5,107.98</b>

The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at Amortized cost: (₹ in Lakhs)

Particulars	31 March, 2023		31 March, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Trade Receivables	1,290.18	1,290.18	1,981.71	1,981.71
Cash and Cash Equivalents	1,345.09	1,345.09	317.33	317.33
Other Bank Balances	492.76	492.76	440.00	440.00
Loans	4,200.00	4,200.00	-	-
Other Financial Assets	22.65	22.65	111.48	111.48
<b>Total Financial Assets</b>	<b>7,350.68</b>	<b>7,350.68</b>	<b>2,850.52</b>	<b>2,850.52</b>
<b>Financial Liabilities</b>				
Borrowings	1,031.55	1,031.55	2,087.48	2,087.48
Lease Liabilities	12.18	12.18	26.41	26.41
Trade Payables	2,201.20	2,201.20	2,741.53	2,741.53
Other Financial Liabilities	232.40	232.40	252.55	252.55
<b>Total Financial Liabilities</b>	<b>3,477.33</b>	<b>3,477.33</b>	<b>5,107.98</b>	<b>5,107.98</b>



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

The management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. The management has assessed that the fair value of floating rate instruments approximates their carrying value.

### (ii) Fair value measurement

The fair values of financial assets and liabilities are included at the amount 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. Methods and assumptions used to estimate the fair values are consistent with all previous reporting year.

### 46 Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

#### 1. Quoted prices in an active market (Level 1):

This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments.

#### 2. Valuation techniques with observable inputs (Level 2):

This level of hierarchy includes financial instruments, measured using inputs other than quoted prices included within Level 1 that are observable for the instruments, either directly (i.e., as prices) or indirectly (i.e., derived from prices) and rely as little as possible on entity specific estimates. If all significant inputs required to fair value or instrument are observable, the instrument is included in Level 2.

#### 3. Valuation techniques with significant unobservable inputs (Level 3):

This level of hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category consists of investment in unquoted equity instrument.

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

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

The fair values of non-current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

#### 46.1.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

As at 31st March 2023 and 31st March 2022

(₹ in Lakhs)

Particulars	31 March, 2023			31 March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment in Equity Instruments	-	-	13,046.20	-	-	9,689.51
Investment in Mutual Fund	-	-	-	199.99	-	-
Other Financial Assets	0.08	-	-	10.92	-	-
<b>Total Financial Assets</b>	<b>0.08</b>	<b>-</b>	<b>13,046.20</b>	<b>210.91</b>	<b>-</b>	<b>9,689.51</b>
<b>Financial Liabilities</b>						
Other Financial Liabilities	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### 46.1.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed (₹ in Lakhs)

Particulars	31 March, 2023			31 March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Trade Receivables	-	-	1,290.18	-	-	1,981.71
Cash and Cash Equivalents	-	-	1,345.09	-	-	317.33
Other Bank Balances	-	-	492.76	-	-	440.00
Loans	-	-	4,200.00	-	-	-
Other Financial Assets	-	-	22.65	-	-	111.48
<b>Total Financial Assets</b>	-	-	<b>7,350.68</b>	-	-	<b>2,850.52</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	1,031.55	-	-	2,087.48
Lease Liabilities	-	-	12.18	-	-	26.41
Trade Payables	-	-	2,201.20	-	-	2,741.53
Other Financial Liabilities	-	-	232.40	-	-	252.55
<b>Total Financial Liabilities</b>	-	-	<b>3,477.33</b>	-	-	<b>5,107.98</b>

#### Notes:

- Investments carried at their fair values through profit & loss, are generally based on market price quotations. In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.
- Investments carried at their fair values through other comprehensive income, measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category consists of investment in unquoted equity instrument.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers between Level 1, Level 2 and Level 3 from March 31, 2022 to March 31, 2023.

### 47 Financial Risk Management

The Company has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The Risk Management Policy is approved by the director. The different types of risk impacting the fair value of financial instruments are as below:

#### 47.1 Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments, trade receivables and balances with banks. None of the financial instruments of the Company result in material concentrations of credit risks.



## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### Trade receivables

Trade receivables are typically unsecured, considered good and are derived from revenue earned from customers. Customer credit risk is managed as per Company's policy and procedures which involve credit approvals, establishing credit limits and continually monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. Refer below for the credit risks arising out of outstanding trade receivables.

#### As at March 31, 2023

(₹ in Lakhs)

Ageing schedule	Not Due	Less than 6 Month	6 month-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Credit Risk	1,237.37	57.53	8.42	-	-	40.80	1,344.13
Allowances for Credit Risk	-	18.34	-	-	-	35.60	53.94
Net Credit Risk	1,237.37	39.19	8.42	-	-	5.20	1,290.18

#### As at March 31, 2022

(₹ in Lakhs)

Ageing schedule	Unbilled	Not Due	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Credit Risk	1,801.14	147.29	14.86	1.04	28.80	20.00	2,013.13
Allowances for Credit Risk	-	-	-	-	16.42	15.00	31.42
Net Credit Risk	1,801.14	147.29	14.86	1.04	12.38	5.00	1,981.71

Reconciliation of loss allowance provision	Trade receivables
<b>Loss allowance on 1 April, 2022</b>	31.42
Changes in loss allowance	22.52
<b>Loss allowance on 31 March, 2023</b>	53.94

### 47.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and in liquid schemes of mutual funds, which carry no/low market risk.

#### (i) Maturity Analysis for financial liabilities

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments, if any as at March 31, 2023 and March 31, 2022.

(₹ in Lakhs)

Particulars	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Borrowings	1,031.55	1,031.55	887.75	143.81	-
Lease Liabilities	12.18	12.18	12.18	-	-
Trade Payables	2,201.20	2,201.20	2,201.20	-	-
Other Financial Liabilities	232.40	232.40	232.40	-	-
<b>Total</b>	<b>3,477.33</b>	<b>3,477.33</b>	<b>3,333.53</b>	<b>143.81</b>	-

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

The following are the remaining contractual maturities of financial liabilities as at 31st March, 2022 (₹ in Lakhs)

Particulars	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Borrowings	2,087.48	2,087.48	1,874.95	212.54	-
Lease Liabilities	26.41	26.41	14.23	12.18	-
Trade Payables	2,741.53	2,741.53	2,741.53	-	-
Other Financial Liabilities	252.55	252.55	252.55	-	-
<b>Total</b>	<b>5,107.98</b>	<b>5,107.98</b>	<b>4,883.26</b>	<b>224.72</b>	<b>-</b>

(ii) The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above tables as exchange rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

### 47.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four type of risks: Commodity Price Risk, Foreign Exchange Risk, Interest Rate Risk and Other Price Risk. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### Commodity Price Risk

The Company primarily imports Coal, Scrap, Manganese Ore and Copper Mould Tube. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary.

#### Foreign Currency Exchange Rate Risk

Foreign Currency risk is the risk that fair value of the future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The company undertake transactions in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Any weakening of the functional currency may impact the Company's cost of imports. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Exchange rate exposure are managed with in approved policy parameters utilizing foreign exchange forward contracts. The Company, as per its risk management policy, uses such forward contract derivative instruments primarily to hedge foreign exchange fluctuations.

#### a) Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

#### I) Unhedge Foreign Currency Exposure

(₹ in Lakhs)

Particulars	31 March, 2023		31 March, 2022	
	USD	INR	USD	INR
<b>Financial Assets (A)</b>	-	-		
<b>Financial Liabilities (B)</b>				
SBLC/Suppliers Credit -Working Capital	0.91	75.23	-	-
Import Creditors	-	-	1.74	131.85
Interest on Buyers Credit/SBLC/Suppliers Credit	0.01	0.46	-	-
<b>Net Exposure in foreign currency (B-A)</b>	<b>0.92</b>	<b>75.69</b>	<b>1.74</b>	<b>131.85</b>

**Notes forming part of the Financial Statements for the year ended 31st March, 2023**

(₹ in Lakhs)

