ELECTROSTEEL CASTINGS LIMITED

68th Annual Report 2022-23

Corporate Information

Chairman	Mr. Pradip Kumar Khaitan
Directors	Mr. Binod Kumar Khaitan Mr. Amrendra Prasad Verma Mr. Rajkumar Khanna Mr. Vyas Mitre Ralli Mr. Bal Kishan Choudhury Mr. Virendra Sinha Mr. Jinendra Kumar Jain (w.e.f. 14 February, 2023) Mr. Shermadevi Yegnaswami Rajagopalan (upto 31 December, 2022) Dr. Mohua Banerjee
Managing Director	Mr. Umang Kejriwal
Joint Managing Director	Mr. Mayank Kejriwal
Whole-time Directors	Mr. Uddhav Kejriwal Mrs. Priya Manjari Todi Mrs. Radha Kejriwal Agarwal Mrs. Nityangi Kejriwal Jaiswal Mr. Madhav Kejriwal
Whole-time Director and CEO	Mr. Sunil Katial
Whole-time Director and CFO	Mr. Ashutosh Agarwal
Company Secretary	Mr. Indranil Mitra
Auditors	Lodha & Co., Chartered Accountants
Solicitors	Khaitan & Co. LLP, Kolkata
Bankers	Axis Bank Limited Bank of India CTBC Bank Co. Ltd. Doha Bank Q.P.S.C Federal Bank Limited HDFC Bank Limited ICICI Bank Limited IDBI Bank Limited IDFC First Bank Limited IndusInd Bank Limited Karnataka Bank Limited Kotak Mahindra Bank Punjab National Bank RBL Bank Limited SBM Bank (India) Limited Standard Chartered Bank Union Bank of India Yes Bank Limited

Works	Khardah, West Bengal Srikalahasthi, Andhra Pradesh Haldia, West Bengal Elavur, Tamil Nadu Bansberia, West Bengal
Corporate Office	G. K. Tower 19 Camac Street, Kolkata 700 017 Tel.: 033 2283 9990, Fax: 033 2289 4339 E-mail ID: companysecretary@electrosteel.com Website : www.electrosteel.com
Registered Office	Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017
Corporate Identification Number	L27310OR1955PLC000310

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Report of the Directors

Dear Members,

Your Directors take pleasure in presenting the Sixty Eighth Annual Report together with Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31 March, 2023.

FINANCIAL RESULTS (Rs. in Crore)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from Operations	**6916.00**	5014.82	**7275.51**	5280.95
Earnings Before Interest, Taxes, Depreciation, Amortisation and Exceptional Item	**819.04**	716.45	**822.49**	753.65
Less: Finance Costs	**272.24**	185.27	**285.89**	194.68
Less: Depreciation and Amortisation Expense	**114.02**	112.58	**121.20**	114.68
Profit Before Exceptional Item & Tax	**432.78**	418.60	**415.40**	444.29
Less: Exceptional Item	–	–	**-**	-
Profit / (Loss) Before Tax	**432.78**	418.60	**415.40**	444.29
Less: Tax Expense	**98.02**	93.00	**99.17**	96.72
Profit / (Loss) After Tax	**334.76**	325.60	**316.23**	347.57
Share of Profit / (Loss) in Associates and Joint Ventures	**–**	–	**-**	-
Profit / (Loss) After Tax including share of Associate and Joint Ventures	**334.76**	325.60	**316.23**	347.57
Attributable to:				
Owners of the Company	**–**	–	**315.80**	347.28
Non-Controlling Interest	**–**	–	**0.43**	0.29
Other Comprehensive Income (Net of Tax)	**(29.16)**	52.20	**(13.67)**	57.04
Total Comprehensive Income	**305.60**	377.80	**302.56**	404.61
Attributable to:				
Owners of the Company	**–**	–	**302.13**	404.32
Non-Controlling Interest	**–**	–	**0.43**	0.29
Opening balance in Retained Earnings	**1696.19**	1396.18	**1773.28**	1452.80
Closing Balance in Retained Earnings	**1981.09**	1696.19	**2038.98**	1773.28

DIVIDEND

The Directors are pleased to recommend a dividend of Re. 0.90 per Equity Share of face value of Re. 1 each for the Financial Year ended 31 March, 2023. This dividend is subject to the approval of the Members of the Company, at their ensuing Annual General Meeting ('AGM'). If approved, the total outlay on account of dividend for the Financial Year 2022-23 would amount to Rs. 53.51 Crore.

The Company had declared dividend of Re. 0.80 per Equity Share of face value of Re. 1 each for the Financial Year ended 31 March, 2022.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy of the Company is also uploaded on the Company's website: https://www.electrosteel.com/admin/pdf/1064444546454-Dividend-Distribution-Policy.pdf .

INVESTOR EDUCATION AND PROTECTION FUND

Transfer of Dividend to Investor Education and Protection Fund

In terms of the provisions of Section 124 of the Companies Act, 2013 ('Act'), read together with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereof ('IEPF Rules'), the Company (ECL) has transferred Rs. 14,79,907 (Rupees Fourteen Lakh Seventy-Nine Thousand Nine Hundred and Seven Only) to the IEPF and the SW unit (erstwhile Srikalahasthi Pipes Limited, which got merged with and into Electrosteel Castings Limited) has transferred Rs.10,89,456 (Rupees Ten Lakh Eighty-Nine Thousand Four Hundred and Fifty-Six Only) to the IEPF, during the Financial Year 2022-23, being unpaid/unclaimed dividend amounts relating to the Financial Year 2014-15.

Pursuant to the provisions of the IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31 March, 2022 (as on the date of closure of previous financial year) on the website of the Company (www.electrosteel.com).

Transfer of Shares to the Demat Account of Investor Education and Protection Fund Authority

In terms of the provisions of Section 124(6) of the Act, read with the relevant Rules made thereunder, 70,287 Equity Shares of ECL and 8,606 Equity Shares of SW Unit (erstwhile Srikalahasthi Pipes Limited, which got merged with and into Electrosteel Castings Limited), in respect of which dividend was unpaid or unclaimed for the Financial Year 2014-15 and onwards, has been transferred to the Demat Account of the IEPF Authority maintained with National Securities Depository Limited, during the Financial Year 2022-23

Further, the voting rights in respect of shares transferred to the Demat Account of the IEPF Authority shall remain frozen, until the rightful owner claims the shares. Members may note that shares as well as unclaimed dividend transferred to the IEPF Authority can be claimed back. Concerned shareholders are advised to visit http://www.iepf.gov.in/IEPF/refund.html for lodging claim for refund of shares or dividend from the IEPF Authority.

Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared for the Financial Year 2015-16 and onwards has not been paid or claimed by the Members for 7 (seven) consecutive years or more. Members are advised to visit the web-link https://www.electrosteel.com/investor/iepf-suspense-account.php.

TRANSFER TO RESERVES

The Company proposes to retain the entire amount of profit in the Profit & Loss Account.

OPERATIONS

During the year under review, the production of Ductile Iron (DI) Pipes was 715,129 MT, as against 603,751 MT in the previous year. The production of Cast Iron (CI) Pipes was 26,588 MT in 2022-23 as against 19,049 MT in the previous year.

The Financial year 2022-23 was another challenging year for our Organisation in the perspective of significant increase and fluctuations in input material prices like Coal, Iron Ore and Consumables. On the other hand, old orders of DI Pipes have impacted our profitability as the cost of production went up but the selling prices remained unchanged. However, selling prices for Exports have supported improvement in profitability. All the management cadres, frontline employees and factory workers of the Organisation have put up a strong show to minimise impact of the global crisis.

The Company produced DI Fittings & Accessories of 20,343 MT in 2022-23 as against 20,684 MT in 2021-22. Both Khardah and Haldia Fitting Units have demonstrated a strong performance.

Report of the Directors ..... *(Contd.)*

As a standard practice, various initiatives have been taken further for improvement in the current Financial Year, also taking care of variety and quantity of products in both domestic & export markets.

As a continual improvement, the Company is focused on improvement in production of new range of products, productivity, quality, cost reduction, energy conservation and human resource management. Further, to meet and improve upon the expectations of both International and Domestic customers, the Company has continued its activities towards development and to add a number of product variants to its existing product base.

MATERIAL CHANGES AND COMMITMENTS

There has been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report other than as mentioned in the 'Operations' section of this Directors' Report.

There has been no change in the nature of the Company's business.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms an integral part of this Report and gives details of the industry structure, developments, opportunities, threats, performance and state of affairs of the Company's business, internal controls and their adequacy, risk management systems including a section on 'Risk Management' and other material developments during the Financial Year 2022-23, and is annexed as **Annexure 1**.

FUTURE PROSPECTS

Since the economic liberalisation in the nineties, the Indian economy is growing at an enviable rate and at present it is one of the fastest growing economies in the world. A steady growth in Gross Domestic Product has been witnessed for more than two decades. This sustained economic growth has led to rapid urbanisation all over India. As a result, villages are turning into towns, towns into cities and cities into megacities. Water, the need of life, is likely to pose the greatest challenge on account of an increased demand with population rise and economic development, and shrinking supplies due to over-exploitation and pollution. The ever growing demand for water supply and disposal is fuelling an increasing demand for pipes and fittings, the basic medium to convey water and waste water.

