NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(All amounts are in Rupees Million, except per share data and unless stated otherwise)

Background

Kalyani Steels Limited ("the Company") is a public limited company domiciled in India and incorporated in February, 1973 under the provisions of Companies Act, 1956. The equity shares of the Company are listed on two recognized stock exchanges in India i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company is primarily engaged in the business of manufacture and sale of Iron and Steel Products. The Company is an integrated manufacturer of diverse range of steel products with its manufacturing facility located at Hospet Works in Karnataka. The Registered Office of the Company is located at Mundhwa, Pune - 411 036. The CIN of the Company is L27104MH1973PLC016350.

These standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on May 18, 2021.

1A. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

These standalone 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. In addition, guidance notes / announcements issued by ICAI and guidelines issued by SEBI are also applied.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. As per Ind AS 111 - Joint arrangements, in its standalone financial statements, the Company being a joint operator has recognized its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

(ii) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for the following :

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value.
- Defined benefit plans - plan assets measured at fair value.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is treated as current when it is :

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

All other assets are classified as non-current.

A liability is current when :

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

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

The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the carrying amounts of receivables, inventory, Investments, prices of principal inputs and outputs and possible supply chain disruptions. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company expects the carrying amount of these assets will be recovered.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions for the Company. Refer Note 44 for segment information presented.

(d) Foreign currency transactions

Functional and presentation currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (`the functional currency'). The standalone financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Initial Recognition

Foreign currency transactions are recorded in Indian currency, by applying the exchange rate between the Indian currency and the foreign currency at the date of transaction.

Conversion

Monetary items, designated in foreign currencies are revalued at the rate prevailing on the date of Balance Sheet.

Exchange Differences

Exchange differences arising on the settlement and conversion of foreign currency transactions are recognized as income or as expenses in the year in which they arise, except in cases where they relate to the acquisition of qualifying assets, in which cases they were adjusted in the cost of the corresponding asset. On transition to Ind AS, the Company has elected to continue the accounting policy adopted in its previous GAAP with respect to foreign exchange differences arising on long-term foreign currency monetary items related to a depreciable asset, existing as on March 31, 2017. Such exchange differences are adjusted to the cost of depreciable asset and depreciated over the balance life of the asset.

(e) Revenue recognition

Sale of goods

The Company manufactures and sells a range of steel and iron product in the market. Sales are recognized when control of the products has transferred at a point of time, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Export Incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

Interest Income

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(f) Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(g) Taxes

Current income tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. The management periodically evaluates positions taken in returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Current income tax relating to items recognized in other comprehensive income is recognized in other comprehensive income and not in statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except :

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. 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, except :

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Current and deferred taxes are recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of indirect taxes paid, except :

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

(h) Leases

The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The 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.

Company as a lessee

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability. A lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The Company uses the practical expedient to apply the requirements of Ind AS 116 to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However, when the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty the Company considers that lease to be no longer enforceable. Also according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, the lessee is not required to recognize right-of-use asset and a lease liability. The Company applies both recognition exemptions.

Right of use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Lease modification

For a lease modification that is not accounted for as a separate lease, the Company accounts for the re-measurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

Company as Lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. However, if there is no reasonable certainty that the Company will obtain possession of the asset upon end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" for the first time, using the modified retrospective transition method, applied to lease contracts that are ongoing as at April 1, 2019.

(i) 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 changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

(j) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(k) Inventories

Cost of inventories include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares are valued at cost or net realizable value whichever is lower. However, materials and other items 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. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at cost or net realizable value whichever is lower. Costs includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but does not include borrowing costs. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Materials-in-transit and materials in bonded warehouse are valued at actual cost incurred up to the date of balance sheet.

Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Investment in subsidiary and associate

Investment in subsidiary and associate are accounted at cost less accumulated impairment.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

(m) Fair value measurement

The Company measures financial instruments at fair value on initial recognition.

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 would use when pricing the asset or liability, assuming 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 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(o) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories :

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

A financial asset is measured at amortized cost if both following conditions are met :

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income, if both of the following criteria are met :

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

After initial measurement, such financial assets, until they are de-recognized or re-classified, are subsequently measured at fair value and recognized in other comprehensive income except for interest income, gain / loss on impairment, gain / loss on foreign exchange which is recognized in the statement of profit and loss.

Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any financial asset as at fair value through profit or loss.

After initial measurement, such financial assets are subsequently measured at fair value in the statement of profit and loss.

Equity Instrument

Investment in equity instrument issued by other than subsidiaries are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

De-recognition of financial assets

A financial asset is de-recognized when :

- The contractual rights to receive cash flows from the financial asset have expired or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either :
  - (a) The Company has transferred substantially all the risks and rewards of the asset or
  - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure :

- Financial assets that are debt instruments and are measured at amortized cost e.g. loans, debt-securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

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 (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider :

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head "Other Expenses" in the statement of profit and loss.

The Balance sheet presentation for various financial instruments is described below :

- Financial assets measured as at amortized cost.

ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-offs criteria, the Company does not de-recognize impairment allowance from the gross carrying amount.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e. financial assets which are credit impaired on purchase / origination.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below :

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Standalone embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

De-recognition of financial liabilities

A financial liability (or a part of a financial liability) is de-recognized from its balance sheet when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of an new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(p) Loans and Borrowings at amortised Cost

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains / (losses).

(q) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

(r) Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income / other expenses.

(s) Offsetting of financial instruments

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

(t) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalized. Such cost includes the cost of replacing part of the property, plant and equipment and borrowings costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection/ relining is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss during the reporting period in which they are incurred.

Subsequent costs are included in the asset's carrying amount as recognized as a standalone asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for a standalone asset is de-recognized when replaced.

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

Depreciation on additions is provided from the beginning of the month in which the asset is put to use.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Depreciation on assets sold, discarded or demolished during the year is being provided at their respective rates on pro-rata basis up to the end of the month prior to the month in which such assets are sold, discarded or demolished.

The useful lives has been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

Depreciation is charged on the basis of useful life of assets on straight line method.

Useful life of following asset category is considered as per Schedule II of Companies Act, 2013 except MBF Relining.

For MBF Relining, useful life is considered based on past history of usage, supported by technical evaluation.

Asset Category	Life In Years
Factory Buildings	30
Office Building	60
Plant and Equipment - Continuous Process	20
Plant and Equipment - other than continuous process	13
MBF Relining	4
Electrical Installations	10
Computers	3
Servers	6
Furniture and Fixtures	10
Office Equipment	5
Vehicles	8

Freehold land is carried at historical cost.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the standalone statement of profit and loss when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets of computer software is amortized over the useful economic life of six years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the net carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

(u) Impairment of non-financial assets

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

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

Impairment losses including impairment on inventories are recognized in the statement of profit and loss.

Previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of asset does not exceed its recoverable amount. Such reversal is recognized in statement of profit and loss.

(v) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are unsecured and are presented as current liabilities unless payment is not due within operating cycle determined by the Company after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(w) Provisions and contingent liabilities

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made where there is a possible obligation arising out of past events, 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 arising out of a past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(x) Employee Benefits

(i) Short-term Employee Benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognized in the period in which the employee renders the related service.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

(ii) Post-Employment benefits

1. Defined Contribution plan

The Company makes payment to approved superannuation schemes, state government provident fund scheme and employee state insurance scheme which are defined contribution plans. The contribution paid / payable under the schemes is recognized in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

2. Defined Benefit plan

The employees' gratuity fund scheme is Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on a net basis.

(iii) Long term Employment benefits

The employee's long term compensated absences are Company's other long term benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognize the obligation on a net basis.

In regard to other long term employment benefits, the Company recognizes the net total of service costs, net interest on the net defined benefit asset / liability and re-measurements of the net defined benefit asset / liability in the statement of profit and loss.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Provident Fund

The Company operates two plans for its employees to provide employee benefits in the nature of provident fund.

The Company pays provident fund contributions to publicly administered provident funds as per regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Superannuation

Retirement benefit in the form of superannuation plan is a defined contribution plan. Defined contributions to insurance Company for employees covered under Superannuation scheme are accounted at the rate of 15% of such employees' basic salary, restricted to ₹ 150,000/- p.a. The Company recognizes expense toward the contribution paid / payable to the defined contribution plan as and when an employee renders the relevant service. The Company has no obligation, other than the contribution payable to the superannuation fund.

iv) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates : (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(y) Paid up equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

(aa) Dividends

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

(bb) Earnings per share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted Earnings per Share

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

(cc) Rounding of amounts

All amounts disclosed in these standalone financial statements and notes have been rounded off to the nearest Million as per the requirement of Schedule III, unless otherwise stated.

1. B Standards issued but not effective

Following exposure drafts have been issued by the Institute of Chartered Accountants of India :

1. Amendment to Ind AS 116, "Leases" - COVID 19 related Rent Concessions beyond June 30, 2021

On July 24, 2020, the MCA issued the Companies (Indian Accounting Standard) Amendment Rules, 2020 which amended Ind AS 116 to provide relief for lessees in accounting for eligible rent concessions upto July 31, 2021 that are a direct consequence of COVID 19. The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to extend the relief for lessees in accounting for eligible rent concessions upto July 31, 2022.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

2. Amendment to Ind AS 116, "Leases" - Interest Rate Benchmark Reform : Phase 2

   The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to include a practical expedient in respect of all lease modifications that change the basis for determining future lease payments as a result of interest rate benchmark reform.

