



*This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.*

*This statutory auditor's report includes information required by French law, such as the verification of the management report and other documents provided to the shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **Electrosteel Europe S.A.**

Year ended March 31, 2023

### **Statutory auditor's report on the financial statements**

ERNST & YOUNG Audit



## Electrosteel Europe S.A.

Year ended March 31, 2023

### Statutory auditor's report on the financial statements

To the Shareholders of Electrosteel Europe S.A.

#### Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of Electrosteel Europe S.A. for the year ended March 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### Basis for Opinion

##### ■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

##### ■ Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period April 1, 2022 to the date of our report.

#### Justification of Assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you that, in our professional judgment, the most significant assessments we made were related to the appropriateness of the accounting policies used, to the reasonableness of the significant accounting estimates and to the overall presentation of the financial statements.



These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

## Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

### ■ Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

### ■ Information relating to Corporate Governance

We attest that the section of the management report on corporate governance sets out the information required by Article L. 225-37-4 of the French Commercial Code.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

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

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Montpellier, May 11, 2023

The Statutory Auditor  
ERNST & YOUNG Audit  
*French original signed by*

Amélie Van Elst

BILAN	BALANCE SHEET	GROSS	ACCUM. DEPRECIATION	Net 31/03/23	Net 31/03/22	Net 31/03/22
ACTIF	ASSETS					
<b>CAPITAL SOUSCRIT NON APPELE</b>	<b>UNPAID CAPITAL</b>					
<b>Immobilisations incorporelles</b>	<b>INTANGIBLE (NON CORPOREAL) ASSETS</b>					
Frais d'établissement	Preliminary Expenses	11 802	-	11 802	11 802	11 802
Frais de recherche et de développement	research and development expenses					
Concessions, brevets et droits assimilés	franchise, patents and valuable rights	383 512	291 584	91 928	74 793	74 793
Fonds commercial	goodwill					
Autres immobilisations incorporelles	other Intangible (non corporeal) assets	5 244	-	5 244	5 244	5244
<b>Immobilisations corporelles</b>	<b>TANGIBLE (CORPOREAL) ASSETS</b>					
Terrains	land	2 063 684		2 063 684	2 063 684	2 063 684
Constructions	buildings	3 275 465	559 028	2 716 437	2 726 440	2 726 440
Installations techniques, matériel et outillage	machinery	767 591	646 642	120 949	177 740	177 740
Autres immobilisations corporelles	other tangible (corporeal) assets	1 438 490	961 062	477 428	272 578	272 578
Immob. en cours / Avances & acomptes	Capital Work in process assets-advances and deposits	3 774	-	3 774	3 774	3 774
<b>Immobilisations financières</b>	<b>INVESTMENTS (FINANCIAL) ASSETS</b>					
Participations et créances rattachées	shares held in other companies					
Autres titres immobilisés	other shares					
Prêts	loans	10 000	-	10 000	-	-
Autres immobilisations financières	other investments (financial) assets	1 504 178	-	1 504 178	5 324 796	5 324 796
	<b>FIXED ASSETS</b>	<b>9 463 739</b>	<b>2 458 316</b>	<b>7 005 423</b>	<b>10 660 849</b>	<b>10 660 849</b>
<b>Stocks</b>	<b>INVENTORIES</b>					
Matières premières et autres approv.	Raw material and others	28 467	-	28 467	-	-
En cours de production de biens	Stock in Transit	13 136 958	-	13 136 958	16 408 831	16 408 831
En cours de production de services	In process services					
Produits intermédiaires et finis	Finished products					
Marchandises	Merchandise	28 961 239	20 000	28 941 239	13 487 599	13 487 599
<b>Créances</b>	<b>A/C RECEIVABLES</b>					
Creances clients et comptes rattachés	Customers	14 224 058	969 286	13 254 772	13 933 449	13 933 449
Fournisseurs débiteurs	Suppliers-credit notes and discounts to receive					
Personnel	Salaries and Wages-advances					
Etat, Impôts sur les bénéfices	Income Tax					
Etat, Taxes sur le chiffre d'affaires	VAT					
Autres créances	Other receivables	6 855 946	-	6 855 946	2 245 065	2 245 065
Divers	Miscellaneous					
Avances et acomptes versés sur commandes	Advances to Suppliers	-	-	-	-	-
Valeurs mobilières de placement	Shares & Deposit	561	-	561	561	561
Disponibilités	CASH & BANK	1 124 481	-	1 124 481	5 203 468	5 203 468
Charges constatées d'avance	Prepaid expenses	177 074		177 074	127 988	127 988
	<b>CURRENT ASSETS</b>	<b>64 508 785</b>	<b>989 286</b>	<b>63 519 499</b>	<b>51 406 961</b>	<b>51 406 961</b>
Charges à répartir sur plusieurs exercices	Expenses over several financial years					
Prime de remboursement des obligations	premium on bonds refund					
Ecarts de conversion - Actif						
COMPTES DE REGULARISATION						
<b>TOTAL ACTIF</b>	<b>TOTAL ASSETS</b>	<b>73 972 524</b>	<b>3 447 602</b>	<b>70 524 922</b>	<b>62 067 810</b>	<b>62 067 810</b>