The growth acceleration for the domestic DI Pipe Industry is largely coming from the water and sewerage infrastructure development in Indian urban, sub-urban and rural sector. With only around 31% of India's population currently urbanised, along with high population density, India's urbanisation trends have scope to significantly accelerate and likely to be around 40% by 2030. Further, the country faces immense problems of drinking water supply and has poor transmission and distribution networks for water. Alongside only about one-third of the Indian homes are connected with a sewerage network. Use of DI pipes and fittings in Piped irrigation system is another demand driver. To cater this growing need, the Indian pipe market is growing at the rate of 10%-12% every year for more than a decade now.

SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 103,02,00,000/- comprising of 103,02,00,000 Equity Shares of Re. 1.00 each. During the year under review, there has been no change in the Authorised Share Capital of the Company. The Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 59,46,05,247/- comprising of 59,46,05,247 Equity Shares of Re. 1.00 each. During the year under review, the Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

Pursuant to the approval of the Board of Directors at its meeting held on 11 November 2022 and 22 November, 2022 and approval of the members of the Company by way of Postal Ballot on 23 December 2022, upon receipt of 25% of the issue price of Rs 42.41 per Warrant, the Company has, on 27 December 2022, issued 2,35,79,344 warrants to promoter / promoter group for cash, aggregating to Rs. 24.99 crores, with a right to the Warrant Holders to apply for and be allotted 1 (one) Equity Share of face value of Re. 1/- each of the Company within a period of 18 (Eighteen) months from the date of allotment.

CREDIT RATING

During the year, India Ratings and Research (Ind-Ra) has affirmed the Company's Long-Term Issuer Rating of 'IND A+' and Short-Term borrowings of "IND A1+". The Outlook was Stable.

CRISIL Ratings has upgraded its rating on the short-term bank facilities to 'CRISIL A1+' from 'CRISIL A1' and reaffirmed its 'CRISIL A+' rating on the long-term bank facilities. The outlook has been revised to 'Positive' from 'Stable'.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future except as mentioned below:

1. In pursuance of the Order dated 24 September, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated 21 October, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company, had been cancelled w.e.f. 01 April, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till 31 March, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from 01 April, 2015 and the same had been subsequently allotted to Steel Authority of India Limited (SAIL). The Company understands that SAIL has surrendered the said coal block and handed over the custody back to BCCL. The Ministry of Coal ("MoC") had once again put up the Parbatpur Coal Block in the list of mines to be auctioned (for commercial mining) and JSW Steel Limited has been declared as highest successful bidder for Parbatpur coal block vide notification dated 28 March, 2023. It is significant to note that the Company will receive the compensation amount from the new successful bidder, when it is declared by MoC.

   Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on 09 March, 2017. Accordingly based on the said judgement, the Company had claimed Rs. 1,53,176 lakhs, which was revised to Rs. 1,54,944 lakhs, towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim and on a petition filed by the Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the compensation. Earlier the Nominated Authority had upheld its decision of compensation of Rs. 8,312 Lakhs already paid and the same was set aside by the Hon'ble High Court with a direction to the Nominated authority to reconsider. The Nominated Authority further passed an order dated 11 November, 2019 awarding an additional compensation of Rs. 180 lakhs and with a further direction to re-determine the value of certain assets by appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of previous Nominated Authority dated 11 November, 2019 and the process of declaration of final valuation is under progress as per the available information. The Company has also approached the newly appointed Nominated Authority, MoC, to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets, which is pending at the Ministry. Meanwhile, the Company is also exploring other possibilities.

2. Electrosteel Castings Limited (ECL) as a then promoter of Electrosteel Steels Limited (ESL) mortgaged its Factory Land at Elavur for securing debt of ESL availed from SREI Infrastructure Finance Ltd (SREI).

Report of the Directors ..... *(Contd.)*

In the month of June, 2017, State Bank of India (SBI), one of the lenders of ESL, filed a petition before National Company Law Tribunal (NCLT), Kolkata, for the initiation of Corporate Insolvency Resolution Process (CIRP) of ESL under the Insolvency and Bankruptcy Code (IBC). Hon'ble NCLT, Kolkata, vide an order dated 21 July, 2017 admitted the petition and initiated CIRP of ESL.

As a part of CIRP, Vedanta Limited (Vedanta) was declared as the successful resolution applicant, as their resolution plan was unanimously voted upon by the Committee of Creditors of ESL. Subsequently, the resolution plan was approved by Hon'ble NCLT, Kolkata vide an order dated 17 April, 2018.

From the stock exchange disclosures of ESL dated: 4 June, 2018, 6 June, 2018 and 21 June, 2018 about the details relating to the implementation of Resolution Plan, it is understood that Vedanta has discharged the entire loan of ESL partly in cash and partly by allotment of equity shares of ESL at the face value i.e. Rs. 10 per share.

After implementation of Resolution Plan of Vedanta, SREI assigned its so-called rights in Factory Land at Elavur to UV Asset Reconstruction Company Ltd (UVARCL).

UVARCL took symbolic possession of Factory Land at Elavur on 19 June, 2019. The Company filed a "Leave to Sue application" at Madras High Court. After hearing 'Leave to Sue application' Hon'ble High Court opined that DRT has jurisdiction to hear ECL's application.

Simultaneously, the Company has also filed an application at DRT, Chennai, challenging the Possession Notice. DRT, Chennai, rejected ECL's application on the ground that DRT has no jurisdiction to hear on the validity of Deed of Assignment.

The Company there upon filed an appeal at Hon'ble Madras High Court for deciding the forum, i.e., Madras High Court or Elavur District Court or DRT who can hear the Company's application.

The Hon'ble Madras High Court on 13 August, 2021 have opined that since UVARCL has already initiated SARFAESI action by taking symbolic possession of the property hence, the Company should file an application at DRT for undoing such SARFESI actions and again come back to civil court for the release of title deeds.

To avoid multiple proceedings, the Company had filed a Special Leave Petition (SLP) at the Hon'ble Supreme Court of India, for deciding appropriate jurisdiction.

The Hon'ble Supreme Court of India directed the Company to file application under SARFAESI Act, against UVARCL and SREI at DRT, wherein DRT has to decide on two aspects as under:

a. that the assignee cannot be said to be secured creditor so far as the appellant (i.e. Electrosteel Castings Limited) is concerned;

b. that there is no amount due and payable by the plaintiff– appellant (i.e. Electrosteel Castings Limited) herein on the ground that in view of the proceedings under IBC against the corporate debtor (i.e. Electrosteel Steels Limited) and the corporate debtor being discharged after the approved resolution plan, there shall not be any enforceable debt against the appellant.

The Company immediately filed an application before DRT, Chennai.

DRT, Chennai dismissed the Company's application on 8 April, 2022. The dismissal order was uploaded on website on 27 April, 2022. The Company immediately filed an appeal before DRAT Chennai. On pre-deposit, DRAT, Chennai was of view that at admission stage DRAT cannot go into merits, i.e., validity of debt and validity of demand in demand notice and directed ECL to deposit 50% of SARFAESI Demand Notice amount, i.e., Rs 293.00 Crores (approximately) as pre-deposit with DRAT for the admission of Appeal.

On Pre-deposit, ECL filed revision and Writ application at Madras High Court.

The matter is pending before Madras High Court.

3. In FY:2021-22, UV Asset Reconstruction Company Limited (UVARCL) had filed an application before NCLT, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) against the Company at NCLT, Cuttack. NCLT, Cuttack registry vide email dated 12 June, 2021 informed the Company about such filing. The Company immediately made relevant disclosure to the Stock Exchanges.

   UVARCL is assignee to SREI Infrastructure Finance Ltd (SREI), one of the erstwhile lenders of Electrosteel Steels Limited now known as ESL Steel Limited (ESL) to whom the Company mortgaged its Elavur Land for securing debt of ESL. The Company has never extended any Corporate Guarantee for securing such debt, i.e., the Company was acting as third-party security provider to such lender.

   ESL has been taken over by Vedanta Limited in the Financial year 2018-19 under IBC. As per approved resolution plan of Vedanta, the entire admitted debt of ESL was paid and discharged in the form of cash and allotment of Equity shares of ESL.

   NCLT, Cuttack, vide order dated 24 June, 2022 pronounced its Order in favour of the Company by dismissing the application of UVARCL.

   UVARCL has filed an appeal before NCLAT. The matter is pending before NCLAT.

4. In April, 2006 the Company had applied to South Eastern Railway (SER) for investment in the wagons as per the Wagon Investment Scheme (WIS) of Railways. In April, 2007, SER issued NOC for investment in 2 rakes. Agreement for WIS was executed in January, 2008 with SER. Accordingly, the Company was guaranteed with supply of certain minimum number of rakes along with rebate in freight.

   Subsequently, Railways changed its policy and the Company being deprived of the availability of the wagons as per WIS had terminated the Agreement with SER. Arbitration award pursuant to the claim for compensation for losses/damages has been allowed in favour of the Company. SER challenged the said award at Hon'ble Calcutta High Court and the matter is currently pending before Hon'ble High Court.