3. Amendments to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" - Onerous Contracts

   The exposure draft on amendments to Ind AS 37 issued by the Institute of Chartered Accountants of India proposes amendments regarding costs a Company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

4. Amendments to Ind AS 16, "Property, Plant and Equipment" - Proceeds before Intended Use

   The exposure draft on amendments to Ind AS 16 issued by the Institute of Chartered Accountants of India proposes amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

5. Amendments to Ind AS 103, "Business Combinations" - Reference to the Conceptual Framework

   The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes amendments to change out updated reference to "Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards" and update it with reference to "Conceptual Framework for Financial Reporting under Indian Accounting Standards". It also proposes certain consequential amendments.

6. Amendments to Ind AS 101, "First-time Adoption of Indian Accounting Standards" - Subsidiary as a First-time Adopter

   The exposure draft on amendments to Ind AS 101 issued by the Institute of Chartered Accountants of India proposes amendments to simplify the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

7. Amendments to Ind AS 41, "Agriculture" - Taxation in Fair Value Measurements

   The exposure draft on amendments to Ind AS 41 issued by the Institute of Chartered Accountants of India proposes amendments to remove a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in Ind AS 41 with those in other Ind AS's.

8. Amendments to Ind AS 109, "Financial Instruments" - Fees in the '10 per cent' Test for De-recognition of Financial Liabilities

   The exposure draft on amendments to Ind AS 109 issued by the Institute of Chartered Accountants of India proposes amendments to clarify the fees a Company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

9. Amendments to Ind AS 109, "Financial Instruments" and Ind AS 107, "Financial Instruments : Disclosures" - Interest Rate Benchmark Reform : Phase 2

   The exposure draft on amendments to Ind AS 109 and Ind AS 107 issued by the Institute of Chartered Accountants of India proposes amendments to assist entities in providing useful information about the effects of the transition to alternative benchmark rates and support preparers in applying the requirements of Ind AS's when changes are made to contractual cash flows or hedging relationships as a result of the transition to an alternative benchmark interest rate.

10. New Indian Accounting Standard (Ind AS) 117, Insurance Contracts

    The exposure draft of Ind AS 117 is issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts.

11. Amendments to Ind AS 40, Investment Property

    The exposure draft on amendments to Ind AS 40 issued by the Institute of Chartered Accountants of India proposes to reinstate the fair value option thereby providing the entities an accounting policy choice to subsequently measure investment properties using either the cost model or the fair value model.

    The above exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from April 1, 2021 as at the date of approval of these financial statements. On issue of the amendment by MCA, the Company would evaluate the impact of the change in the standalone financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

2. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. This note provides an overview of the areas that involve a higher degree of judgments or complexities and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these judgments, estimates and assumptions is mentioned below.

Judgments, estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements :

1. Legal Contingencies

The Company has received various orders and notices from tax authorities in respect of direct and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and makes judgments for providing provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

2. Segment Reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD), based on its internal reporting structure and functions of the BoD. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the BoD to assess performance and allocate resources.

3. Joint operation

The Company's composite Steel manufacturing facility at Ginigera is under a strategic alliance arrangement with a joint venture partner. The facility is managed by Hospet Steels Limited. The alliance confers Kalyani Steels Limited (KSL) and Mukand Limited (ML) with rights to assets, obligations for liabilities, sharing of expenses / profit / loss in the proportion of product sharing ratio (viz. 41.38% by KSL and 58.62% by ML). Thus, KSL and ML have right to the assets and obligations for the liabilities of this arrangement. Thus, the strategic alliance is a joint arrangement in the nature of joint operation.

4. Investment in convertible debentures

The Company has invested in fully convertible debentures (FCDs) of DGM Realties Private Limited of face value of ₹ 1,319.60 Million. These FCDs shall be compulsorily converted into equity shares of DGM Realties in various tranches starting from March 29, 2024. The existing rights associated with these FCDs do not give the Company the current ability to direct control over relevant activities of DGM Realties. Hence, these investments are considered as investment in equity instruments and classified as fair value through OCI. Refer Note 5(b) for further disclosures.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and benefit increases are based on expected future inflation rates. Further details about employee benefit obligations are given in Note 38.

2. Fair value measurement of unquoted 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 DCF model. The inputs 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. Judgments and estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 40 for further disclosures.

3. Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and estimates the inputs to the impairment calculation, based on the Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4. Deferred Tax

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax asset could change if estimates of projected future taxable income or if changes in current tax regulations are enacted.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 3 : Property, plant and equipment

(₹ in Million)

Particulars	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fixtures	Vehicles	Total	Capital work in progress
Gross Block as at March 31, 2019	**999.37**	**1,012.05**	**6,826.49**	**96.99**	**30.19**	**38.84**	**9,003.93**	**50.88**
Additions	36.06	30.33	314.22	2.31	0.24	3.20	386.36	52.19
Disposals / Adjustments	—	—	(177.72)	(0.42)	—	(0.77)	(178.91)	(50.88)
Gross Block as at March 31, 2020	**1,035.43**	**1,042.38**	**6,962.99**	**98.88**	**30.43**	**41.27**	**9,211.38**	**52.19**
Additions	0.23	—	29.69	37.82	0.18	8.20	76.12	105.66
Disposals / Adjustments	—	—	—	(0.09)	—	(0.86)	(0.95)	(51.13)
Gross Block as at March 31, 2021	**1,035.66**	**1,042.38**	**6,992.68**	**136.61**	**30.61**	**48.61**	**9,286.55**	**106.72**

(₹ in Million)

Particulars	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fixtures	Vehicles	Total
Accumulated Depreciation :							
As at March 31, 2019	**—**	**330.34**	**4,346.41**	**83.77**	**16.70**	**23.59**	**4,800.81**
For the year	—	35.53	367.19	7.62	2.34	4.03	416.71
Disposals / Adjustments	—	—	(177.72)	(0.42)	—	(0.75)	(178.89)
As at March 31, 2020	**—**	**365.87**	**4,535.88**	**90.97**	**19.04**	**26.87**	**5,038.63**
For the year	—	39.57	379.39	6.04	2.33	5.09	432.42
Disposals / Adjustments	—	—	—	(0.05)	—	(0.86)	(0.91)
As at March 31, 2021	**—**	**405.44**	**4,915.27**	**96.96**	**21.37**	**31.10**	**5,470.14**

(₹ in Million)

Particulars	Freehold Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fixtures	Vehicles	Total
Net Block							
As at March 31, 2020	**1,035.43**	**676.51**	**2,427.11**	**7.91**	**11.39**	**14.40**	**4,172.75**
As at March 31, 2021	**1,035.66**	**636.94**	**2,077.41**	**39.65**	**9.24**	**17.51**	**3,816.41**

i) For Depreciation and amortisation refer accounting policy (refer Note 1A).

ii) The Company had adopted deemed cost exemption under Ind AS 101, on transition date April 1, 2015. The information of Gross Block and accumulated depreciation as on April 1, 2015 is carried forward for disclosures.

iii) Contractual obligations - Refer Note 37-B for disclosure of contractual commitments for the acquisition of Property, plant and equipment.

iv) Capital work-in-progress as on March 31, 2021 mainly comprises construction of Coke Oven.

v) Property, plant and equipment pledged as security, refer Note 46.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 4 : Intangible assets

(₹ in Million)

Particulars	Computer software
Gross block as at March 31, 2019	**56.65**
Additions	—
Disposals / Adjustments	—
Gross block as at March 31, 2020	**56.65**
Additions	4.88
Disposals / Adjustments	—
Gross block as at March 31, 2021	**61.53**

(₹ in Million)

Particulars	Computer software
Accumulated Amortisation :	
As at March 31, 2019	**35.01**
For the year	9.44
Disposals / Adjustments	—
Gross block as at March 31, 2020	**44.45**
For the year	9.09
Disposals / Adjustments	—
Gross block as at March 31, 2021	**53.54**

(₹ in Million)

Net Block	
As at March 31, 2020	**12.20**
As at March 31, 2021	**7.99**

i) Intangible Assets are amortised on Straight Line method.

ii) For Depreciation and amortisation refer accounting policy (Note 1A).

iii) The remaining amortisation period is 2-4 years.

iv) The Company had adopted deemed cost exemption under Ind AS 101, on transition date April 1, 2015. The information of Gross Block and accumulated depreciation as on April 1, 2015 is carried forward for disclosures.