**I) Hedge Foreign Currency Exposure**

Particulars	31 March, 2023		31 March, 2022	
	USD	INR	USD	INR
<b>Derivative Assets (A)</b>	-	-	0	
<b>Derivative Liabilities (B)</b>				
Import Creditors	9.17	753.66	20.62	1,563.42
Interest on import SBLC/Suppliers Credit	0.14	11.60	-	-
<b>Net Exposure in foreign currency (B-A)</b>	<b>9.31</b>	<b>765.26</b>	<b>20.62</b>	<b>1,563.42</b>

**b Sensitivity Analysis**

The Analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure.

Particulars	31 March, 2023			31 March, 2022		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before tax	Impact on Post Tax - Equity		Profit before tax	Impact on Post Tax - Equity
USD Sensitivity Increase	5%	3.78	2.83	5%	6.59	4.93
USD Sensitivity (Decrease)	5%	(3.78)	(2.83)	5%	(6.59)	(4.93)

The movement in the profit before tax and post tax equity is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities.

**47.4 Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

**a. Exposure to interest rate risk**

(₹ in Lakhs)

Particulars		As at 31st March, 2023	As at 31 March, 2022
<b>Fixed Rate Instruments</b>			
Financial Assets	(A)	4,707.04	543.38
Financial Liabilities#	(B)	208.82	287.40
	(C)= (B)- (A)	(4,498.22)	(255.99)
<b>Variable Rate Instruments</b>			
Financial Assets	(A)	-	-
Financial Liabilities	(B)	822.73	1,800.09
	(C)= (B)- (A)	822.73	1,800.09

# Fixed rate Financial liability instrument includes Vehicle Loans.

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### b. Interest rate Sensitivity

A Change in 50 bps in interest rate would have following impact on PBT and Other Equity.

(₹ in Lakhs)

Particulars	31 March, 2023			31 March, 2022		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before tax	Impact on Post Tax - Equity		Profit before tax	Impact on Post Tax - Equity
Interest Rate Increase by	0.50%	4.11	3.08	0.50%	9.00	6.74
Interest Rate Decrease by	0.50%	(4.11)	(3.08)	0.50%	(9.00)	(6.74)

### 48 Capital Risk management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Net debt (total borrowings less cash & cash equivalents and Other bank balance) to equity ratio is used to monitor capital.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31 March, 2022
Short term debt (Refer Note - 19)	887.75	1,874.95
Long term debt (Refer Note - 19)	143.81	212.54
<b>Total Borrowings</b>	<b>1,031.55</b>	<b>2,087.48</b>
Less: Cash & Cash Equivalents (Refer Note - 15)	(1,345.09)	(317.33)
Less : Bank Balance other than cash and cash equivalent (Refer Note - 16)	(492.76)	(440.00)
Less : Current Investment (Refer Note - 13)	-	(199.99)
<b>Net Debt (A)</b>	<b>(806.29)</b>	<b>1,130.17</b>
Equity Share Capital (Refer Note - 17)	1,152.53	1,152.53
Other Equity (Refer Note - 18)	22,572.88	16,728.95
<b>Total Equity (B)</b>	<b>23,725.41</b>	<b>17,881.47</b>
<b>Gearing Ratio (A / B = C)</b>	<b>-3.40%</b>	<b>6.32%</b>

**Notes forming part of the Financial Statements for the year ended 31st March, 2023****49 Financial Performance Ratio**

(₹ in Lakhs)