   Pending decision of the Hon'ble High Court, Rs. 252.85 Crores deposited by SER in respect of said award has been allowed to be withdrawn by the Company on submission of Bank Guarantee.

   Subsequent to the balance sheet date, the said amount has been withdrawn and kept in fixed deposit.

Members' attention is invited to Notes on Contingent Liabilities, in the Notes forming part of the Financial Statements.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Internal Financial Controls with reference to the Financial Statements are considered to be commensurate with the size, scale and nature of the operations of the Company. The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources. There are Standard Operating Procedures (SOPs) in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically. Approval of all transactions is ensured through a pre-approved Delegation of Authority (DOA) schedule which is in-built into the SAP system, wherever required. DOA is reviewed periodically by the management and compliance of DOA is regularly checked by the Auditors. The Company's books of accounts are maintained in SAP and transactions are executed through SAP (ERP) setups to ensure correctness/effectiveness of all transactions and for integrity and reliability of reporting. There is adequate MIS (Management Information System) which is reviewed periodically by functional heads.

The Internal Auditor of the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating system, accounting procedures and policies at all locations of the Company. The

Report of the Directors ..... *(Contd.)*

main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. Based on the Internal Audit Reports, process owners take corrective actions in their respective areas and thereby strengthen the controls. The Report is presented before the Audit Committee for review at regular intervals.

DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Audited Annual Consolidated Financial Statements forming part of the Annual Report have been prepared in accordance with the Companies Act, 2013 ('the Act'), applicable Indian Accounting Standards, notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The Company had the following Subsidiaries and Joint Ventures as on 31 March, 2023:

Sl. No.	Name of the Company	Status
1.	Electrosteel Europe, S.A.	Subsidiary
2.	Electrosteel Castings (UK) Limited	Subsidiary
3.	Electrosteel Algerie SPA	Subsidiary
4.	Electrosteel USA, LLC and its wholly owned subsidiary, WaterFab LLC, USA	Subsidiary
5.	Electrosteel Trading, S.A.	Subsidiary
6.	Electrosteel Doha for Trading LLC	Subsidiary
7.	Electrosteel Castings Gulf FZE	Subsidiary
8.	Electrosteel Bahrain Holding W.L.L. and its wholly owned subsidiary, Electrosteel Bahrain Trading WLL	Subsidiary
9.	Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	Subsidiary
10.	North Dhadhu Mining Company Private Limited	Joint Venture
11.	Domco Private Limited	Joint Venture

A Report on the highlights of the performance of each of the Company's subsidiaries, associates and joint ventures, pursuant to the provisions of Section 134(3) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in **Annexure 2** to this Report. The statement containing salient features of financial statements of subsidiaries, associate companies and joint ventures in Form AOC-1, for the Financial Year ended 31 March, 2023, pursuant to the said Section, read with Rule 5 of the said Rules, are given along with the Standalone Financial Statements.

In accordance with Section 136 of the Act, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company, and Audited Accounts of each of its subsidiaries are available on the website of the Company, www.electrosteel.com. Members who wish to inspect these documents can send an e-mail to companysecretary@electrosteel.com.

REPORT ON CORPORATE GOVERNANCE

Your Company believes in transparent and ethical corporate governance practices. The Company's approach to Corporate Governance cascades across its business operations and its stakeholders at large to create long term sustainable value.

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under the Listing Regulations. A Report on Corporate Governance for the year under review, along with the Certificate from the Auditors confirming compliance with the conditions of Corporate Governance, is annexed as **Annexure 3**, forming part of this Report.

MEETINGS OF THE BOARD

During the Financial Year 2022-23, 4 (four) Board Meetings were held, the details of which are provided in the Corporate Governance Report, forming part of this Report and annexed as Annexure 3.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Independent Director has resigned from the Board of Directors of the Company, with effect from 31 December, 2022, due to his advanced age. The Board places on record its appreciation and gratitude for the valuable contributions made by him during his tenure as Director on the Board of the Company.

The Members of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors at their Meeting held on 14 February, 2023, vide Postal Ballot Notice dated 14 February, 2023, have –

1) re-appointed Mr. Sunil Katial (DIN: 07180348) as the Chief Executive Officer and Whole- time Director of the Company for a term of 3 consecutive years with effect from 1 April, 2023,
2) appointed Mr. Jinendra Kumar Jain (DIN: 00737352) as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 14 February, 2023.

Mr. Ashutosh Agarwal (DIN: 00115092) and Mrs. Radha Kejriwal Agarwal (DIN: 02758092) retire by rotation at the forthcoming AGM and being eligible, have offered themselves for re-appointment.

In compliance with Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings, brief resume and other information of all the Directors proposed to be re-appointed are given in the Notice of the forthcoming AGM.

The Board of Directors has on the recommendation of Nomination & Remuneration Committee (NRC), re-appointed Mr. Uddhav Kejriwal (DIN: 00066077), as the Whole-time Director of the Company for a period of 3 (three) consecutive years with effect from 16 June, 2023, subject to the approval of the Members of the Company.

There were no other changes in the Board and the Key Managerial Personnel during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Act, the Directors state that:

a) in the preparation of annual accounts for the Financial Year ended 31 March, 2023, the applicable accounting standards have been followed and there were no material departures requiring any explanation;
b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) they have prepared the annual accounts on a 'going concern' basis;
e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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INDEPENDENT DIRECTORS

Declaration by Independent Directors

Mr. Pradip Kumar Khaitan, Mr. Binod Kumar Khaitan, Mr. Amrendra Prasad Verma, Dr. Mohua Banerjee, Mr. Rajkumar Khanna, Mr. B K Choudhury, Mr. Vyas Mitre Ralli, Mr. Virendra Sinha and Mr. Jinendra Kumar Jain, Independent Directors, have given declarations that they meet the criteria of independence as laid down in the Act and the Listing Regulations.

Further, in terms of Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014, as amended, the Board of Directors state that in the opinion of the Board, Mr. Jinendra Kumar Jain, whose appointment as Independent Director of the Company has been approved by the Shareholders during the year, is a person of integrity and possesses relevant expertise and experience. Further, Mr. Jain has successfully qualified the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

DETAILS OF BOARD COMMITTEES & ADOPTION OF POLICIES

There are 7 Board Committees as on 31 March, 2023, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Banking and Authorisation Committee and Governance Committee.

The details of composition, terms of reference and meetings held and attended by the Committee members of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee are provided in the Corporate Governance Report, annexed as Annexure 3 to this Report.

The Banking and Authorisation Committee comprised of Mr. Binod Kumar Khaitan as the Chairman, with Mr. Shermadevi Yegnaswami Rajagopalan, Mr. Mayank Kejriwal and Mr. Uddhav Kejriwal as its members as on 31 December, 2022. Pursuant to the resignation of Mr. Shermadevi Yegnaswami Rajagopalan with effect from 31 December, 2022, the Banking and Authorisation Committee was reconstituted with Mr. Binod Kumar Khaitan as the Chairman, and Mr. Mayank Kejriwal, Mr. Uddhav Kejriwal and Mr. Ashutosh Agarwal as its members with effect from 14 February, 2023 which remains the same as on 31 March, 2023. The terms of reference for the Committee include taking various decisions pertaining to the opening or closing of bank and demat accounts of the Company, change in authorised signatories for operation of different bank and demat accounts, subscribing/purchasing/selling/dealing in securities of Companies other than related parties and availing broking services, making loans from time to time to Subsidiary Companies/Joint Ventures/Associates for its working capital requirement, giving guarantee or providing security to any bank in connection with fund based/ non-fund based facilities including loan(s) made to Subsidiary Company/Joint Venture/Associate Company by such bank and any other work related to day-to-day operations of the Company.

The Governance Committee comprised of Mr. Binod Kumar Khaitan as the Chairman, with Mr. Sunil Katial and Dr. Mohua Banerjee, as its members as on 31 March, 2023. The terms of reference for the Committee, inter-alia, include formulating a governance policy and recommending it to the Board for approval, assisting the Board in its ongoing oversight of the quality of governance in the Company and its subsidiaries, monitoring the developments in governance practices of the Company and its subsidiaries and report appropriately to the Board, with recommendations, advising the Board or any Committees of the Board of any corporate governance issues in the Company and its subsidiaries, which the Committee determines has a negative impact on the Company's ability to safeguard or improve shareholder value and carrying out any other function as is decided by the Board of Directors of the Company from time to time.

There have been no instances where the Board has not accepted the recommendations of any of its committees.

Vigil Mechanism Policy

The Company has adopted Whistle Blower Policy and established a Vigil Mechanism in compliance with provisions of the Act and the Listing Regulations for the Directors and employees to report genuine concerns and grievances and leak/suspected leak of Unpublished Price Sensitive Information. This mechanism provides adequate safeguards against victimisation of employees and Directors and also provides for direct access to the Chairperson of the Audit Committee. The Company oversees the vigil mechanism through the Audit Committee of the Company. The said Policy is available at the Company's website and can be accessed at https://www.electrosteel.com/admin/pdf/1613636847Vigil-Mechanism-Whistle-Blower-Policy.pdf.