		Net 31/03/23	Net 31/03/22	Net 31/03/22
<b>PASSIF</b>	<b>LIABILITIES AND CAPITAL</b>			
Capital social ou individuel	Paid up capital	3 800 000	3 800 000	3 800 000
Primes d'émission, de fusion, d'apport, ...	Premiums on issue of shares, fusion...			
Ecart de réévaluation	Revaluation Reserve			
Réserve légale	legal reserve	274 490	247 470	247 470
Réserves statutaires ou contractuelles	statutes and contract reserve			
Réserves réglementées	regulated reserve			
Autres réserves	other reserve	5 147 218	4 633 833	4 633 833
Report à nouveau	retained earnings			
Résultat de l'exercice	net profit of the year	2 152 428	540 406	540 406
Subventions d'investissement	subsidy for investment			
Provisions réglementées	regulated provisions	1 402 694		
<b>CAPITAUX PROPRES</b>	<b>OWNERS EQUITY</b>	<b>12 776 831</b>	<b>9 221 709</b>	<b>9 221 709</b>
Produits des émissions de titres participatifs	revenue of issue of shares			
Avances conditionnées	regulated advances			
<b>AUTRES FONDS PROPRES</b>	<b>OTHER FUNDS</b>			
Provisions pour risques	provisions for risk	843 151	193 451	193 451
Provisions pour charges	provisions for expenses	312 506	402 137	402 137
<b>PROVISIONS POUR RISQUES ET CHARGES</b>	<b>PROVISIONS FOR RISK AND EXPENSES</b>	<b>1 155 657</b>	<b>595 588</b>	<b>595 588</b>
Emprunts obligataires convertibles	convertible bonds loans			
Autres emprunts obligataires	other bonds loans			
Emprunts	loans			
Découverts et concours bancaires	bank balances overdrafts			
Emprunts et dettes auprès des établissements de	loans and other bank payable	13 518 766	11 648 162	11 648 162
Emprunts et dettes financières diverses	loans and misc financial debts	15 652 585	908 702	908 702
Emprunts et dettes financières diverses - Associés				
Avances et acomptes reçus sur commandes en c	advances from customers	2 050 254	47 883	47 883
<b>Dettes fournisseurs et comptes rattachés</b>	<b>ACCOUNTS PAYABLE</b>	<b>22 132 046</b>	<b>37 503 405</b>	<b>37 503 405</b>
Personnel	accrued wages			
Organismes sociaux	payroll taxes withheld			
Etat, Impôts sur les bénéfices	income tax			
Etat, Taxes sur le chiffre d'affaires	Income Tax			
Etat, Obligations cautionnées	caution bonds			
Autres dettes fiscales et sociales	others payroll and income tax payable			
<b>Dettes fiscales et sociales</b>	<b>payroll and income tax payable</b>	<b>2 656 139</b>	<b>1 673 139</b>	<b>1 673 139</b>
Dettes sur immobilisations et comptes rattachés	Advance against supply of fixed assets			
Dettes sur immobilisations et comptes rattachés	Assets payable			
Autres dettes	other payables	582 643	469 222	469 222
Produits constatés d'avance	deferred revenue			
<b>DETTES</b>	<b>LOANS &amp; ADVANCES</b>	<b>56 592 434</b>	<b>52 250 513</b>	<b>52 250 513</b>
Ecart de conversion - Passif				
<b>TOTAL PASSIF</b>	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>70 524 922</b>	<b>62 067 810</b>	<b>62 067 810</b>