Note 5 (a) : Investment in Subsidiary and Associate

(₹ in Million)

Particulars	Face value per unit in ₹	Number of shares		Amount	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment in Equity Shares (Unquoted) :					
Equity Shares in Subsidiary valued at cost (fully paid)					
Lord Ganesha Minerals Private Limited	₹ 10	1,550,000	1,550,000	261.93	261.93
Equity Shares in Associate at cost (Unquoted)					
Kalyani Mukand Limited	₹ 10	1,000,000	1,000,000	10.05	10.05
Total				**271.98**	**271.98**
Aggregate provision for impairment in value of investments				(271.98)	(271.98)
Total				—	—
Aggregate amount of quoted investments				—	—
Aggregate amount of unquoted investments				271.98	271.98
Aggregate amount of impairment in the value of investments				271.98	271.98

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 5 (b) : Non-current investments

(₹ in Million)

Particulars	Face value per unit in ₹	Number of shares / debentures March 31, 2021	Number of shares / debentures March 31, 2020	Amount March 31, 2021	Amount March 31, 2020
Investments in Preference Shares (Unquoted) :					
Investments at fair value through profit or loss					
10% Non-Cumulative Redeemable in Baramati Speciality Steels Limited	10	5,926,000	5,926,000	17.90	16.28
10% Non-Cumulative Redeemable in Kalyani Natural Resources Private Limited	100	132,000	132,000	13.20	13.20
Less : Provision for impairment in value of investments				(13.20)	(13.20)
				—	—
8% Non-Cumulative Redeemable in Kalyani Mining Ventures Private Limited	10	1,310,000	1,310,000	13.10	13.10
Less : Provision for impairment in value of investments				(13.10)	(13.10)
				—	—
Sub Total (i)				17.90	16.28
Investments in Subsidiary at fair value through profit or loss					
1% Non-Cumulative Redeemable in Lord Ganesha Minerals Private Limited	10	42,038,500	42,038,500	420.39	420.39
Less : Provision for impairment in value of investments				(420.39)	(420.39)
Sub Total (ii)				—	—
Total (i+ii)				**17.90**	**16.28**
Investment in Debentures (Unquoted) (fully paid up) :					
Investment at fair value through other comprehensive income					
0% Fully Convertible Debentures in DGM Realties Private Limited	100	13,196,000	13,196,000	1,424.24	1,430.60
Total Investment in Debentures				**1,424.24**	**1,430.60**
Total Non-current investments				**1,442.14**	**1,446.88**
Aggregate amount of quoted investments				—	—
Aggregate amount of unquoted investments				1,888.83	1,893.57
Aggregate amount of impairment in the value of investments				446.69	446.69

Note 5 (c) : Current investments

(₹ in Million)

Particulars	Face value per unit in ₹	Number of units March 31, 2021	Number of units March 31, 2020	Amount March 31, 2021	Amount March 31, 2020
I. Investments in Mutual Funds (Quoted) :					
Investments at fair value through profit and loss					
HDFC Liquid Fund - Growth	1,000	—	39,311	—	152.67
DSP Saving Fund	1,000	—	3,358,856	—	71.35
Total I				—	**224.02**
Aggregate amount of quoted investments				—	224.02
Aggregate amount of unquoted investments				—	—
Aggregate amount of impairment in the value of investments				—	—

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

(₹ in Million)

Particulars	Face value per unit in ₹	Number of shares		Amount	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
II. Investments in Equity Shares (Quoted) :					
Investments at fair value through profit and loss					
ACC Limited	10	—	2,300	—	2.23
Axis Bank Limited	2	—	14,500	—	5.50
Bajaj Auto Limited	10	—	1,500	—	3.04
Bajaj Finance Limited	2	—	7,200	—	15.96
Container Corporation of India Limited	5	—	3,300	—	1.09
Crisil Limited	1	—	1,400	—	1.76
DLF Limited	2	—	5,000	—	0.69
Finolex Industries Limited	10	—	4,000	—	1.56
Godrej Industries Limited	5	—	1,000	—	0.60
HDFC Bank Limited	1	—	27,000	—	23.27
ICICI Bank Limited	2	—	17,500	—	5.68
Kajaria Ceramics Limited	1	—	1,000	—	0.38
Kotak Mahindra Bank Limited	5	—	21,900	—	28.39
Maruti Suzuki India Limited	5	—	1,900	—	8.15
State Bank of India	1	—	27,500	—	5.41
			Total II	**—**	**103.71**
Aggregate amount of quoted investments				—	103.71
Aggregate amount of unquoted investments				—	—
Aggregate amount of impairment in the value of investments				—	—

Total Current Investments	Total I+II	—	**327.73**
Aggregate amount of quoted investments		—	327.73
Aggregate amount of unquoted investments		—	—
Aggregate amount of impairment in the value of investments		—	—

Note 6 : Loans

a. Non-current

(₹ in Million)

Particulars	**March 31, 2021**	**March 31, 2020**
Loan to related party		
Unsecured, considered good (refer Note 39)	700.00	—
Security deposits		
Unsecured, considered good	93.79	67.91
Unsecured, considered doubtful	2.09	2.09
Less : Allowance for credit losses	(2.09)	(2.09)
Total	**793.79**	**67.91**

Loans which have significant increase in credit risk	—	—
Loans - credit impaired	—	—

b. Current

(₹ in Million)

Particulars	**March 31, 2021**	**March 31, 2020**
Unsecured, considered good		
Loans to employees	—	0.19
Total	**—**	**0.19**

Loans which have significant increase in credit risk	—	—
Loans - credit impaired	—	—

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 7 : Other financial assets

a. Non-current

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Bank deposits with maturity more than twelve months under lien against Bank Guarantee	16.04	15.15
Total	**16.04**	**15.15**

b. Current

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Interest accrued on fixed deposits	145.90	135.93
Income Receivable	5.33	13.68
Total	**151.23**	**149.61**

Note 8 : Non-current Income tax assets (net)

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Tax paid in advance (net of provisions)	4.54	9.31
Total	**4.54**	**9.31**

Note 9 : Other assets

a. Non-current

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Capital advances		
Unsecured, considered good	29.45	4.73
Unsecured, considered doubtful	20.29	20.29
Less : Allowance for credit losses	(20.29)	(20.29)
Balances with government authorities		
Unsecured, considered good	2.90	3.93
Unsecured, considered doubtful	3.90	10.60
Less : Allowance for credit losses	(3.90)	(10.60)
Prepaid expenses	0.87	1.66
Total	**33.22**	**10.32**

b. Current

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Prepaid expenses	22.57	16.55
Advance to suppliers		
Unsecured, considered good	145.52	109.16
Unsecured, considered doubtful	2.52	2.52
Less : Allowance for credit losses	(2.52)	—
Balances with government authorities		
Unsecured, considered good	22.40	30.97
Unsecured, considered doubtful	—	—
Less : Allowance for credit losses	—	—
Other advances	0.99	0.53
Total	**191.48**	**159.73**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 10 : Inventories

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
(at lower of cost or net realisable value)		
Raw materials	595.95	408.93
Work-in-progress	112.12	158.33
Finished goods	387.96	553.64
Finished goods - Traded	—	36.04
Scrap at estimated realisable value	2.51	1.25
Stores, spares etc.	90.91	101.49
Total	**1,189.45**	**1,259.68**

1. The value of inventories above is stated after amount recognized of ₹ 7.04 Million (March 31, 2020 : ₹ 31.56 Million) for write-downs to net realisable value and provision for slow moving and obsolete items.

a) Details of raw material inventory

(₹ in Million)

As at March 31, 2021	MTs	Amount
Coke / Coal / Coke Fines	16,676	275.95
Iron Ore / Iron Ore Fines / Mill Scale	29,221	185.36
Ferro Alloys		111.62
Others		23.02
Total		**595.95**

(₹ in Million)

As at March 31, 2020	MTs	Amount
Coke / Coal / Coke Fines	11,363	233.83
Iron Ore / Iron Ore Fines / Mill Scale	16,802	68.15
Ferro Alloys		51.67
Others		55.28
Total		**408.93**

b) Details of work in progress

(₹ in Million)

As at March 31, 2021	MTs	Amount
Blooms & Rounds	2,603	103.19
Others		8.93
Total		**112.12**

(₹ in Million)

As at March 31, 2020	MTs	Amount
Blooms & Rounds	4,130	140.67
Others		17.66
Total		**158.33**

c) Details of finished goods

(₹ in Million)

As at March 31, 2021	MTs	Amount
Rolled Products	8,647	387.96
Others		2.51
Total		**390.47**

(₹ in Million)

As at March 31, 2020	MTs	Amount
Rolled Products	13,626	553.64
Traded Goods	635	36.04
Others		1.25
Total		**590.93**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 11 : Trade receivables

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Trade Receivable	1,276.97	1,141.29
Receivables from related parties (refer Note 39)	1,239.48	1,255.13
Less : Allowance for doubtful debts	(25.49)	(41.32)
	2,490.96	2,355.10
Break up of security details		
Secured, considered good	—	—
Unsecured, considered good	2,490.96	2,355.10
Doubtful	25.49	41.32
Total	2,516.45	2,396.42
Allowance for doubtful debts	(25.49)	(41.32)
Total	**2,490.96**	**2,355.10**

Trade receivables which have significant increase in credit risk	—	—
Trade receivables - credit impaired	—	—

1. Trade receivables are measured at amortised cost.
2. Trade receivable are non-interest bearing and are generally on terms of 30-90 days upon delivery.
3. The amount of receivables from related parties is disclosed net of advance of ₹ 470 Million (March 31, 2020 : ₹ 470 Million) as the Company has a legally enforceable right to set off the said advance against the receivable and the Company intends to do so.
4. For details of debts due from companies in which any director is a partner, a director or a member, refer Note 39 of related party transactions.
5. Movement of impairment Allowance (allowance for bad and doubtful debts).