Nomination and Remuneration Policy

The Board has adopted a Nomination and Remuneration Policy recommended by Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, read with Part D of Schedule II thereto. The Policy governs the criteria for determining qualifications, positive attributes and independence of a Director and lays down the remuneration principles for Directors, Key Managerial Personnel and other employees.

The Policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board, Key Managerial Personnel (KMP) and other employees. It enables the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations. The policy ensures that the interests of Board members, KMP & employees are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle and the remuneration to directors, KMP and employees involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The policy lays down the procedure for the selection and appointment of Board Members and KMP and also the appointment of executives other than Board Members, compensation structure for Executive Directors, Non-Executive Directors, KMP and other employees.

The Nomination and Remuneration Policy is available at the Company's website and can be accessed at https://www.electrosteel.com/admin/pdf/1608020082nominationRemunerationPolicy.pdf.

Corporate Social Responsibility Policy

In accordance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company has a Corporate Social Responsibility ('CSR') Committee in place. The CSR Committee has formulated and recommended to the Board, the Corporate Social Responsibility Policy of the Company which has been approved by the Board. The Annual Report on CSR activities/initiatives which includes the contents of the CSR Policy, composition of the Committee and other particulars as specified in Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, are disclosed in **Annexure 4** to this Report.

Policy on Board Diversity and Succession Planning for the Board of Directors and Senior Management

A Policy on Board Diversity and Succession Planning for the Board of Directors and Senior Management as devised by the Nomination and Remuneration Committee is in place, to ensure adequate diversity in the Board of Directors of the Company and for orderly succession for appointments on the Board of Directors and Senior Management.

FORMAL ANNUAL EVALUATION OF PERFORMANCE

The Nomination and Remuneration Committee of the Board has formulated and laid down Criteria and Manner for Evaluation of Performance of the Board, its Committees and individual Directors pursuant to provisions of Section 178 of the Act and Listing Regulations. As per requirements of Section 134 of the Act, the manner in which formal annual evaluation has been made is disclosed below –

A. The Board evaluated the roles, functions and duties performed by the Independent Directors (IDs) of the Company.

Report of the Directors ..... *(Contd.)*

Each ID was evaluated by all other Directors but not by the Director being evaluated. The Board also reviewed the manner in which IDs follow guidelines of professional conduct as specified in Schedule IV to the Act. The adherence to Section 149 of the Act, the aforesaid Schedule IV, the Listing Regulations and other applicable provisions of law by the IDs were also reviewed by the Board.

B. Performance review of all the Non-Independent Directors of the Company was made on the basis of the activities undertaken by them, expectations of Board, level of participation, roles played by them, leadership qualities and their overall performance and contribution in the development and growth of the business and operations of the Company.

C. The Board evaluated the performance of its Committees on the basis of the processes and procedures followed by them for discharging their functions & duties as per their respective terms of references and as assigned by the Board and laws applicable, their independence from the Board and on the effectiveness of the suggestions and recommendations made by them to the Board. The Board observed the size, structure and expertise of the Committees to be appropriate and in compliance with the Act and the Listing Regulations.

D. The Board evaluated its own performance on the basis of its composition having the right mix of knowledge, skills and expertise required to drive organisational performance and conduct of its affairs effectively, monitoring of Company's performance along with the ability to understand and deal with factors having a significant bearing, developing suitable strategies and business plans at appropriate time and monitoring its effectiveness, implementation of policies and procedures for proper functioning of the Company, frequency of its meetings, efforts made by the Board Members to keep themselves updated with the latest developments in areas.

The evaluation of performance of Board, it's Committees and of individual Directors was found to be satisfactory.

Meeting of Independent Directors: The Independent Directors of the Company have on 14 February, 2023 held a separate meeting without the attendance of Non-Independent Directors and members of the management for evaluation of the performance of Non-Independent Directors, the Board as a whole and Chairman of the Company and for consideration of such other matters as required under the provisions of the Act and the Listing Regulations.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL ('KMP') AND PARTICULARS OF EMPLOYEES

The statement pertaining to particulars of employees including their remuneration as required to be reported under the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] (the Rules) are provided in **Annexure 5A** to this Report. However, as per the provisions of Section 136 of the Act, the Reports and Accounts for the Financial Year 2022-23 are being sent to the Members and others entitled thereto, excluding this statement. The said statement is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

The disclosures as required under Section 197(12) of the Act, read with Rule 5(1) of the Rules are provided in **Annexure 5B** to this Report.

AUDITORS AND AUDITORS' REPORT

M/s. Lodha & Co., Chartered Accountants (Firm Registration Number: 301051EE), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 67th Annual General Meeting ('AGM') till the conclusion of the 72nd AGM of the Company.

The para wise responses of the management to the opinion/remarks/observations made in the Independent Auditors' Report on the financial statements of the Company for the year ended 31 March, 2023 are given below:

1. As regards the Qualified Opinion expressed by the Auditors in their Report under para (a) under the head 'Basis for Qualified Opinion' and its consequential references made in para nos. 2 (d), (e), (g) and 3 (i) under the head 'Report on Other Legal and Regulatory Requirements' of their Report and para (I)(b) and (II)(a) of the Annexure A to the Auditors' Report of even date, attention is drawn to Note no. 48(a) of the Standalone Financial Statements, which are self-explanatory;
2. With respect to the Qualified Opinion expressed by the Auditors in their Report under para (b) under the head 'Basis for Qualified Opinion', attention is drawn to Note no. 9.1 of the Standalone Financial Statement, which are self-explanatory; and
3. On the Auditors' observation made in para (I)(a) of the Annexure A to the Auditors' Report of even date, your Directors wish to inform that all necessary steps are being taken to regularise the maintenance of proper records for furniture and fixtures.

During the year under review, the Auditors had not reported any fraud under Section 143(12) of the Act, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

MAINTENANCE OF COST RECORDS AND AUDIT THEREOF

The Company is required to maintain cost records for Pig Iron, DI Pipe, DI Fittings, CI Pipe, Coke, Sponge Iron, Power Generating units and Ferro Alloy Products – Prime Si. Mn and Prime Ferro Silicon for every Financial Year, as specified by the Central Government under Section 148(1) of the Act, and accordingly, such accounts and records are made and maintained in the prescribed manner. Further, pursuant to Section 148 of the Act, read together with the Companies (Cost Records and Audit) Rules, 2014, as amended, the Company is required to carry out audit of the cost accounting records of the Company. M/s. S G & Associates (Firm Registration Number: 000138), Cost Accountants, and M/s. Narasimha Murthy & Co., Cost Accountants (Firm Registration Number: 000042) were appointed as the joint Cost Auditors of the Company for Financial Year 2022-23.

The Cost Audit Report for the Financial Year 2021-22 was filed on 7 September, 2022.

For Financial Year 2023-24, M/s. S G & Associates, Cost Accountants, and M/s. Narasimha Murthy & Co., Cost Accountants have been re-appointed as joint Cost Auditors for all the applicable units and products of the Company. The remuneration proposed to be paid to them for the Financial Year 2023-24 requires ratification of the shareholders of the Company. In view of this, the ratification for payment of remuneration to the Cost Auditors is being sought at the ensuing AGM.

SECRETARIAL AUDITOR

In terms of Section 204 of the Act and Rules framed thereunder, M/s MKB & Associates., Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the Financial Year 2022-23. The report of the Secretarial Auditor is annexed as **Annexure 6** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITOR

IIn terms of the provisions of Section 138 of the Act, M/s. Chaturvedi & Co. were appointed as the Internal Auditor of the Company for the Financial Year 2022-23. The Audit Committee, in consultation with the Internal Auditor, formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, inter-alia, reviews the Internal Audit Reports.

Report of the Directors ..... *(Contd.)*

The Board of Directors of the Company, at their Meeting held on 17 May, 2023 have re-appointed M/s Chaturvedi & Co. as the Internal Auditor of the Company for the Financial Year 2023-24 on the recommendation of the Audit Committee of Directors of the Company under the provisions of Section 138 of the Companies Act, 2013.

PUBLIC DEPOSITS

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

LOANS, INVESTMENTS, GUARANTEES & SECURITIES

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in Note no. 54.1 to the Standalone Financial Statements of the Company.

ANNUAL RETURN

Pursuant to Section 92(3), read with Section 134(3)(a), of the Act, a copy of the Annual Return of the Company as on the Financial Year ended 31 March, 2022, in Form No. MGT-7, can be accessed on the website of the Company, at https://www.electrosteel.com/investor/shareholder-information-annual-return.php

Further, pursuant to Section 92(3) of the Act, the Annual Return of the Company as on the Financial Year ended 31 March, 2023, is uploaded on the website of the Company, at https://www.electrosteel.com/investor/shareholder-information-annual-return.php

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The Business Responsibility & Sustainability Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front, is annexed as **Annexure 7** to this Report.

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

The Company has in place a Policy in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. In compliance with the provisions of the said Act, an Internal Complaints Committee is in place to redress complaints received regarding sexual harassment. The Company has not received any complaint of sexual harassment during the Financial Year 2022-23.