COMPTE DE RESULTAT	PROFIT AND LOSS	01/04/22	01/04/21	01/04/21
		TO 31/03/23	TO 31/03/22	TO 31/03/22
		12 MONTHS	12 MONTHS	12 MONTHS
<b>PRODUITS</b>	<b>INCOME</b>			
Ventes de marchandises	sales	109 597 473	76 247 170	76 247 170
Production vendue (Biens)	Production Sold (Goods)	14 141		
Production vendue (Services et Travaux)	services	2 399 488	1 102 693	1 102 693
Production stockée	production in stock			
Production immobilisée	production in fixed assets	-	1 571	1 571
Subventions d'exploitation	subsidy			
Reprises sur provisions et amortissements,	transfer of charges	524 774	621 268	621 268
Autres produits	other income	112 666	43 531	43 531
<b>Total</b>	<b>total operations income</b>	<b>112 648 543</b>	<b>78 016 233</b>	<b>78 016 233</b>
<b>CONSOMMATION M/SES &amp; MAT</b>	<b>SUPPLIES</b>			
Achats de marchandises	Purchases	105 163 731	73 951 424	73 951 424
Variation de stock (m/ses)	increase/decrease in stock	(12 011 768)	(11 638 614)	(11 638 614)
Achats de m.p & aut.approv.	Purchase and other related expenses	264 458	207 074	207 074
Variation de stock (m.p.)	increase/decrease in stock of raw material	(28467)		
Autres achats & charges externes	other purchases and charges	8 996 124	6 987 904	6 987 904
<b>Total</b>	<b>total</b>	<b>102 384 078</b>	<b>69 507 788</b>	<b>69 507 788</b>
<b>MARGE SUR M/SES &amp; MAT</b>	<b>MARGIN ON GOODS AND RAW MATERIAL</b>	<b>10 264 465</b>	<b>8 508 445</b>	<b>8 508 445</b>
<b>CHARGES</b>	<b>EXPENSES</b>			
Impôts, taxes et vers. assim.	taxes and charges	193 896	176 048	176 048
Salaires et Traitements	Salaries & wages	3 445 472	3 151 143	3 151 143
Charges sociales	social contributions	1 374 444	1 214 395	1 214 395
Dotations aux am. sur Immobilisations	amortization and provisions fixed assets			
Dotations aux depr. sur Immobilisations	amortization and provisions assets			
Dotations aux depr. sur actif circulant	amortization and provisions current assets			
Dotations aux amortissements, aux dépréci	amortization and provisions	918 120	1 152 809	1 152 809
Autres charges	other expenses	106 674	588 074	588 074
<b>Total</b>	<b>total</b>	<b>6 038 606</b>	<b>6 282 469</b>	<b>6 282 469</b>
	<b>total operations expenses</b>	<b>108 422 684</b>	<b>75 790 257</b>	<b>75 790 257</b>
<b>RESULTAT D'EXPLOITATION</b>	<b>OPERATION PROFIT</b>	<b>4 225 859</b>	<b>2 225 977</b>	<b>2 225 977</b>
Produits financiers	financial income	31 006	21 462	21 462
Charges financières	financial expenses	725 398	303 182	303 182
<b>Résultat financier</b>	<b>financial profit</b>	<b>(694 392)</b>	<b>(281 719)</b>	<b>(281 719)</b>
Opérations en commun				
<b>RESULTAT COURANT</b>	<b>CURRENT PROFIT BEFORE TAXATION</b>	<b>3 531 467</b>	<b>1 944 257</b>	<b>1 944 257</b>
Produits exceptionnels	exceptional income	1 688 159	897 349	897 349
Charges exceptionnelles	exceptional expenses	2 085 991	1 395 944	1 395 944
<b>Résultat exceptionnel</b>	<b>exceptional profit</b>	<b>(397 833)</b>	<b>(498 595)</b>	<b>(498 595)</b>
Participation des salariés				
Impôts sur les bénéfices	income tax	981 206	905 257	905 257
	<b>TOTAL INCOME</b>	<b>114 367 707</b>	<b>78 935 045</b>	<b>78 935 045</b>
	<b>TOTAL EXPENSES</b>	<b>112 215 279</b>	<b>78 394 639</b>	<b>78 394 639</b>
<b>RESULTAT DE L'EXERCICE</b>	<b>PROFIT OF THE FINANCIAL YEAR</b>	<b>2 152 428</b>	<b>540 406</b>	<b>540 406</b>

## ACCOUNTING METHODS AND REGULATIONS

The annual accounts have been prepared and presented in accordance with the general rules applicable in this area, in compliance with the principle of prudence and according to the same rules as the annual accounts.