(₹ in Million)

Particulars	
As at April 1, 2019	**31.44**
Allowance made / (reversed) during the year	(17.24)
Provision for Doubtful Debts	27.12
As at March 31, 2020	**41.32**
Allowance made / (reversed) during the year	(15.83)
Provision for Doubtful Debts	—
As at March 31, 2021	**25.49**

Note 12 : Cash and cash equivalents

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Cash on hand	—	0.51
Balances with Banks		
In current accounts	113.35	146.47
Total	**113.35**	**146.98**

Note 13 : Bank balances other than cash and cash equivalents

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Earmarked balances (on unclaimed dividend accounts)	8.41	9.49
Deposits with original maturity of more than three months but less than twelve months	6,137.85	3,448.90
Total	**6,146.26**	**3,458.39**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 14 : Share capital

(a) Authorised share capital

Particulars	Equity shares	Cumulative redeemable preference shares	Unclassified shares
As at March 31, 2020 :			
Number of shares	95,000,000	3,010,000	2,400,000
Face value per share	₹ 5/-	₹ 100/-	₹ 10/-
Amount (₹ in million)	475.00	301.00	24.00
As at March 31, 2021 :			
Number of shares	95,000,000	3,010,000	2,400,000
Face value per share	₹ 5/-	₹ 100/-	₹ 10/-
Amount (₹ in million)	475.00	301.00	24.00

(b) Terms / rights attached to equity shares

The Company has only one class of issued equity shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Issued and subscribed equity share capital

(₹ in Million)

Particulars	Number of shares	Amount
As at March 31, 2019	**43,759,380**	**218.80**
Changes in equity share capital	—	—
As at March 31, 2020	**43,759,380**	**218.80**
Changes in equity share capital	—	—
As at March 31, 2021	**43,759,380**	**218.80**

(d) Subscribed and fully paid up equity share capital

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Equity Shares of ₹ 5/- each fully paid	218.27	218.27
Add : Forfeited Equity Shares (amount paid up)	0.37	0.37
Subscribed and paid up equity share capital	**218.64**	**218.64**
Number of equity shares of ₹ 5/- each fully paid	43,653,060	43,653,060
Add : Forfeited Equity Shares	106,320	106,320
Number of shares	**43,759,380**	**43,759,380**

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	Ajinkya Investment & Trading Company	Sundaram Trading & Investment Private Limited	BF Investment Limited
As at March 31, 2020			
% of holding	7.47%	17.79%	39.06%
Number of shares	3,261,822	7,766,758	17,052,421
As at March 31, 2021			
% of holding	7.47%	17.79%	39.06%
Number of shares	3,261,822	7,766,758	17,052,421

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 15 : Other equity

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
A) Reserves and Surplus		
i) Retained earnings		
Balance at the beginning of the year	8,930.80	8,091.16
Add : Profit for the year	1,903.02	1,371.18
Add : Other Comprehensive Income being remeasurements of post-employment benefit plans (net of tax)	6.18	(5.26)
Total	1,909.20	1,365.92
Less :		
Final equity dividend of previous year	—	218.27
Tax on final equity dividend of previous year	—	44.87
Interim equity dividend of current year	—	218.27
Tax on interim equity dividend of current year	—	44.87
Total	—	526.28
Balance at the end of the year	10,840.00	8,930.80
ii) General reserve		
Balance at the beginning and end of the year	419.27	419.27
B) Other reserve :		
FVTOCI Equity investment reserve		
Balance at the beginning of the year	70.60	176.61
Fair value changes for the year	(6.36)	(106.01)
Balance at the end of the year	64.24	70.60
Total	**11,323.51**	**9,420.67**

Nature and purpose of reserves :

i) General reserve :

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

ii) FVTOCI Equity investment reserve :

The Company has elected to recognise changes in the fair value of investment in compulsorily convertible debentures in other comprehensive income. These changes are accumulated within the FVTOCI investment reserve within equity. The Company will transfer amounts from the said reserve to retained earnings when the relevant debentures are de-recognized.

iii) Dividend distribution made and proposed :

(₹ in Million)

Particulars	2020-21	2019-20
Cash Dividend on Equity shares declared and paid		
Final Dividend :		
For the year ended March 31, 2020 : ₹ Nil per equity share (March 31, 2019 : ₹ 5/- per equity share)	—	218.27
Dividend distribution tax on final dividend	—	44.87
Interim Dividend :		
For the year ended March 31, 2021 : ₹ Nil/- per equity share (March 31, 2020 : ₹ 5/- per equity share)	—	218.27
Dividend distribution tax on interim dividend	—	44.87
Proposed dividends on Equity Shares		
Final Dividend :		
For the year ended March 31, 2021 : ₹ 7.50/- per equity share (March 31, 2020 : ₹ Nil/- per equity share)	327.40	—

Proposed dividend on equity shares is subject to approval of the shareholders of the Company at the annual general meeting and is not recognized as a liability as at year end.

As per the Finance Act, 2020, dividend distribution tax under both the Sections 115-O & 115BBDA of the Income Tax Act, 1961, has been abolished.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 16 : Non- current borrowings

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Secured :		
Foreign currency term loans from banks :		
MUFG Bank, Ltd. Singapore (refer Note (i) below)	183.80	—
Total non-current borrowings	183.80	—
Less : Interest accrued	0.04	—
Total	**183.76**	**—**

Foreign currency term loans :

i) From MUFG Bank, Ltd. Singapore

External Commercial Borrowing (ECB) Term Loan balance outstanding, USD 2,500,000/-, repayable in ten equal quarterly instalments, repayment commencing from December 29, 2023, carrying interest at three months USD LIBOR plus 90 bps p.a. payable quarterly.

Details of security

Above Foreign Currency Term Loan is secured by First pari-passu Charge on the Movable Fixed Assets of the Company i.e. hypothecation of the entire Plant and Machineries, machinery spares, tools and accessories and other movable accessories both present and future, ranking pari-passu with charges created and / or to be created in favour of Banks / Financial Institutions for their term / foreign currency loans.

Note 17 : Other Current financial liabilities

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Interest accrued but not due	9.67	21.14
Unclaimed dividend payable	8.41	9.49
Creditors for capital goods	174.81	174.75
Employee benefits payable	86.30	56.18
Total	**279.19**	**261.56**

Note 18 : Provisions

a. Non-current

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits (refer Note 38)		
Provision for compensated absences	42.10	39.11
Total	**42.10**	**39.11**

b. Current

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits (refer Note 38)		
Provision for gratuity	8.33	11.74
Provision for compensated absences	7.98	7.65
Total	**16.31**	**19.39**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 19 : Deferred tax liabilities (net)

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Deferred tax liabilities		
Depreciation and amortisation	292.10	337.01
Fair valuation of derivatives	—	—
Total deferred tax liabilities	292.10	337.01
Deferred tax assets		
Disallowance u/s 43B of the Income Tax Act	9.23	9.73
Provision for doubtful debts	1.46	5.44
Other Comprehensive income	0.64	2.72
Fair valuation of investment	10.41	13.69
Total deferred tax assets	21.74	31.58
Total	**270.36**	**305.43**

Changes in Deferred Tax Assets / (Liabilities) in Statement of Profit and Loss [charged / (credited) during the year]

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Deferred tax liabilities		
Depreciation and amortisation	(44.92)	(171.60)
Deferred tax assets		
Disallowance u/s 43B of the Income Tax Act	0.50	5.75
Provision for doubtful debts	3.98	(0.09)
Fair valuation of investment	3.29	0.90
Total	**(37.15)**	**(165.04)**

Changes in Deferred Tax Assets / (Liabilities) in Other Comprehensive income [charged / (credited) during the year]

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Remeasurements of post-employment benefit plans	2.08	(1.77)
Total	**2.08**	**(1.77)**

Note 20 : Other non-current liabilities

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Advance received as a part of strategic alliance	73.94	108.70
Total	**73.94**	**108.70**

Note 21 : Current borrowings

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Unsecured borrowing from bank		
HDFC Bank Limited*	1,500.00	—
Total	**1,500.00**	**—**

* Borrowing carries interest at rate of 4.18% p.a.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 22 : Trade payables

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	30.55	22.34
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Acceptances (see Note (i) below)	883.03	1,820.68
ii) Related Parties (refer Note 39)	121.05	54.58
iii) Others	1,320.28	1,252.32
Total	**2,354.91**	**3,149.92**

i) Acceptances include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year.

ii) Trade payables are non interest bearing and generally settled within 90 days.

iii) The Company has compiled this information based on the current information in its possession as at March 31, 2021.

Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follows :

(₹ in Million)

Dues to Micro, Small and Medium Enterprises (MSMEs)	March 31, 2021	March 31, 2020
Total amount dues to MSMEs as on Balance Sheet date		
- Principal amount due to MSMEs	30.55	22.34
- Interest on principal amount due to MSMEs	0.11	0.11
Total delayed payments to MSMEs during the year		
- Principal amount	—	1.24
- Interest on Principal amount	—	0.11
Total amount of interest paid to MSMEs during the year	—	—
Total interest accrued and remaining unpaid at the end of the year under MSMED Act	0.11	0.11
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	0.11	0.11

Note 23 : Other current liabilities

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Statutory dues payable	150.27	52.80
Advances from customers	9.04	13.84
Advance received as a part of strategic alliance	50.15	50.15
Total	**209.46**	**116.79**

Note 24 : Current tax liabilities (net)

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Provision for income tax (net of advance tax)	31.40	3.91
Total	**31.40**	**3.91**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 25 : Revenue from operations

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers		
Sale of Products		
Finished Goods	11,202.15	11,169.85
Traded Goods	462.25	584.65
Other Operating Revenue		
Scrap Sales	128.03	134.19
Export incentives received	5.77	12.60
Provisions written back	81.74	87.99
Total	**11,879.94**	**11,989.28**

Details of finished goods sold

(₹ in Million)

Year ended March 31, 2021	Quantity in MTs	Amount
Pig Iron	3,455	97.71
Blooms and Rounds	12,540	572.46
Rolled Products	185,416	10,531.98
Total		**11,202.15**

(₹ in Million)

Year ended March 31, 2020	Quantity in MTs	Amount
Pig Iron	1,938	48.31
Blooms and Rounds	14,334	658.39
Rolled Products	184,106	10,463.15
Total		**11,169.85**

Details of traded goods sold

(₹ in Million)

Year ended March 31, 2021	Quantity in MTs	Amount
Rolled Products	8,721	462.25
Total		**462.25**

(₹ in Million)

Year ended March 31, 2020	Quantity in MTs	Amount
Rolled Products	10,510	584.65
Total		**584.65**

Note 26 : Other income

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Dividend income from investment in mutual funds - measured at FVTPL	—	37.84
Dividend income from investment in equity shares - measured at FVTPL	0.13	—
Interest from deposits and loans, being financial assets carried at amortised cost	308.30	167.03
Gain on foreign exchange (net)	64.72	—
Profit on sale of Investments measured at FVTPL	29.58	22.49
Profit on sale of property, plant and equipment	0.11	0.03
Net gain / (loss) on investments measured at FVTPL	1.62	2.37
Miscellaneous receipts	20.89	2.87
Total	**425.35**	**232.63**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 27 : Cost of raw materials consumed

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Raw material at the beginning of the year	408.93	815.10
Add : Purchases	5,648.70	5,448.15
Less : Sale of Raw Material	4.35	—
Less : Raw material at the end of the year	595.95	408.93
Total	**5,457.33**	**5,854.32**

Details of raw materials consumed

(₹ in Million)

Year ended March 31, 2021	Quantity in MTs	Amount
Coke / Coal / Coke Fines	126,997	2,606.66
Iron Ore / Iron Ore Fines / Mill Scale	310,959	1,551.99
Ferro Alloys		919.57
Others		379.11
Total		**5,457.33**

(₹ in Million)

Year ended March 31, 2020	Quantity in MTs	Amount
Coke / Coal / Coke Fines	135,510	3,122.78
Iron Ore / Iron Ore Fines / Mill Scale	324,881	1,302.29
Ferro Alloys		1,064.31
Others		364.94
Total		**5,854.32**

Note 28 : Purchases of traded goods

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rolled Products	414.64	510.88
Total	**414.64**	**510.88**

Note 29 : Changes in inventories of finished goods (including stock-in-trade) and work-in-progress

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Work in Progress	112.12	158.33
Finished Goods	387.96	553.64
Finished Goods - Traded	—	36.04
Scrap at estimated realisable value	2.51	1.25
	502.59	749.26
Inventories at the beginning of the year		
Work in Progress	158.33	127.17
Finished Goods	553.64	496.62
Finished Goods - Traded	36.04	3.73
Scrap at estimated realisable value	1.25	1.21
	749.26	628.73
Total	**246.67**	**(120.53)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 30 : Employee benefits expense

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	505.00	480.00
Gratuity (refer Note 38)	11.77	10.99
Contribution to provident fund and other funds	36.60	62.11
Workmen and staff welfare expenses	20.07	24.24
Total	**573.44**	**577.34**

Note 31 : Finance costs

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expenses	34.73	4.42
Other borrowing costs*	32.97	76.04
Total	**67.70**	**80.46**

* Other borrowing costs includes L/C charges, Bank processing charges etc.

Note 32 : Depreciation and amortization expense

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on tangible assets (refer Note 3)	432.42	416.71
Amortisation of intangible assets (refer Note 4)	9.09	9.44
Total	**441.51**	**426.15**

Note 33 : Other expenses

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Manufacturing expenses :		
Stores and spares consumed	767.41	945.99
Job work and manufacturing charges	476.42	486.44
Power and fuel	677.74	753.95
Building and road repairs	10.61	16.13
Machinery repairs	41.01	60.79
Facility charges under strategic alliance	58.08	58.79
Total (a)	2,031.27	2,322.09
b) Other expenses :		
Rent (short term or low value)	0.89	1.16
Rates and taxes	0.06	0.65
Insurance	16.87	14.34
Legal and Professional charges	12.22	28.83
Travelling and conveyance	9.80	22.57
CSR expenditure (refer Note 43)	7.67	90.42
Donations	0.40	10.00
Freight outward	342.08	328.64
Brokerage and commission	6.64	1.92
Payment to auditor (refer Note 34)	5.30	5.43
Directors' fees and travelling expenses	0.31	1.04
Directors' commission	25.00	17.75
Loss on Foreign Exchange Fluctuation (net)	—	146.90
Provision for Doubtful Debts (net of reversal)	—	27.12
Provision for Doubtful Advances	2.53	—
Fair value loss arising from financial instruments designated as FVTPL	—	12.31
Provision for impairment in Investment in subsidiary	—	72.98
Miscellaneous expenses*	92.59	110.11
Total (b)	522.36	892.17
Total (a + b)	**2,553.63**	**3,214.26**

* Miscellaneous expenses includes branding fees, security services, printing, stationery, postage, telephone etc.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 34 : Payment to auditors

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As statutory auditors	3.68	3.68
In other capacity :		
Tax audit fees	0.73	0.73
Limited review	0.45	0.45
Certification	0.43	0.56
Out of pocket expenses reimbursed	0.01	0.01
Total	**5.30**	**5.43**

Note 35 : Income tax expense

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax expense	684.50	477.50
Deferred tax expense	(37.15)	(165.04)
Taxation in respect of earlier years	—	(4.61)
Total	**647.35**	**307.85**

The Company had provided Income Tax for the year ended on March 31, 2020 and remeasured its Deferred Tax Assets / Liabilities on the basis of rates prescribed under Section 115BAA of Income Tax Act, 1961 exercising the option permitted under that Section.

Reconciliation of tax expense and accounting profit multiplied by statutory tax rate

(₹ in Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	2,550.37	1,679.03
Applicable tax rate	25.168%	25.168%
Computed tax expense	641.88	422.58
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
CSR Expenses	1.93	10.17
Investment written off	—	18.37
Advances written off	0.64	—
Impact of Income Tax rate decrease on Deferred Tax	—	(133.31)
Dividend received	0.03	(9.52)
Donation	0.10	(5.05)
Others	2.77	9.22
Taxation in respect of earlier years	—	(4.61)
Income tax expense	**647.35**	**307.85**

Note 36 : Earnings per Share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit after tax (₹ in Million)	1,903.02	1,371.18
Weighted average number of equity shares	43,653,060	43,653,060
Basic and diluted earning per share of nominal value of ₹ 5/- each	43.59	31.41

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 37 : Contingencies and commitments

A Contingent liabilities

(₹ in Million)

	Particulars	March 31, 2021	March 31, 2020
i	Claims against the Company not acknowledged as debts	1.98	1.98
ii	Customs duty, excise duty and service tax - matter under appeal	32.57	32.57
iii	Income tax matters under appeal	15.78	9.50
iv	Iron ore supplier - rate difference claim - disputed	255.20	255.20
v	Reimbursement for Forest Development Tax on Iron Ore claimed by supplier	33.49	33.49
vi	Forest Development Tax / Fees*	386.67	255.54
vii	Others	1.53	1.53
	Total	**727.22**	**589.81**

* In response to a petition filed by the iron ore mine owners and purchasers (including the Company) contesting the levy of Forest Development Tax (FDT) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, the Honourable High Court of Karnataka vide its judgement dated 3rd December, 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognized provision for FDT of ₹ 386.67 Million as at March 31, 2021 (₹ 255.54 Million as at March 31, 2020) and treated it as a contingent liability.