RELATED PARTY TRANSACTIONS

The Company has entered into contracts/arrangements with the related parties during the Financial Year 2022-23, which were in the ordinary course of business and on arm's length basis. Thus, provisions of Section 188(1) of the Act were not applicable on the Company and the disclosure in Form AOC-2 is not required. However, your attention is drawn to the Related Party disclosure in Note no. 54 of the Standalone Financial Statements.

The Board has approved a policy for Related Party Transactions which has been hosted on the website of the Company. The web-link for the same is electrosteel.com/admin/pdf/1608020034Related-Party-Transaction-Policy.pdf. The Related Party Transactions, wherever necessary, are carried out by the Company as per this Policy.

There were no materially significant related party transactions entered into by the Company during the year, which may have a potential conflict with the interest of the Company at large.

RISK MANAGEMENT POLICY

The Company has a well-established Risk Management Policy to identify and evaluate business risks. This framework seeks to create transparency, minimise adverse effect on the business objectives and enhance Company's competitive advantage. The key business risks identified by the Company are economic risk, competitor risk, industry risk, environment risk, operational risk, foreign exchange risk, etc., and it has proper mitigation process for the same. The Audit Committee reviews this policy and evaluates the risk management systems of the Company, periodically. A statement indicating development and implementation of Risk Management Policy for the Company including identification of elements of risk, if any, is provided as a part of Management Discussions & Analysis Report at Annexure 1 which forms a part of this Report.

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

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo required to be disclosed under Section 134 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as Annexure 8 and forms a part of this Report.

DISCLOSURE ON THE COMPLIANCE OF SECRETARIAL STANDARDS

The Company is compliant with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

OTHER DISCLOSURES

During the year under review:

i) NCLT Cuttack, dismissed the IBC application of UV Asset Reconstruction Company Ltd (UVARCL) by pronouncing its order in favour of the Company. UVARCL has filed an appeal before NCLAT. The matter is pending before NCLAT and

ii) The Company had not entered into any one-time settlement with any Bank or any Financial Institution.

ACKNOWLEDGEMENT

Your Directors record their sincere appreciation for the assistance and co-operation received from the banks, financial institutions, government authorities, and other business associates and stakeholders. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Place: Kolkata
Date: 17 May, 2023

Annexure – 1

Management Discussion and Analysis Report

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Overview

The Company is engaged in the business of manufacturing Ductile Iron (DI) Pipes, Ductile Iron Fittings (DIF) and Cast Iron (CI) Pipes. The Company is the first to set up a Ductile Iron Pipe Plant in India. Today, it is India's leading pipeline solution provider. It has a strong brand presence around the Globe. Since 1994, the Company has maintained its edge over its competitors. Owing to the high reliability and durability of its products, the Company has always remained the distinct choice for water engineers and domain experts in Ductile Iron Pipes and Fittings.

Industry Outlook

The ever growing demand for safe water supply and disposal is fueling an increasing demand for pipes and fittings. Government of India is doing everything in their capacity to bridge the gap between the supply and demand for water. Rapidly increasing urbanisation across emerging regions has been responsible for the hike in the demand for water infrastructure.

Under the 'Jal Jeevan Mission', India has undertaken a very ambitious initiative to provide tap water to every rural household. The Government is already geared up for major expansion in water supply and distribution infrastructure in all the states and the government is to spend Rs 3.6 lakh crores by 2024 to provide tap water connections to every household. However so far Rs 1.65 lakh crores have been spent and in many states the providing of home tap connections are still on the lower side. So more government spending is expected under 'Jal Jeevan Mission'.

For urban water supply, AMRUT 2.0 is to cover the uncovered areas in the urban conglomeration. The main aim is to make 500 identified AMRUT cities 'water secure', i.e., providing water connection to all house hold. It will also include 4,378 statutory small towns. AMRUT 2.0 scheme, has been launched on 01 October, 2021 for a period of 5 years i.e. from the financial year 2021-22 to 2025-26. The total outlay of AMRUT 2.0 is Rs. 2.97 lakh crores. So further growth in pipe demand is expected from AMRUT 2.0 in the coming years.

Demand for Pipes Sewerage

With increasing urbanisation, draining out dirty water and keeping the cities clean is a matter of increasing concern. Sewerage disposal in many cities and town are not up to the mark. However under the 'Swachh Bharat Mission', 'Namami Gange' and AMRUT - 2.0 Schemes, a number of new sewerage schemes are coming in many of the towns and cities which will require DI pipes and fittings.

Demand for Water in Irrigation

India has a seasonal pattern of rainfall with 50% of precipitation falling in just 15 days and over 90% of the rivers flow for just four months. With a very limited storage capacity, farming activity in India is mainly sustained by irrigation. Traditionally, irrigation in India has been mainly canal based.

However to minimise the transmission loss due to percolation and evaporation and to avoid the complication of land acquisition, currently there is a growing acceptance of piped irrigation systems in the country. In many states a number of Piped Irrigation Systems are coming up and other states are trying out model schemes, before going the big way. This has opened good scope for use of pipes and fittings in the irrigation sector in the last few years and the same is expected to grow, as more and more states taste the benefits of Piped Irrigation System.

Demand for Water for Industries

Rapid pace of Industrialisation is the backbone of the economic development in India. More and more industries are coming up and with the increase in industrialisation, the demand for Industrial water supply is also growing. Growth is again witnessed in the real estate and service industry which in turn further add to the growing demand for Inustrial water.

Demand Drivers for DI Pipes

The following factors will continue to drive the demand for DI Pipes:

1. Har Ghar Nal se Jal programme (Jal Jeevan Mission) and Swachh Bharat Mission- The thrust of the Central Government is to provide drinking water and sanitation to 100% of the population and making funds available to achieve it. The State Government is expected to contribute in a similar manner.
2. The AMRUT-2.0 schemes and Smart City projects launched by the Government will keep up the demand for DI pipes and fittings in future years in urban water supply schemes.
3. There is push from the Government to adopt 24X7 water supply system in the urban conglomerates. 24x7 water supply implementation will require durable and leakage free pipes like DI pipes.
4. The shift towards pipe based irrigation system from canal based irrigation system has opened up a very promising sector.
5. In many cases, DI pipes and fittings are now being preferred for conveying bulk Industrial water as these are more sturdy and durable.
6. More utilities are focussing on life cycle cost rather than initial cost to have a more durable water supply solution and DI pipe is the most preferred pipe for having a reliable water supply system.
7. Due to superior quality of pipes followed by dependable after sales service, the Company continues to maintain its dominant position in the market against competitors.

FY 2022-23 vs. FY 2021-22

The Company's Revenue from Operations was reported at Rs. 6916.00 Crore during the year under review as compared to Rs. 5014.83 Crore reported in the previous year. There was an increase of around 28.77% in Export Sales from Rs. 1167.97 Crore in 2021-22 to Rs. 1504.04 Crore in 2022-23. The Company's profit in 2022-23 was Rs. 334.76 Crore as against profit of Rs. 325.60 Crore in 2021-22.

B. PRODUCT WISE PERFORMANCE

Ductile Iron (DI) Pipes

The Ductile Iron Pipe Plant, produced 715,129 MT of DI Pipes during the year 2022-23 compared to 603,751 MT in 2021-22. The Production increased due to change in business strategies mainly in minimizing Pig Production (KW), enhanced Hot Metal production in SW on account of new MBF and higher Capacity Utilisation in the third quarter when business was impacted due to high fluctuation of raw material prices and availability. Performance strongly improved subsequently during the remaining part of the Financial Year due to numerous strategic decisions carried out by the management and exemplary performance by all employees and workers of the organisation.

The main raw materials used in the production of DI Pipes are Iron Ore and Coke. Iron Ore for Eastern India operation is mainly procured from Odisha and Jharkhand. Coke is captively produced at Haldia for Eastern India operation and

Management Discussion ..... *(Contd.)*

captively producted at Srikalahasthi unit for Southern India operation. Coking coals are imported mainly from Australia. The DI Pipes produced by the Company are sold in India and globally to nearly 90 countries spread over 5 continents.

Blast Furnace

The Blast Furnace has produced liquid metal of 7,73,965 MT during the FY 2022-23 compared to 7,06,021 MT. in the FY 2021-22.

Cast Iron (CI) Pipes

The Cast Iron Pipe Plant, with a total capacity of 90,000 TPA produced 26,588 MT of CI Pipe during the Financial Year 2022-23 compared to 19,049 MT in the Financial Year 2021-22. The capacity utilisation was higher compared to previous year because of demand for Cast Iron Pipes.

The main raw material used in the production of CI Pipe is Pig Iron, which is obtained from domestic sources. The CI Pipe produced by the Company is sold mainly to the states in Southern India.

DI Fittings & Accessories

The Company produced 20,343 MT of DI Fittings in the Financial Year 2022-23 as against 20,684 MT in the Financial Year 2021-22. The production, productivity and overall performance was almost at par with last year because the Company's operation and marketing teams have focussed on forward looking efforts and taken initiatives for higher productivity and utilisation of capacity at its Haldia and Khardah Works and worked towards improving the performance of these divisions.