The Balance sheet for the year presents a total of **70,524,922** euros.

The Profit & loss statement shows the total income of **114,367,707** euros and total expenses of **112,215,279** euros, thus resulting in a profit of **2,152,428** euros.

The accounting period commence on **01/04/2022** and ends on **31/03/2023**. It has a term of 12 months.

The general accounting principles were applied and as per the hypothesis below:

-Going Concern

-Similar accounting methods from one financial year to another

-Independence of the financial years

And in accordance with the general standards of preparation and presentation of the annual statements.

The basic method retained for the evaluation of elements registered in the account is the historical cost method.

The financial statements were established in compliance with the regulations ANC 2014-03 dated 5 June 2014 and in addition dated 16 October 2014 completed by regulation ANC 2016-07 dated 4th November 2016.

The accounts of Electrosteel Europe SA are consolidated at the level of the parent company ECL, whose head office is in India and which owns 99.97% of Electrosteel Europe SA.

The accounts incorporate the assets, liabilities and development of the Spanish, German and Italian Branch.

The principal methods used are the following:

### ASSETS

Tangible & Intangible assets are evaluated by their original cost (purchase price and additional charges excluding cost of purchase of fixed assets) or at their production cost.

The provision for depreciation is calculated applying the linear or decreasing mode with regard to the normal use of property.

* Building	14 to 33 years
* Machinery and industrial tools	5 to 10 years
* General lay out	8 to 10 years
* Office and computer equipment	3 to 4 years
* Office furniture	10 years

## **STOCKS**

The merchandise and stocks are evaluated at the weighted average price.

The gross value of the merchandise and stocks includes the purchase price and the expenses on purchase.

A provision for depreciation of the stocks, equal to the difference between the gross value and the fair market value or the estimated value of sales after deduction of the proportional expenses on sales, is booked when the said gross value is superior.

## **RECEIVABLES & PAYABLES**

Receivables & payables are evaluated in their nominal value.

Doubtful accounts receivables were written down by a provision to reflect the difficulties in recovery, which may arise in collection.

All the customer's receivables are related to sales realized under an ownership retention clause till the complete payment of the price.

Since September 2009, Electrosteel France is factoring the sales invoices. The amount factored as on 31<sup>st</sup> March 2023 is Euros 8,213,535 (Euros 6,309,426 as on 31<sup>st</sup> March 2022) for business in France and Euros 4,580,638 (Euros 2,337,540 as on 31<sup>st</sup> March 2022) for business in Italy.

## **CASH & BANK**

The bank balance and cash in hand are evaluated at their nominal value.

## **REGULATED PROVISIONS**

Given the inflationary economic context, the France establishment set up a regulated provision for price increases as on 31<sup>st</sup> March 2023. The amount of the accounting allocation is Euros 1,402,694.

This provision for price escalation concerns few pipe references in stock, the price which grew strongly during the year.

## **INVESTMENTS (FINANCIAL ASSETS)**

Investment (Financial Assets) consists mainly of Caution and Deposits as well as the guarantee fund with the Factor.

## **RECLASSIFICATION OF FOREIGN EXCHANGE GAINS AND LOSSES**

The regulation ANC 2015-05 dated 2nd July approved by decree of 28th December 2015 and published in official Journal of 30th December 2015 provides for the following changes:

Foreign exchange losses and gains on trade payables are recognized in accounts 656 and 756 for Foreign exchange gains and losses. This regulation applies since fiscal year beginning on or after January 1, 2017.