	FINANCIAL RATIOS	Numerator	Denominator	2022-23	2021-22	% Variance *	Reason for change more than 25%
<b>A.</b>	<b>Performance Ratio:</b>						
1	Net profit ratio	Profit after Tax	Revenue from operations	4.56%	2.80%	63.17%	Increase in Turnover and earnings
2	Net capital turnover ratio	Revenue from Operations	Closing working capital	26.02	13.75	89.28%	better realisation of Current Assets (Inventory and Trade Receivables)
3	Return on Capital employed	Earning before Interest & Taxes	Closing capital employed (i.e. Total Assets-Current Liabilities)	18.63%	13.88%	34.20%	increase in equity arising on account of increase in earnings
4	Return on Equity Ratio	Profit after Tax	Average Shareholder's Equity	16.01%	10.48%	52.74%	Due to increase in earnings
5	Return on investment	Profit before Tax + Finance Cost	Average Total Assets	17.40%	11.70%	48.72%	Due to increase in earnings
6	Debt Service Coverage Ratio	Earning for debt service (i.e. Profit after Tax + Interest + Depreciation & Amortisation)	Debt Service (i.e. Interest & Lease Payment + Principal Repayments)	9.12	5.96	53.03%	Due to increase in earnings available for serving Interest & Lease Payments
<b>B.</b>	<b>Leverage Ratio:</b>						
7	Debt-Equity Ratio	Total Debt	Total Equity	0.043	0.117	-63.32%	Due to increase in equity arising on account of increase in earnings and due to decrease in borrowings and lease liabilities
<b>C.</b>	<b>Liquidity Ratio:</b>						
8	Current Ratio	Current Assets	Current Liabilities	1.61	1.83	-11.75%	
<b>D.</b>	<b>Activity Ratio:</b>						
9	Inventory turnover ratio	Sales	Average Inventories	14.21	11.03	28.80%	Due to higher cost of raw material and higher revenue from operations
10	Trade Receivables turnover ratio	Total Sales	Average Accounts Receivable	44.61	36.51	22.20%	
11	Trade payables turnover ratio	Total Purchase including Stores & freight + Manufacturing Expenses + Other Operating Expenses (excluding non cash expenses)	Average Accounts Payable	25.77	28.34	-9.07%	

\*Positive figure in '% Variance' column represents percentage increase in ratio as compare to previous year and negative as vice-versa.

## Notes forming part of the Financial Statements for the year ended 31st March, 2023

### 50 Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the Board of Directors of the Company requiring adjustment or disclosure.

### 51 Rounding Off

The figures appearing in financial statements have been rounded off to the nearest Lakhs, as required by General Instructions for preparation of Financial Statements in Division II of Revised Schedule III to the Companies Act, 2013.

### 52 Earnings Per Share

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Profit for the year (₹ in Lakhs)	3,330.19	1,771.99
(b) Profit after tax attributable to Equity Shareholders (₹ in Lakhs)	3,330.19	1,771.99
(c) Weighted average number of equity shares outstanding during the year used as denominator in calculating basic earnings per share (Nos)	1,15,25,278.00	1,15,25,278.00
(d) Dilutive Potential Equity shares	-	-
(e) Weighted average number of equity shares outstanding during the year used as denominator in calculating diluted earnings per share (Nos)	1,15,25,278.00	1,15,25,278.00
(f) Nominal value per equity share (₹)	10.00	10.00
(g) Earnings per share (in ₹) - Basic & Diluted	28.89	15.37

53 Balances in the accounts of Trade Receivables, Trade Payable, advances to suppliers, Contract Liabilities, security deposits and other advances are under confirmation / reconciliation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmations. However, in the opinion of the management, the Trade Receivable, trade payables, security deposits and advances are realisable / payable in the ordinary course of the business.

54 In the opinion of the management and Board of the Directors, Current Assets and Loans & Advances have the value at which these are stated in the Balance Sheet, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

55 Previous figures have been reclassified/regrouped where ever necessary , to make it comparable to this year's classification.

As per our report of even date annexed herewith

#### For SINGHI & CO.

Chartered Accountants  
Firm Registration No : 302049E

#### SHRENIK MEHTA

(Partner)  
Membership No. 063769  
Place: Kolkata  
Date: 22nd May, 2023

#### For and on behalf of the Board

#### SUDIPTO BHATTACHARYYA

(Whole Time Director)  
DIN 06584524

#### NAVIN AGARWAL

(Company Secretary)

#### DEEPAK AGARWAL

(Director)  
DIN 00343812

#### SHYAM SUNDAR SOMANI

(Chief Financial Officer)



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