Power Plant

The Company's newly installed 5 MW capacity Turbo generator at its Haldia Works using the potentials of generation of steam from the waste gases of Coke Oven Plant is functioning well and providing cheaper power support to enhance performance of Ferro Alloy Products at Haldia Works and is establishing overall environment & energy conservation improvement. In 2022-23, the new power plant has generated 23.34 million units.

With old 12 MW power plant & new 5 MW Power Plant together, Haldia has generated 120.78 million units of power, out of which 17.51 million units were transmitted to SEB grid in 2022-23 as against 114.15 million units generation and transmission of 16.66 million units in 2021-22. Higher generation of power has increased export to grid in 2022-23.

During the year under review, at Srikalahasthi Unit, the power generation from both 12.0 MW and 7.5 MW CPPS put together was 14.86 MW per hour as against 14.34 MW per hour in the FY 2021-22.

Captive Coke Oven Plant

The Coke Oven Plant, with a total capacity of 2,25,000 TPA at Haldia, produced 151,685 MT of Metallurgical Coke in 2022-23 against 1,81,035 MT in 2021-22, mainly for captive consumption in Blast Furnace at Khardah Works. The production was lower compared to previous year mainly because of switching to 3 Battery operation from 4 Battery in 2021-22.

The Coke Oven Plant at Srikalahasthi unit, has produced 2,06,799 MT of Metallurgical Coke in 2022-23 against 2,03,467 MT in 2021-22, mainly for captive consumption in Blast Furnace.

Ferro Alloy Plant

The Company's Ferro Alloy Plant at Haldia Works has produced Prime Si Mn. 16,431 in 2022-23 against 14,059 Mt in 2021-22. The production increased by 17% mainly due to increase in power availability & improvement in capacity utilisation.

Ferro Alloy Plant at Srikalahasthi Unit has produced Prime Ferro Silicon of. 15353 MT in 2022-23 against 15,271 MT in 2021-22.

Cement Plant

Cement Plant has produced Portland Slag Cement of 55,671 MT in 2022-23 compared to 91,797 MT in 2021-22. Due to sluggish market conditions particularly for Slag Cement and consequent lower contribution, cement production has been lowered down during the year under review and instead Ground Granulated Blast Furnace Slag (GGBS) has been produced by effectively utilising the cement mills, which has better contribution when compared to Slag Cement.

Raw Materials Management

The Company's manufacturing facilities are spread across five locations in India. Presently, the business model consists of integrated production facilities which include Sinter Plant, Coke Oven Plant, Blast Furnace, Pig Iron Plant, Sponge Iron Plant, Fittings Plant and Captive Power Plant. The Company had already commissioned Ferro Alloys Manufacturing facility at Haldia & Srikalahasthi. The integrated manufacturing facility helps the Company to minimise the production cost as the Company strongly believes that cost competitiveness is a key component of success. The Company continuously endeavors to improve the cost competitiveness by adopting various innovative and cost saving measures in the operations.

Due to delay in grant of forest, environment and other clearances from various authorities, execution of Mining Lease remained pending over an area of 192.50 hectares by the State Government of Jharkhand for Iron and Manganese Ores Mine at Dirsumburu in Kodolibad Reserve Forest, Saranda of West Singhbhum, Jharkhand.

According to amended MMDR Act, 2015, the validity period of Letter of Intent granted by the State Government of Jharkhand for execution of Mining Lease in this respect expired on 11 January,2017. The Company had filed a Writ Petition before the High Court of Jharkhand on 10 January, 2017 praying for exemption on the above Sunset Date and obtained interim stay on 19 January, 2017. The above order has not been modified, vacated or altered till date.

The Forest Advisory Committee (FAC - an apex body of the Ministry of Environment, Forest and Climate Change (MoEFCC) in their meeting on 17 August, 2017 deferred their decision on Forest Clearance of Dirsumburu Mines of the Company till outcome of Judgement from Ranchi High Court. FAC has not rejected the Company's case on issue of validity period of Letter of Intent (LOI) for Mining Lease.

In a similar Case a major hurdle has been mitigated by Ministry of Mines – Government of India by accepting the judgment of Delhi High Court in the case of Arcelor Mittal India Ltd. It was expected that the Ministry of Mines would appeal against the High Court Order, but in fact gave a go ahead to MoEFCC to process the Forest Clearance proposal of Arcelor Mittal. MoEFCC has given Forest Clearance to Arcelor Mittal India Ltd on 04 October,2021. However, the Courts will have to restore the validity of LOI beyond 11 January, 2017 in all recommended cases of allocated Mines in Saranda of Jharkhand. The Company is keeping a track of the decision of the Courts as and when it happens, in the case of Arcelor Mittal. This action of the Ministry of Mines and revalidation by the courts will become a favourable precedence for us.

The Government of Jharkhand till a few months back was vigorously following up with the Central Government to amend Mining Plan for Sustainable Mining (MPSM) which had put majority of allocated Iron Ore Leases of Saranda Forest area in conservation zone resulting in locking up huge quantities of Iron Ore Reserve.

However, the State Government for the time being has taken a back seat due to political situation in the State and now is not following up with the Central Government for the same.

There is no development in this matter, however, the Company's Mining Lease along with many other lease holders Mining rights have been protected by various High Courts..

Exports

In the FY 2022-23, the demand of the Company's products has been healthy. However, there was pressure on cost due to surge in raw material costs due to the Ukraine war as well as robust steel demand. The Company has been able to pass

Management Discussion ..... *(Contd.)*

on the costs to the customers due to the trust it enjoys because of its transparency, long presence in most markets and sound business practices.

The Company has been able to cement its place in the international markets due to its continued presence around the globe even during turbulent times.

Quality and Approvals

The Company is committed to provide world class quality products and services since decades and is striving forward to maintain the same in years to come. We are focused towards achieving 'Quality Right the First Time'. The Company's products have been certified by globally renowned and respected certifying bodies, like, BSI (UK), DVGW (Germany), UL (USA), FM (USA), BV (Italy), OVGW (Austria), IGH (Croatia), SASO (Saudi Arabia), etc.

Respected auditors from different certifying bodies have been visiting the Company's manufacturing facilities every year, since decades, to verify the system in place and ensure the products are at par with its commitment, as a part of their surveillance audit. For the past two years, like several other organisations, we fought against COVID-19, and after a long fought battle against this devastating pandemic, we are recovering towards normalcy. The audits are now being performed on-site contrary to the online audits during pandemic. Recently, auditors from BSI(UK), UL (USA), FM (USA) and MPA NRW (Germany) and OFI(Austria) have audited our plants and we are glad to share that the Company has sailed through all the audits successfully.

The Company is committed to ensure long term sustainability of the global system including environmental, social, economic and qualitative aspects over the entire life cycle of its products and services. The Company has framed and maintained its quality management system in accordance with ISO 9001, Environmental Management System as per ISO 14001, Energy Management System as per ISO 50001, Occupational Health and Safety as per ISO 45001 and complies with the Social Accountability requirement as per SA 8000.

OPPORTUNITIES AND THREATS

Opportunities

The demand for DI pipe is expected to grow with the Government's continued focus on water, sanitation and irrigation schemes across India and with the development of smart cities. In May 2019, Government of India has set up a new Ministry of Jal Shakti. The formation of this ministry reflects India's seriousness towards resolving water challenges and providing drinking water to every household in the Country. The Government of India is continuing considerable investments in Smart City and AMRUT projects which is pushing the demand for pipe upwards. Urban sewerage system is being revamped in most cities which will require more pipes. The Company has always remained the distinct choice for water engineers and domain experts in Ductile Iron Pipes and Fittings.

Threats

TThe 'Jal Jeevan Mission' and the Swachha Bharat Mission' have already brought in considerable growth in the water and waste-water sector. However, consistent funding is required to be made by the Government in these sectors in the coming years. Persistent monitoring of fund flow is required to maintain sustainability of pipe demand. Timely allocations of resources, efficient planning and proper project implementation are to be ensured to achieve the goal of Jal Jeevan Mission, AMRUT-2.0 and Swachh Bharat Mission.

Some challenges being faced in the export market are, the imposition of Anti-dumping/Anti-subsidy duties on Indian DI Pipes by European Commission in European Union countries and a general perception of slowdown of the world economy.

C. RISKS AND CONCERNS

This has been dealt with separately in the section on "Risk Management".

D. FINANCIAL PERFORMANCE

The highlight of the operations for the year ended 31 March, 2023 and 31 March, 2022 are as under:

a) Financials

(Rs. in Crore)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Gross Sales & Income from Operations	**6916.00**	5014.83
Profit before Interest, Depreciation & Exceptional Items	**819.04**	716.45
- Finance Expenses	**272.24**	185.27
- Depreciation	**114.02**	112.58
Profit before Tax	**432.78**	418.60
Tax Expenses	**98.02**	93.00
Profit after Tax	**334.76**	325.60

b) Company's Sales mix

(Rs. in Crore)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from sale of Product		
D.I. Spun Pipes	**5245.09**	3524.50
Ferro Products	**279.27**	301.55
D.I. Fittings	**318.32**	246.23
C.I. Spun Pipes	**188.14**	116.49
Cement	**4.41**	19.67
Others	**851.72**	790.10

Other Financial Matters

During the year:

1. Net Worth of the Company increased to Rs. 4210.99 Crore as at 31 March, 2023 from Rs. 3927.97 Crore as at 31 March, 2022.
2. Gross Fixed Assets including Work in Progress & Capital Advances as at 31 March, 2023 increased to Rs. 3973.44 Crore from Rs. 3,902.50 Crore as at 31 March, 2022.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. It ensures the efficiency of the operations, financial reporting and statutory compliances. These systems are reviewed through risk control matrix, various MIS wherever considered necessary. Apart from the internal control system, an Independent Internal Auditor also reviews all activities in a systematic and structured manner. The Audit Committee regularly reviews scope, observations and suggestions of the Internal Auditors and takes the necessary corrective actions.