## RECLASSIFICATION OF CERTAIN FACTO FRANCE AND ITALY ACCOUNTS AS CURRENT ASSETS

Until 30/06/2022, the guarantee fund and reserve accounts under the factoring contract were classified for their total amount as financial fixed assets. As of the interim accounts at 30/09/2022, a change in presentation has been made by leaving only the guarantee fund in the financial fixed assets accounts, as recommended by the accounting profession. The other transactions have been reclassified as third-party accounts. The amount of Factor transactions in third-party accounts at 31/03/2023 was euros 2,707,783.25 for France and euros 370,788.38 for Italy. The amount of the guarantee fund for France is Euros 817,115.84 and that of Italy is Euros 487,165.23

## RECLASSIFICATION OF DEBTS VIS-A-VIS THE GROUP AS FINANCIAL DEBTS

The transit times for goods from ECL India do not allow the payment of invoices corresponding to its purchases within 60 days of the invoice date.

Thus, purchases of goods from ECL India (majority shareholder) for which the amounts due are over 60 days have been considered as current account advances granted by ECL India.

As of 12/31/2022, the amount of sums due to ECL India with a payment term of more than 60 days have been reclassified in the ECL India current account. As of 31/03/2023, the amount of sums reallocated to the current account amounted to Euros 13,511,336.99 for France and Euros 1,213,661.58 for Italy.

The ECL India current account is classified under the item “Borrowings and miscellaneous debts” on the liabilities side of the balance sheet.

## SALES FIGURES

Sales figures	31.03.2023	31.03.2022	31.03.2021
France	65,331,837.18	39,753,353.06	33,467,685.81
Spain	20,426,340.31	18,243,743.85	11,096,802.29
Italy	20,996,195.57	13,580,844.28	12,787,624.47
Germany	5,256,728.80	5,771,921.72	1,561,622.52
<b>Total</b>	<b>112,011,101.86</b>	<b>77,349,862.91</b>	<b>58,913,735.09</b>

## RESULT BEFORE TAX

Pays	31-03-2023			31-03-2022		
	Result after tax	Tax	Result before tax	Result after tax	Tax	Result before tax
Spain	237,273.62	121,805.49	359,079.11	-332,334.99	407,232.31	74,897.32
Italy	843,296.34	369,541.00	1,212,837.34	58,141.57	155,980.00	214,121.57
Germany	161,735.24	68,002.33	229,737.57	345,792.37	80,934.38	426,726.75
France	910,122.97	421,857.00	1,331,979.97	468,806.60	261,110.00	729,916.60
<b>Total</b>	<b>2,152,428.17</b>	<b>981,205.82</b>	<b>3,133,633.99</b>	<b>540,405.55</b>	<b>905,256.69</b>	<b>1,445,662.24</b>

## **RESULT FOR SPAIN AT 31/03/2022**

Following a tax audit of the branch located in Spain, the annual accounts as of March 31, 2022 includes a tax adjustment of €372,921.33 as notified by the Spanish tax authorities.

## **REFUND OF COUNTERVAILING DUTIES PAID ON IMPORTS OF CERTAIN PIPES AND TUBES FROM INDIA**

Electrosteel Europe has obtained an enforcement decision from the European Commission dated 05/12/2022 concerning a claim for reimbursement of countervailing duties paid on imports of certain ductile iron tubes and pipes (also called "spheroidal graphite iron") originating in India.

This decision provides:

- For France, a reimbursement of: €1,156,629 which was recorded as exceptional income to be received.
- For Italy a reimbursement of: €447,910. This sum was recorded in the accounts in Italy in other products and has been reclassified as an exceptional income in the accounts of Electrosteel Europe.

**Composition of Paid Up Capital**

	<b>Number</b>	<b>Nominal Value</b>	<b>Amount</b>
Share Capital as on 1st April'2022	380000	10	3800000
Issued during the Financial Year 2022-2023			
Buy back of shares during the Financial Year 2022-23			
<b>Share Capital as on 31st March'2023</b>	<b>380000</b>	<b>10</b>	<b>3800000</b>

**Income Receivables**

	Amount
Income from Investments	
Other Financial Assets	
Receivables from customers	
Other receivables	1649277
Bank Balance	
<b>TOTAL</b>	<b>1649277</b>

**Provision for Expenses**

	Amount
Convertible Bonds Loan	
Other Bonds Loan	
Loans & Debts from Banks	62032
Miscellaneous Financial Loans & Debts	
Payable to Suppliers	2060400
Taxes and Social contributions	784052
Other expenses	470436
<b>TOTAL</b>	<b>3376919</b>

**Prepaid expenses**

	Expenses	Income
Operational Expenses / Income	177074	
Financial Expenses / Income		
Other Expenses / Income		
<b>TOTAL</b>	<b>177074</b>	