B Capital and other commitments

(₹ in Million)

	Particulars	March 31, 2021	March 31, 2020
1	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	473.74	1.97
2	Other Commitments on account of :		
	a) Purchase of Raw Material through E-Auction	24.52	—
	b) Supply of Gases - Minimum Take over Price	377.49	435.57
	Total	**875.75**	**437.54**

Note 38 : Provision for Employee benefits

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Compensated absences (refer Note A)		
Non-current	42.10	39.11
Current	7.98	7.65
Gratuity (refer Note B)		
Current	8.33	11.74

A) Compensated absences

The compensated absences cover the Company's liability for privilege leave.

I) Significant assumptions

The significant actuarial assumptions were as follows :

Kalyani Steels Limited

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.30%	6.50%
Salary escalation rate	7.00%	7.00%
Retirement age	VP and above - 60 years Wholetime Director - 65 years Others - 55 years	VP and above - 60 years Wholetime Director - 65 years Others - 55 years
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	7.00%	7.00%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Hospet Steels Limited (Joint Operation)

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.90%
Salary escalation rate	8.00%	7.00%
Retirement age	Staff - 58 years Workers - 60 years	Staff - 58 years Workers - 60 years
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	1.00-3.00%	1.00-3.00%

B) Gratuity

The Company has formed "Kalyani Steels Limited Employees Group Gratuity cum Life Assurance Scheme" to manage the gratuity obligations. The joint operation at Hospet Steels Limited has formed "Hospet Steels Employees Gratuity Trust" to manage its gratuity obligations. The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company - Life Insurance Corporation of India. Every permanent employee is entitled to a benefit equivalent to 15/30 days (as applicable) of the last drawn salary for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. There is no compulsion on the part of the Company to fully pre-fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity as well as level of under funding of the plan.

I) The amounts recognized in balance sheet and movements in the net benefit obligation over the year are as follows :

(₹ in Million)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2019	**111.00**	**(96.20)**	**14.80**
Current service cost	10.67	—	10.67
Interest expense / (income)	7.95	(7.63)	0.32
Total amount recognized in Statement of Profit and Loss	18.62	(7.63)	10.99
Experience gain / loss	11.64	(0.03)	11.61
(Gain) / loss from change in financial assumptions	(4.77)	0.19	(4.58)
Total amount recognized in Other Comprehensive Income	6.87	0.16	7.03
Benefits paid	(10.23)	9.98	(0.25)
Contribution	—	(21.36)	(21.36)
Mortality	—	0.53	0.53
March 31, 2020	**126.26**	**(114.52)**	**11.74**

(₹ in Million)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2020	**126.26**	**(114.52)**	**11.74**
Current service cost	11.18	—	11.18
Interest expense / (income)	8.32	(7.73)	0.59
Total amount recognized in Statement of Profit and Loss	19.50	(7.73)	11.77
Experience gain / loss	(8.65)	(0.95)	(9.60)
(Gain) / loss from change in financial assumptions	0.90	0.44	1.34
Total amount recognized in Other Comprehensive Income	(7.75)	(0.51)	(8.26)
Benefits paid	(3.74)	3.38	(0.36)
Contribution	—	(6.94)	(6.94)
Mortality	—	0.38	0.38
March 31, 2021	**134.27**	**(125.94)**	**8.33**

II) The net liability disclosed above relates to funded plans are as follows :

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Present value of funded obligation	134.27	126.26
Fair value of plan assets	(125.94)	(114.52)
Deficit of funded plan	**8.33**	**11.74**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

III) Significant estimates :

The significant actuarial assumptions were as follows :

Kalyani Steels Limited

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.50%	6.50%
Salary growth rate	7.00%	7.00%
Attrition rate	7.00%	7.00%
Retirement age	M1 category - 60 years Wholetime Director - 65 years Others - 55 years	M1 category - 60 years Wholetime Director - 65 years Others - 55 years
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Hospet Steels Limited (Joint operation)

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.90%
Salary growth rate	8.00%	7.00%
Attrition rate	1 - 3%	1 - 3%
Retirement age	Staff - 58 years Workers - 60 years	Staff - 58 years Workers - 60 years
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

IV) Sensitivity analysis :

The sensitivity of defined obligation to changes in the weighted principal assumptions is :

(₹ in Million)

Assumption	Impact on defined benefit obligation	
	March 31, 2021	March 31, 2020
Discount rate		
1% decrease	10.15	10.17
1% increase	(8.86)	(8.87)
Future salary increase		
1% decrease	(7.74)	(7.85)
1% increase	8.66	8.80
Attrition rate		
1% decrease	0.74	0.78
1% increase	(0.67)	(0.71)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognized in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The following payments are expected future benefit payments :

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Less than a year	13.47	11.65
Between 1 - 2 years	30.46	7.73
Between 2 - 5 years	46.96	63.31
Over 5 years	75.05	77.05
Total	**165.94**	**159.74**

The weighted duration of the defined obligation is 8.09 years (March 31, 2020 - 7.55 years)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

V) The major categories of plan assets are as follows :

Particulars	March 31, 2021	March 31, 2020
Unquoted - Insurer managed funds*	100.00%	100.00%

* The Company maintains gratuity fund, which is being administered by LIC. Fund value confirmed by LIC as at March 31, 2021 is considered to be the fair value.

VI) The Company expects to contribute ₹ 8.33 Million to the gratuity fund in the next year.

C) Superannuation plan

The Company and its Joint Operation has formed "Kalyani Steels Limited Officers Superannuation Scheme" and "Hospet Steels Limited Employees Superannuation Trust" respectively to manage its superannuation scheme through Life Insurance Corporation of India. Contributions are made at 15% of basic salary for employees covered under the superannuation scheme. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is ₹ 6.26 Million (March 31, 2020 - ₹ 9.43 Million).

D) Risk Exposure

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

Asset Volatility : All plan assets for gratuity and superannuation are maintained in a trust managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

Asset volatility risk for provident fund : The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income fund, manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of plans' bond holdings.

Life expectancy : This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Future salary increase and inflation risk : Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Asset-Liability mismatch risk : Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 39 : Related party transactions
A) Name of the related parties and nature of relationship
(i) Where control exists :

Subsidiary	Ownership interest held by the Company	
	March 31, 2021	March 31, 2020
Lord Ganesha Minerals Private Limited	77.50%	77.50%

The principal place of business of the subsidiary is India and the Company has accounted for its investment in subsidiary at cost.

Joint operation	Ownership interest held by the Company	
	March 31, 2021	March 31, 2020
Hospet Steels Limited	41.38%	41.38%

The principal place of business of the joint operation is India. The voting rights in the joint operation are 49.99% (March 31, 2019 : 49.99%). The principal business is to act as a management company for strategic alliance arrangement between Kalyani Steels Limited and Mukand Limited.

Other related parties :

a) Structured entities :
- i) Kalyani Steels Limited Non Bargainable Staff Provident Fund
- ii) Kalyani Steels Limited Officers Superannuation Scheme
- iii) Kalyani Steels Limited Employees Group Gratuity cum Life Assurance Scheme
- iv) Hospet Steels Employees Gratuity Trust
- v) Hospet Steels Limited Employees Superannuation Trust

b) Enterprise where in the Company is an Associate :
BF Investment Limited

c)

Associate	Ownership interest held by the Company	
	March 31, 2021	March 31, 2020
Kalyani Mukand Limited	50.00%	50.00%

The principal place of business of the associate is India and the Company has accounted for its investment in associate at cost.

B) Other related parties with whom transactions have taken place during the year :
Entities under common control :
- i) Bharat Forge Limited
- ii) Kalyani Technoforge Limited
- iii) Kalyani Transmission Technologies Private Limited
- iv) Saarloha Advanced Materials Private Limited
- v) Baramati Speciality Steels Limited (w.e.f. FY 2020-21)
- vi) Kalyani Investment Company Limited

C) Promoter / Promoter Group having 10% or more shareholding :
- i) Sundaram Trading & Investment Private Limited
- ii) BF Investment Limited

Key Management Personnel :
- i) Mr.B.N. Kalyani, Chairman, Promoter Non-Executive Director
- ii) Mrs.Sunita B. Kalyani, Non-Executive Director
- iii) Mr.Amit B. Kalyani, Non-Executive Director
- iv) Mr.S.M. Kheny, Non-Executive Director
- v) Mr.B.B. Hattarki, Independent Director
- vi) Mr.M.U. Takale, Independent Director
- vii) Mr.Arun P. Pawar, Independent Director
- viii) Mr.Sachin K. Mandlik, Independent Director
- ix) Mr.S.K. Adivarekar, Independent Director
- x) Mrs.Shruti A. Shah, Independent Director
- xi) Amb.Ahmad Javed, Independent Director (w.e.f. June 26, 2020)
- xii) Mr.R.K. Goyal, Managing Director, Executive Director

Entities in which KMPs have significant influence
- i) Kalyani Technologies Limited

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

(₹ in Million)