Management Discussion ..... *(Contd.)*

F. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company strongly believes that to achieve continual success, a dedicated and devoted workforce is very much required to get high performance and improved productivity. This has been endlessly encouraged by evolving human resource management systems and processes of the Company. The Company has left no stones unturned for enhancing the capabilities of employees across all levels of the Organisation through engagement and continuous learning and development programs. Further, the Company is strongly focused towards utilization of its manpower to the optimum level.

The positive approach and cordial relationship between the Management and Unions has resulted in smooth industrial relations during the year under review. The relationship has developed over the years and has played a significant role in smooth running of the Company. Any issues/grievances are peacefully addressed and amicably settled through different processes, like, discussion across the table, counseling, workers' participation and collective bargaining on mutually acceptable terms. The Company sincerely strives to enhance and value knowledge capital by improving the competence of its employee and their prospective and optimum usage.

The Company has been accredited with Social Accountability 8000 certification from British Standard Institute (BSI). The SA 8000:2014 recertification audit was conducted successfully by BSI during the Financial Year 2022-2023 & recommended for continuation of the Certificate. The Company is taking initiatives to maintain TPM excellence on a continuous basis.

The total number of employees as on 31 March, 2023 is 2834.

⏮ Safety & Health

Safety and Health responsibility of all levels of employees of Electrosteel Castings Limited are strongly driven by OH&S management system towards commitment of Zero Accident, Zero Harm and Zero Health impairment. We work with robust OH&S management system and a sound safety governance structure to achieve those. The existing management system is also focused towards improvement in the system with regular review and analysis. It is also upgraded with the advancement of the process and technology. All the statutory requirements are also fulfilled through the OH&S management system and being monitored for compliance through MIS on monthly basis.

The Company:

- has proactively established and maintained the process for identification of hazards (HIRA) on ongoing basis for routine and non-routine activities and related SOPs (Safe Operating Procedures), Kaizen, OPL & Poka-Yoke are prepared to eliminate the risk or to reduce the existing risk level.
- has analysed via Hazards Identification and Risk Assessment (HIRA) minimisation of risk of all activities, elimination of all unsafe act and condition by excellence in process safety management and improving Occupational & Health establishment. In this journey a strong value base safety culture is the top priority of our organisation.
- has strong governance structure driven by the OH&S management via unit wise safety committee and zonal safety committee cheered by top management. Monthly zonal committee meeting is carried out, the information which are extracted from the committee meeting is documented and relevant mitigation measure is taken through engineering techniques and administrative control. A time bound mitigation plan is implemented.
- has ensured that all the high severity risk identified by the department is reviewed periodically by HODs and overviewed by OH&S department. It is the endeavour of the concerned department to initiate all possible measures to reduce the risk level. Cross functional audits are also carried out periodically as a part of best safety practices. Outcome of this audit result is shared across organisation for horizontal replication.
- has system of monitoring all the key factors of OH&S performance indicators as per schedule. Outcome of the monitoring results are evaluated and necessary actions are taken in consultation with concerned department as and when required.

- has reviewed on-site emergency plan and conducted mock-drill as per schedule for evaluating the combat system during real emergency situations & corrective action is taken against identified deviation to improve effectiveness of emergency team.
- has arranged health check-up facilities like pre-employment of all new joinees, periodical health checkup activities done by specialised Doctor for all level of employees as per statutory requirements, to prevent health impairment. Health check-up and Eye check-up camps are also organised through renowned external medical setup for ECL Family.
- has various system of Plant inspection (daily inspection carried out by OH&S team & also top management safety walk-down as per schedule on monthly basis) to look after whether the plant activities are carried out by following SOPs or not. Outcomes of the inspection report is communicated to the respective departments for taking corrective action and also reviewed in monthly review meeting on regular basis in corporate MIS.
- has ensured that various audit activites like electrical audit, fire safety audit and PPEs audit are carried out as per schedule. Outcome of these audit reflects the function of OH&S management system inside the factory. OH&S management system also audited by external third party for certification of ISO 45000-2015 and SA 8000. More over different audits are carried out by external competent person for enhancement of safety practices.
- has carried out structural stability test of all plant structures as well as chimney as per schedule by Factory Directorate approved third party.
- has introduced new system of blood pressure checking of all contractual employees before starting any height job.
- has implemented TPM activities based on and along with 5S audit methodology carried out on monthly basis to improve health and hygiene condition of our Occupational Health Center.
- celebrates National Safety Day/Week/Month and World Safety Day in every year through various activities like Safety Campaign, inter-unit best Safety practices competition among the various Safety core committee, Safety drama competition, Safety quiz contest, Mock Drill Contest, Safety Poster, Safety Suggestion & Safety slogan competition to enhance safety awareness and preparedness among all level of employees.
- has introduced a system to conduct External Fire Safety Audit by external third party to assess risks related to fire & implement their suggestions/recommendations for further improvement.
- has introduced a system for checking/inspection of rotating machines by approved external agency of Factory Directorate, West Bengal.
- has introduced a system to conduct ND Test (DPT, MPT & UT) of ‘I’ hooks of all hot zone EOT cranes by Factory Directorate approved third party.
- has introduced a system for Ventilation Test of all Shot Blasting areas by Factory Directorate approved third party.

  The wellness at work place theme is initiated to create awareness among employees to adopt a healthy life style and to control life style related diseases. A month-long safety week celebration has been carried out through different activities like, Quiz, KYT Drill, Safety Drama, Mock-Drill etc. All of the activities also create awareness towards commitment of Zero Harm and Zero Accident in line with OH&S policy.
- has introduced new system for checking of scaffolding as per IS standard by approved third party of factory directorate before starting any height job.
- has introduced new system for taking safety oath before training / meeting to improve safety mind of employees.
- has implemented TPM activities (5S audit) to improve health & hygiene in canteen & OHC.

Management Discussion ..... *(Contd.)*

Being an ISO 9001:2015, ISO 14001:2015 certified company, the Company is always maintaining good practices of OH&S system and always trying to improve to it in every sphere.

Environment

The Company has maintained well established Environmental Management System (EMS) by which the whole environmental activities are organised in a structured manner. The major EMS activities are as follows :

- In Environmental Management System (ISO 14001:2015), all the activities are assessed via aspect-impact analysis method and appropriate mitigation plan is also adopted for those activities where environmental impact is more.
- Environmental friendly technology is implemented wherever applicable to reduce the pollution level and.to minimise the consumption of natural resources.
- Waste heat recovery system from flue gas has been implemented in different operation as a part of reduction of fossil fuel use.
- Ambient air quality monitoring stations have been installed at the boundary wall of the factory premises to monitor air quality inside the factory.
- Stack monitoring is done to keep the dust level and concentration combustion products in the flue gas discharge from chimney within permissible limits.
- Other key characteristics of environmental parameter like ambient noise is monitored as per monitoring control mapping and results are evaluated to improve the environmental performance of the said operation and to comply with the statutory requirements.
- All of the activities are evaluating on Life Cycle Analysis (LCA) methodology on gate to gate basis to find out the stressor point.
- Regular Plant inspection is carried out to see compliance of existing OCP (Operational Control Procedures) in respect of storage and handling of hazardous & non-hazardous waste and handling of chemicals.
- Plantation of saplings are carried out throughout the year. Different types of saplings are planted in and around the factory premises to increase the foliage area and to provide greener environment. Biodiversity is also maintained in Children's park in the nearby location of the factory premises promoted by the Company.
- The organisation shares its commitment to preserve and conserve fresh water. It has implemented various improvement actions in line with the Environmental Policy to continually increase treatment & recycling of waste water.
- Different types of trainings are imparted throughout the years as determined by the training needs identification matrix associated with environmental aspects and its environmental management system and determine the necessary competence of the persons that affects environmental performance and its ability to fulfil its compliance obligations.
- World environment Day is celebrated every year and different awareness programmes are organised like sit and draw competition, quiz competition and plantation of saplings, etc.
- Enhancement of environmental friendly practices through TPM activities like good housekeeping practices including 5S & Audits, kaizens, etc.
- With the objective to reduce consumption of fossil fuel & resulting greenhouse gas emission, the organisation has adopted a strong & effective Energy Management System as per ISO 50001 standard. The Green House Gas emission

is closely monitored & controlled considering its importance to the global climate change in context with the UN SDG 2030 commitments and India's national commitment.