**Administration Fees**

31/03/2023

	Net value	Depreciation rate
Formation Expenses	11802	
Start-up costs		
Capital increase costs		
<b>TOTAL</b>	<b>11802</b>	

**Statement of Profit & Income Tax**

31/03/2023

	<b>Earnings before tax</b>	<b>Taxes</b>	<b>Profit after tax</b>
CURRENT RESULT	3531467	1105775	2425691
EXCEPTIONAL RESULT (and participation)	-397833	-124570	-273263
<b>ACCOUNTING INCOME</b>	<b>3133634</b>	<b>981206</b>	<b>2152428</b>

**Details of Exceptional Profit & Loss**

	<b>Expenses</b>	<b>Income</b>
Extraordinary Income - Fines & penalties received		1608158
Sale of assets		
Fines & Penalties	67413	
Penalty for delay- France	62768	
Penalty - Italy	2334	
Other exceptional charges - Italy		
Other exceptional charges - Spain		
Exceptional Amortisation		
Provision for risk and expenses	1953476	80000
<b>TOTAL</b>	<b>2085992</b>	<b>1688159</b>
<b>NET TOTAL</b>		<b>(397833)</b>

**ASSETS**

	Gross value of assets as on 1st April'22	Additions during the year		Deductions during the year		Gross Value of assets as on 31.03.2023
		Due to re-evaluation	Purchase	Regrouping	Transfer	
TOTAL I	Formation expenses	11802				11802
TOTAL II	Other intangible assets	334794		53962		388756
	Lands	2063684				2063684
	Buildings on owned property	3199787		75679		3275465
	Plant and machinery	756741		31925	21074	767591
	Office Equipment	381509		203530		585039
	Vehicle	251022			48563	202459
	Furniture and computers	554875		98148	2031	650992
	Capital Work-in-Progress	3774		11322	11322	3774
TOTAL III		7211391	0	420603	21074	7549003
	Loans & other financial assets	5324796		78437		1514178
TOTAL IV		5324796	0	78437	0	1514178
TOTAL GENERAL I+II+III+IV		12882783	0	553001	21074	9463739

**DEPRECIATION**

	Accumulated depreciation as on 1st April'22	Additions	Reductions	Accumulated depreciation as on 31.03.2023	
TOTAL I	Formation expenses				
TOTAL II	Other intangible assets	254757	36827	291584	
	Lands				
	Buildings on owned property	473346	85681	559028	
	Plant and machinery	579001	67641	646642	
	Office Equipment	292430	30856	323286	
	Vehicle	189257	21975	48563	162669
	Furniture and computers	433142	41965	475107	
TOTAL III		<b>1967176</b>	<b>248118</b>	<b>48563</b>	<b>2166732</b>
TOTAL GENERAL I+II+III		<b>2221934</b>	<b>284945</b>	<b>48563</b>	<b>2458316</b>

**PROVISIONS**

	Accumulated provisions as on 1st April'22	Additions	Reductions	31.03.2023	
TOTAL I	Regulated provisions	-	1 402 694	-	1 402 694
TOTAL II	Provision for Legal Cases	80 000	420 000	80 000	420 000
	Provision for Retirement Benefits	402 137	130 782	220 413	312 506
	Provision for Risks	113 451	360 000	50 300	423 151
TOTAL III	Provision for Stock	190 000	20 000	190 000	20 000
	Provisions for depreciation/customers receivables	730 468	253 174	14 356	969 286
TOTAL GENERAL I+II+III		<b>1516056</b>	<b>2586650</b>	<b>555069</b>	<b>3547637</b>

**STATEMENT SHOWING AGING OF RECEIVABLES AND PAYABLES**

	<b>31/03/2023</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>
<b>Receivables</b>			
Bonds			
Loans	10000	4981	5019
Other financial assets	1504178	1504178	
Debtors under Litigation	6330	6330	
Other receivable debtors	14217728	14217728	
Advance salaries and wages	51183	51183	
Social Contributions	34572	34572	
Income Tax			
VAT	1673245	1673245	
Other Taxes			
Miscellaneous receivables	1404851	1404851	
Group Loan	102720	102720	
Miscellaneous receivables (Repurchase)	3589374	3589374	
Prepaid Expenses	177074	177074	
<b>TOTAL</b>	<b>22771255</b>	<b>22766236</b>	<b>5019</b>