I	Key management personnel compensation	March 31, 2021	March 31, 2020
i)	Mr.B.N. Kalyani, Chairman, Promoter Non-Executive Director	7.04	5.54
ii)	Mrs.Sunita B. Kalyani, Non-Executive Director	6.01	4.01
iii)	Mr.Amit B. Kalyani, Non-Executive Director	6.01	4.01
iv)	Mr.S.M. Kheny, Non-Executive Director	0.72	0.66
v)	Mr.B.B. Hattarki, Independent Director	1.01	0.96
vi)	Mr.M.U. Takale, Independent Director	0.72	0.73
vii)	Mr.Arun P. Pawar, Independent Director	0.61	0.51
viii)	Mr.Sachin K. Mandlik, Independent Director	0.76	0.76
ix)	Mr.S.K. Adivarekar, Independent Director	0.92	0.77
x)	Mrs.Shruti A. Shah, Independent Director	0.71	—
xi)	Amb.Ahmad Javed, Independent Director	0.71	—
xii)	Mr.R.K. Goyal, Managing Director, Executive Director	97.67	80.05
	Total	**122.89**	**98.00**

(₹ in Million)

II	Dividend Paid	March 31, 2021	March 31, 2020
i)	Sundaram Trading & Investment Private Limited	—	77.67
ii)	BF Investment Limited	—	170.52
iii)	Mr.B.N. Kalyani, Chairman, Promoter Non-Executive Director	—	0.01
iv)	Mrs.Sunita B. Kalyani, Non-Executive Director	—	0.55
v)	Mr.Amit B. Kalyani, Non-Executive Director	—	0.32
vi)	Mr.M.U. Takale, Independent Director	—	0.03
	Total	**—**	**249.10**

(₹ in Million)

III	Transactions with related parties	March 31, 2021	March 31, 2020
A	**Sale of goods**		
i)	Bharat Forge Limited	3,554.81	4,109.69
ii)	Kalyani Technoforge Limited	2,111.41	2,243.09
iii)	Kalyani Transmission Technologies Private Limited	300.28	122.78
iv)	Saarloha Advanced Materials Private Limited	197.12	136.07
v)	Baramati Speciality Steels Limited	348.97	—
B	**Purchase of goods**		
i)	Bharat Forge Limited	7.34	10.46
ii)	Saarloha Advanced Materials Private Limited	460.10	563.94
iii)	Baramati Speciality Steels Limited	2.58	—
C	**Reimbursement of expenses received**		
i)	Kalyani Investment Company Limited	11.51	11.35
ii)	Saarloha Advanced Materials Private Limited	7.08	9.28
D	**Conversion charges paid**		
i)	Saarloha Advanced Materials Private Limited	97.14	91.73
ii)	Baramati Speciality Steels Limited	165.87	—
E	**Reimbursement of expenses paid**		
i)	Bharat Forge Limited	0.05	—
ii)	Saarloha Advanced Materials Private Limited	0.83	2.14
iii)	Kalyani Mukand Limited	0.30	—
F	**Finance provided - Loan**		
i)	Kalyani Transmission Technologies Private Limited	700.00	—
G	**Interest income**		
i)	Kalyani Transmission Technologies Private Limited	37.23	—
H	**Branding Fees paid**		
i)	Kalyani Technologies Limited	27.60	27.70
I	**Computer hardware purchase**		
i)	Kalyani Technologies Limited	0.50	10.68
J	**Provision for Diminution in value of Investment**		
i)	Lord Ganesha Minerals Private Limited	—	72.98

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

(₹ in Million)

III	Transactions with related parties	March 31, 2021	March 31, 2020
K	**Employee benefit expense**		
i)	Kalyani Steels Limited Non Bargainable Staff Provident Fund	—	24.74
ii)	Kalyani Steels Limited Officers' Superannuation Scheme	2.61	2.96
iii)	Kalyani Steels Limited Employees' Group Gratuity cum Life Assurance Scheme	5.45	9.88
iv)	Hospet Steels Employees Gratuity Trust	1.49	11.61
v)	Hospet Steels Limited Employees Superannuation Trust	5.99	6.46

(₹ in Million)

IV	Outstanding balances from sale / purchases of goods	March 31, 2021	March 31, 2020
A	**Trade Payables**		
i)	Bharat Forge Limited	0.40	1.93
ii)	Saarloha Advanced Materials Private Limited	99.52	34.51
iii)	Baramati Speciality Steels Limited	11.81	—
iv)	Kalyani Technologies Limited	9.32	18.14
	Total trade payables from related parties (Note 22)	121.05	54.58
B	**Trade Receivables**		
i)	Bharat Forge Limited	135.61	414.48
ii)	Kalyani Technoforge Limited	862.72	763.17
iii)	Kalyani Transmission Technologies Private Limited	164.20	62.88
iv)	Saarloha Advanced Materials Private Limited	20.83	12.51
v)	Baramati Speciality Steels Limited	54.88	—
vi)	Kalyani Investment Company Limited	1.24	2.09
	Total trade receivables from related parties (Note 11)	1,239.48	1,255.13
C	**Loan given**		
i)	Kalyani Transmission Technologies Private Limited	700.00	—
D	**Key management personnel compensation**		
i)	Mr.B.N. Kalyani, Chairman, Promoter Non-Executive Director	7.00	5.50
ii)	Mrs.Sunita B. Kalyani, Non-Executive Director	6.00	4.00
iii)	Mr.Amit B. Kalyani, Non-Executive Director	6.00	4.00
iv)	Mr.S.M. Kheny, Non-Executive Director	0.70	0.65
v)	Mr.B.B. Hattarki, Independent Director	0.95	0.90
vi)	Mr.M.U. Takale, Independent Director	0.70	0.70
vii)	Mr.Arun P. Pawar, Independent Director	0.60	0.50
viii)	Mr.Sachin K. Mandlik, Independent Director	0.75	0.75
ix)	Mr.S.K. Adivarekar, Independent Director	0.90	0.75
x)	Mrs.Shruti A. Shah, Independent Director	0.70	—
xi)	Amb.Ahmad Javed, Independent Director	0.70	—
xii)	Mr.R.K. Goyal, Managing Director, Executive Director	41.07	22.93
	Total Key Management Personnel Compensation	66.07	40.68

There is no allowance for bad and doubtful debts recognized in respect of receivables due from related parties.

(₹ in Million)

V	Compensation to key management personnel	March 31, 2021	March 31, 2020
	Nature of transaction		
	Short-term employee benefits	97.67	77.77
	Post-employment benefits	—	2.28
	Other-long term benefits	—	—
	Termination benefits	—	—
	Share base payment	—	—

As the future liability for gratuity is provided on an actuarial basis for the Company as whole, the amount pertaining to individual is not ascertainable and therefore not included above.

VI Terms and conditions for outstanding balances

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. The sale and purchase transactions were on the normal commercial terms and at market rates. The outstanding balances as on year end are unsecured and will be settled in monetary terms.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 40 : Fair value measurements

Financial assets and liabilities at amortised cost

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Financial assets		
Loan to employees	—	0.19
Loan to related party	700.00	—
Security deposits	93.79	67.91
Trade receivables	2,490.96	2,355.10
Cash and cash equivalents	113.35	146.98
Other Bank Balances	6,146.26	3,458.39
Income Receivable	151.23	149.61
Bank deposits with maturity more than twelve months	16.04	15.15
Total financial assets	**9,711.63**	**6,193.33**
Financial liabilities		
Borrowings	1,683.76	—
Trade payables	2,354.91	3,149.92
Other financial liabilities	279.19	261.56
Total financial liabilities	**4,317.86**	**3,411.48**

Financial assets and liabilities classified as FVTPL

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Investment in Preference shares	17.90	16.28
Investments in Mutual Funds	—	224.02
Investments in Equity Shares	—	103.71

Financial assets and liabilities classified as FVTOCI

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Investment in Debentures	1,424.24	1,430.60

i) Fair value hierarchy :

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized 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 underneath the table.

(₹ in Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3
Investment in Preference shares			
March 31, 2021	—	—	17.90
March 31, 2020	—	—	16.28
Investments in Mutual Funds			
March 31, 2021	—	—	—
March 31, 2020	224.02	—	—
Investments in Equity Shares			
March 31, 2021	—	—	—
March 31, 2020	103.71	—	—
Investment in Debentures			
March 31, 2021	—	—	1,424.24
March 31, 2020	—	—	1,430.60

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include :

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value for preference shares is determined using discounted cash flow analysis (Baramati Speciality Steels Limited).
- The fair value for preference shares is determined using net asset value method (Lord Ganesha Minerals Private Limited).
- The fair value for compulsorily convertible debentures is determined using asset approach (replacement value method).

iii) Valuation process :

The finance department of the Company includes a team that performs the valuations of assets and liabilities required for financial reporting purposes. This team appoints external valuation experts whenever the need arises for Level 3 fair valuation. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every year, in line with the Company's annual reporting period.

iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of such financial assets and liabilities are a reasonable approximation of their fair values.

v) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 items :

(₹ in Million)

Particulars	Preference shares	Debentures	Total
As at April 1, 2020	16.28	1,430.60	1,446.88
Gains / (losses) recognized in profit or loss	1.62	—	1.62
Gains / (losses) recognized in other comprehensive income	—	(6.36)	(6.36)
As at March 31, 2021	**17.90**	**1,424.24**	**1,442.14**

vi) Valuation inputs and relationships to fair value :

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value :

Particulars	Significant unobservable input	
	March 31, 2021	March 31, 2020
1) Preference shares		
i) Discount rate	10.00%	10.00%
2) Compulsory convertible debentures		
i) Discount rate	6.07%	6.04%
ii) Inflation rate	6.07%	6.92%

The change by 100 bps does not have any material impact on value of investments in preference shares and compulsory convertible debentures.