FIXED ASSETS

CURRENTS ASSETS

	<b>31/03/2023</b>	<b>Less than 1 year</b>	<b>More than 1 year less than 5 year</b>	<b>More than 5 years</b>
<b>Payables</b>				
Convertible bonds				
Other Bonds				
Loans & debts with bank less than 1 year	8766856	8766856		
Loans & debts with bank more than 1 year	4751910	1688470	2763440	300000
Other financial debts				
Payables	22132046	22132046		
Salaries & Wages	627300	627300		
Social contributions	388018	388018		
Income Tax	180708	180708		
VAT	737347	737347		
Bonds with security deposit				
Other taxes	722766	722766		
Suppliers of fixed assets				
Group Loan	15652585	15652585		
Other payables.	2632897	2632897		
Prepaid Income				
<b>TOTAL</b>	<b>56592433</b>	<b>53528993</b>	<b>2763440</b>	<b>300000</b>

New Loan taken during the year	1178486
Loans - pay back during the year	2050254

**Financial commitments**

31/03/2023

	<b>Financial obligation committed</b>	<b>Financial obligation received</b>
Bills Discounting of unexpired due dates		
Customs Guarantee France	248222	
Lease Guarantee		
Retirement Benefit Funds		
<b>Other Guarantees</b>		
Bank guarantee for Italy customers		3587466
Guarantee FactoFrance Italy	4818573	
Bank guarantee for Spain customers	180000	
Forward contract for purchase \$1 million Spain		59514
Other warranties		2000000
<b>Total financial commitments</b>	<b>5246795</b>	<b>5646980</b>

Statement of Variation in Equity

	Opening Equity as on 31.03.2022	Appropriation of profit N-1	Contributions for earlier years	Variation during the year	Closing Equity as on 31.03.2023
Social Capital	3800000				3800000
Premiums, Merger, Contribution	0				0
Revaluation difference	0				0
Legal Reserve	247470	27020			274490
Statutory or Contractual Reserve	0				0
Regulatory Reserve	0				0
Other Reserve	4633833	513385			5147218
Last year profit/loss	0				0
Result for the year	540406	-540406		2152428	2152428
Investment Grant	0				0
Regulated provisions	0			1402694	1402694
<b>Total</b>	<b>9221709</b>			<b>3555122</b>	<b>12776831</b>

## Remuneration of Executives

<b>Remuneration of members:</b>	<b>31/03/2023</b>
- Administrative	861125
- Management	
- Monitoring	

### Identification of the consolidating Mother Company

CORPORATE NAME - CORPORATE OFFICE	FORM	CAPITAL	% HELD
ELECTROSTEEL CASTINGS LTD			
19 Camac Street CALCUTTA 700017 INDIA			

### AVERAGE STAFF

31/03/2023	Salaried staff	Staff given to the company
<b>AVERAGE WORKFORCE BY CATEGORY</b>		
Management	17	
Technicians	7	
Employees	28	
Workers	4	
<b>TOTAL</b>	<b>56</b>	

**Table of results and other characteristic elements of the company over the last five financial years**

	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
<b>CAPITAL at Year End</b>					
Paidup capital	3800000	3800000	3800000	3800000	3800000
Number of ordinary shares	380000	380000	380000	380000	380000
Number of priority dividend shares without voting rights					
Maximum number of actions to create:					
- By bond conversion					
- By subscription right					
<b>OPERATIONAL PROFIT &amp; LOSS</b>					
Turnover (excl. VAT)	62604944	67440776	58913735	77349863	112011102
Profit before taxation, depreciation & provision	564449	775872	1229868	2461060	5450160
Income taxes	185972	88969	284010	905257	981206
Participation of Employees					
Profit after taxation	264472	440689	610268	540406	2152428
<b>PROFIT PER SHARE</b>					
Profit after taxation & before depreciation, provision	1	2	2	4	12
Profit after taxation, depreciation & provision	1	1	2	1	6
Gross dividend paid per share					
<b>PERSONNEL</b>					
Average staff	46	50	47	57	56
Wages Amount paid	2715144	2697503	2793855	3151143	3445472
Social contribution	1050929	1043591	1036654	1214395	1374444