Note 41 : Financial risk management

The Company is exposed to risks such as changes in foreign currency exchange rates and interest rates. A variety of practices are employed to manage these risks, including use of derivative instruments.

Derivative instruments are used only for risk management purposes and not for speculation. All foreign currency derivative instruments are entered into with major financial institutions. The Company's credit exposure under these arrangements is limited to agreements with a positive fair value at the reporting date. Credit risk with respect to the counterparty is actively monitored.

Presented below is a description of the risks (market risk, credit risk and liquidity risk) together with a sensitivity analysis, performed annually, of each of these risks based on selected changes in market rates and prices. These analyses reflect management's view of changes which are reasonably possible to occur over a one-year period.

I) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

A) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

i) Foreign currency risk exposure

The Company's exposure to foreign currency risk (in USD) at the end of reporting period in INR (Million), is as follows :

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Financial assets		
Trade receivables	77.60	31.80
Net exposure to foreign currency risk (assets)	77.60	31.80
Financial liabilities		
Borrowings	183.76	—
Trade payables	905.57	1,838.60
Interest	0.01	—
Net exposure to foreign currency risk (liabilities)	**1,089.34**	**1,838.60**

The sensitivity of pre tax profit or loss and pre tax equity to changes in foreign exchange rates with respect to year end payable / receivable balances in INR (Million) is as follows :

Particulars	Impact on pre tax profit or loss and pre tax equity	
	March 31, 2021	March 31, 2020
USD		
Increase by 1%*	(10.12)	(18.43)
Decrease by 1%*	10.12	18.43

*Holding all other variables constant

ii) Commodity Price risk :

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the cost of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products. The Company is also subject to fluctuations in prices for the purchase of iron ore, metallurgical coke, ferro alloys, scrap and other raw material inputs.

Commodity Price Sensitivity :

The Company has a back to back pass through arrangements for volatility in raw material prices for most of the customers. The selling prices of steel and the prices of input raw material moves in the same direction. However in few cases there may be a lag effect in case of such pass through arrangements and might have some effect on the Company's profit and equity.

B) Interest risk

The Company has borrowings at variable interest rate. Profit or loss and equity are sensitive to higher / lower interest expense from borrowings as a result of change in the interest rates. The following sensitivity analysis has been performed for non-current and current borrowings.

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Total borrowings at variable interest rate	183.76	—
Interest rate swaps	—	—
Net exposure to interest rate risk	183.76	—

Particulars	Impact on pre tax profit or loss and pre tax equity	
	March 31, 2021	March 31, 2020
Increase by 0.5%*	(0.05)	—
Decrease by 0.5%*	0.05	—

*Holding all other variables constant

II Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these debt financing plans.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities :

(₹ in Million)

March 31, 2021	Less than 1 year	More than 1 year
Non-derivative		
Borrowings	1,500.00	183.76
Trade payables	2,354.91	—
Other financial liabilities	279.19	—

(₹ in Million)

March 31, 2020	Less than 1 year	More than 1 year
Non-derivative		
Borrowings	—	—
Trade payables	3,149.92	—
Other financial liabilities	261.56	—

III Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The balances with banks, loans given to employees and associated company, security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

A Trade receivables

Senior management is responsible for managing and analysing the credit risk for each of their new clients before standard payment, delivery terms and conditions are offered. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment. The utilisation of credit limits is regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for all customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11.

i) Expected credit loss for trade receivables under simplified approach

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Gross carrying amount	2,516.45	2,396.42
Expected loss rate	1.01%	1.72%
Expected credit losses (loss allowance provision)	25.49	41.32
Carrying amount of trade receivables (net of impairment)	**2,490.96**	**2,355.10**

ii) Reconciliation of loss allowance provision - trade receivables

(₹ in Million)

Loss allowance as on March 31, 2019	31.44
Changes in loss allowance	9.88
Loss allowance as on March 31, 2020	41.32
Changes in loss allowance	(15.83)
Loss allowance as on March 31, 2021	**25.49**

Note 42 : Capital management

The Company's objective when managing capital is to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long term and short term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Total debt includes all long and short-term debts as disclosed in Note 16 and Note 21 to the financial statements.

The capital structure of the Company is as follows :

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Borrowings	1,683.76	—
Less : Cash and cash equivalents	113.35	146.98
Net debt	1,570.41	(146.98)
Equity	11,542.15	9,639.31
Debt equity ratio	**0.14**	**(0.02)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Note 43 : Corporate social responsibility (CSR)

(₹ in Million)

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a)	Gross amount required to be spent by the Company during the year	34.80	40.43
	Total	**34.80**	**40.43**

b) Amount spent (set-off availed) during the year

(₹ in Million)

Sr. No.	Particulars	2020-21
1	Set-off availed against excess amount spent in FY 2019-20 towards contribution to PM Care Fund (COVID 19)	34.80
	Total	**34.80**

c) Amount spent during the year

(₹ in Million)

Sr. No.		2020-21	2019-20
1	Promotion of education		
	Donation	6.56	40.15
2	PM CARES Fund (COVID 19)	—	50.00
3	On purposes other than (1) above	1.11	0.27
	Total	**7.67**	**90.42**

d) Amount carried forwarded to FY 2021-22

(₹ in Million)

Sr. No.	Particulars	Amount
1	Gross amount required to be spent by the Company during FY 2019-20	40.43
2	Actual amount spent during FY 2019-20	(90.42)
3	Excess amount spent carried forward for FY 2020-21	(49.99)
4	Gross amount required to be spent by the Company during FY 2020-21	34.80
5	Actual amount spent during FY 2020-21	(7.67)
6	Excess amount spent carried forward for FY 2021-22	(22.86)

Note 44 : Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors has been identified as the chief operating decision maker.

The Company has organized its operating segments based on product groupings. These operating segments have been aggregated into one reportable business segment 'Forging and Engineering quality carbon and alloy steels'.

Following are major customers, which contribute more than 10% to the Revenues of the Company. The details are as under :

(₹ in Million)

Name of Customer	2020-21	2019-20
Bharat Forge Limited	3,554.81	4,109.69
Kalyani Technoforge Limited and its subsidiary	2,411.69	2,365.87

Total revenues from sales to customers outside India for the year ended March 31, 2021 and March 31, 2020 was ₹ 355.07 Million and ₹ 336.33 Million respectively.

All assets are in India.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Continued) :

Note 45 : (Net debt) / Surplus reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2021

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
Cash and cash equivalents	113.35	146.98
Current borrowings	(1,500.00)	—
Non-current borrowings	(183.80)	—
(Net Debt) / Surplus	**(1,570.45)**	**146.98**

(₹ in Million)

Particulars	Cash and cash equivalents	Current borrowings	Non-current borrowings	Total
(Net debt) / Surplus as on April 1, 2020	**146.98**	**—**	**—**	**146.98**
Cash flows	(33.63)	(1,500.00)	(183.76)	(1,717.39)
Interest paid	—	24.30	—	24.30
Interest expense	—	(24.30)	(0.04)	(24.34)
(Net debt) / Surplus as on March 31, 2021	**113.35**	**(1,500.00)**	**(183.80)**	**(1,570.45)**

Note 46 : Assets hypothecated as security

(₹ in Million)

Particulars	March 31, 2021	March 31, 2020
First charge		
Property, plant and equipment (Machineries)	2,077.41	—

Note 47 : Disclosures required under Section 186 (4) of the Companies Act, 2013

(₹ in Million)

Name of the Loanee	Purpose	Rate of Interest p.a.	Term of Repayment	As at March 31, 2021	As at March 31, 2020
Kalyani Transmission Technologies Private Limited	Business Operations	8%	Within 36 months	700.00	—

Note 48 :

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September, 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders suggestions. However, the date on which the Code will come into effect has not notified. The company will assess the impact of the Code when it comes into effect and will record any related impact in the period of the Code becomes effective.

Note 49 :

The Company has considered the possible effects that may result from COVID 19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID 19, the Company has, at the date of approval of the financial statements, used internal and external sources of information and expects that the carrying amounts of the assets will be recovered and currently does not anticipate any material impact.

Note 50 :

Previous year figures have been regrouped / reclassified wherever necessary to conform with current year's classification / disclosure.

As per our attached Report of even date

For P G BHAGWAT LLP
Chartered Accountants
Firm Registration No.101118W/W100682

On behalf of the Board of Directors

Abhijeet Bhagwat
Partner
Membership No.136835

Mrs.D.R.Puranik
Company Secretary

B.M. Maheshwari
Chief Financial Officer

R.K.Goyal
Managing Director

B.N.Kalyani
Chairman

Pune
Date : May 18, 2021

Pune
Date : May 18, 2021