- **Waste Minimisation**

The Company's well defined waste management cell is taking all initiatives for storing, handling and safe disposal of waste to PCB approved vendors as per statutory requirement.

Some of the important initiatives are :

- 4R methodology (recycle, reuse, reprocess, reduction) is being adopted for waste management system towards sustainable usage of natural resources.
- Packaging wastes are utilised for different purposes as a part of the process of reusing / recycling waste.
- Some of the process waste is recycled or re-utilised in another process to reduce the consumption of raw materials.
- Technological up-gradation is also a continuous focus to increase re-use / recycling of waste.
- Awareness poster in different locations for banning of plastic carry bags of less than 120 microns and also refrain from use of all type of Single Use Plastic.

Being ISO 14001 certified, the Company leads a systematic approach with the aim of contributing to the environmental pillar of sustainability to protect environment and respond to changing environmental conditions in balance with socio economic needs.

- **Corporate Social Responsibility ('CSR')**

In recent times, companies are expected to engage in responsible business conducts. CSR activity, for Electrosteel, is a setup of planned activities, taking into consideration the capabilities of the Company with a target on the significant impact to inspire its local community and near vicinities. The initiative of the Company is to strengthen its operating foundation and being engaged in ongoing efforts to contribute to the society by enhancing corporate values.

The Company takes into account issues of concern related to external stakeholders and also various range of programs that aim at Social & Environmental topics. The Company's code of conduct anchors its Ethics & Compliance affairs. It also creates and implements community-based initiatives to solve issues in areas like education for children, environmental conservation and external cooperation keeping in mind the local culture & society.

- **Electrosteel Initiatives**

- Setting of Drinking water kiosks in local area during the summer season.
- Providing assistance to promote local culture and festivals.
- Carrying out development work in local Schools & Sports Clubs to promote education & sports activities.
- Providing medical help through the Charitable Medical Centers.
- Motivating local poor but bright students and distribution of educational kits amongst school children.
- Arranging regular Blood Donation and Medical Camps through agencies and helping local people with Blood Cards as and when required.
- Distribution of Clothes / Blankets amongst poor people of local area.
- Providing financial help to needy people against their appeals.
- Engaging Employees through various Competitions, Sports Activities and Cultural programs.

The Company conducts its CSR activities based on the feedback from its employees, stakeholders, customers and the local community.

Management Discussion ..... *(Contd.)*

Information Technology

The Company has undertaken its first step towards 'Industry 4.0' to improve its manufacturing processes. New technology like Industrial Internet of Things (IIOT) has been integrated into production facility to increase automation, predictive maintenance, and self-optimisation of process improvements. The Company plans to complete this journey by next few years to have a smart factory.

The Company has further improved security mechanisms to mitigate information security risks by commissioning an Information Security Operations Centre, or ISOC – team of IT security professionals that monitors the Company's entire IT infrastructure, 24/7, to detect cybersecurity events in real time and address them as quickly and effectively as possible.

G. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Net Capital Turnover ratio witnessed an increase from around 4.11 times in the Financial Year 2021-22 to around 5.44 times in the Financial Year 2022-23, i.e., an increase of 33% due to improved realisation and increase in sales volume.

Net Profit Ratio witnessed a decrease from around 6.51% in the Financial Year 2021-22 to around 4.86 % in the Financial Year 2022-23 i.e. a decrease of 25% on account of increase in finance cost and major raw material cost although there was increase in realisation and sales volume.

Return on Net Worth (%) witnessed a decrease from around 8.54% in the Financial Year 2021-22 to around 8.11% in the Financial Year 2022-23 i.e. a decrease of 5% on account of increase in finance cost and major raw material cost.

No significant changes were noted in the other key financial ratios during the year the details of which are under :

	FY 2022-23	FY 2021-22	Variation
Debtors Turnover	5.86	5.64	4%
Inventory Turnover	3.90	3.57	9%
Interest Coverage Ratio	2.80	3.60	-22%
Current Ratio	1.48	1.42	4%
Debt Equity Ratio	0.57	0.69	-16%
Operating Profit Margin	10%	12%	-15%

H. OUTLOOK

At present the Company is the largest manufacturer of Ductile Iron (DI) pipes and fittings in the country. The Company is also the largest exporter of DI pipes and fittings in India, having its footprint in more than 100 countries.

Ductile Iron pipes are among the most preferred pipe material all across the world to be used for water and waste water transmission. With high pressure bearing ability, excellent structural strength, easy installation along with high service life and durability, ductile iron pipes remain to be one of the preferred pipe material and are expected to benefit from the impressive demand across sectors in the coming years. In view of the above, the Company's plant in Andhra Pradesh is enhancing the production capacity of DI pipes which will help the Company to grow in all respect in near future.

The Company is having comfortable order book for supply of Ductile Iron pipes. Ductile Iron pipe is the safest and most suitable pipe for transportation of water not only in urban cities but also in rural India. The Company is hopeful that the Central and State Governments will continue to give priority and remain committed in respect of ongoing and future water supply, sewerage and irrigation projects in the country.

It is expected that the critical need of water supply and waste water applications, particularly in developing countries, like in Asia and Africa, will keep on driving the demand for DI pipes and fittings. Application in comparatively new areas like piped irrigation is also witnessing a rise in requirement for DI pipes and fittings.

However with more focus on backward integration, cost reduction, exploring alternative markets, overcoming logistic constraints and long term planning for raw materials, the Company is confident of maintaining sustained growth.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's estimates, predictions and expectations may be "forward-looking" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods in which the Company operates, input availability and prices, changes in government regulations, tax laws and other statutes, economic developments within the country and the countries within which the Company conducts business and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent developments, information or events.

Risk Management

The Company has proper Risk Management and Control System to ensure that the risks of the Company are identified and managed effectively. The risk and mitigation measures are weaved into strategic plans and are reviewed periodically. Values and Business Principles are important elements of the internal environment for risk management. The main objective of Risk Management is proper compliances with applicable laws and regulations and to ensure that the systems protect the safety and health of the employees, customers and consumers.

The Company has already undertaken an extensive Risk Management effort that includes introducing Risk Management Manual, compiling a comprehensive profile of the key risks to the Company, identifying key gaps in managing those risks and developing preliminary action plans to address those risks. The worldwide activities of the Company are exposed to varying degrees of risk and uncertainty. The Company has identified and categorised the risks associated with its business into Economic Risk, Competitor Risk, Industrial Risk, Environmental Risk, Foreign Exchange Risk and Payment Risk.

Economic Risk

Economic risk can be described as the likelihood that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. The causes can be many, for instance, the hike in the price of raw materials, failure to accomplish deadlines, disruptions in a production process, the change of a political regime, change of Industrial/Government policies, court orders, ordinance or natural disasters, etc.

To counter this, the Company has taken various steps including backward integration which comprises brownfield expansions, e.g., Sinter Plant, Sponge Iron Plant, Coke Oven Plant, Power Plant from waste heat recovery, Ferro Silicon Plant, upgrading and expanding manufacturing capacities, exploring alternate source for procurement of critical raw material in case of delay in mining planned earlier, managing resources to meet financial obligation and increasing efforts on research and development. In addition, cost control measures are an ongoing process.

To avoid price volatility for critical items, the Company enters into contracts for bulk quantity as well as keeps on exploring alternate sources of supply.

Competitor Risk

As the market is highly competitive with the elimination of physical barriers, the Company is exposed to the competitor risk. Ductile Iron (DI) Pipe Industry is a technology intensive industry. Staying in tune with customers' need is vital to the sustainability of any company; the same can be safely said about the competition. With the entry of new players and the inevitable competition from other alternative industries, the Company constantly analyses the competitors from both marketing and strategic purview through the assessment of strength/weakness of each competitor, which helps to identify the opportunities and threats.

The Company continues to focus on increasing its market share and taking marketing initiatives that help customers in taking informed decisions. The quality improvement, global presence through its subsidiaries and product enhancement efforts have established the brand image of the product as the most preferred brand with the customers. With the thrust given by Government of India on water and water related projects and due to the anticipated growth in water requirement in India, the demand of DI Pipes is expected to grow substantially in the next few years and the Company is confident of retaining its market share.

Industrial Risk

The Company ardently believes in recognising its people's talent & their potential as one of the major source required for achieving success in this competitive market. As a measure to achieve this, the Company continues to pay sincere attention on people development by evolving a continuous learning human resource base to help them in improving their potential and fulfilling their aspiration. It is essential to have employees engagement in various spheres to create a congenial, conducive and healthy work culture. In the process, the Company gives utmost priority to community services, sports, education and medical services to the employees as well as the locality.

The Company undertakes development program to enhance the competency of the employees by imparting required training to make them multiskilled, thereby increasing the job opportunity and scope for redeployment.

The crucial factors in the smooth operation of the plant includes good public relations and liaisoning with statutory bodies, union leaders, community and opinion makers. The Company through its highly professional team of Management has been successful in maintaining an excellent labour relation over the years. As a consequence of such harmonious relations, the Company has grown by leaps and bounds over the years and will continue to do so over the coming years.

The Company is optimistic that with a team of loyal, devoted and dedicated workforce, the labour relation will continue to strengthen further and play an important role in the growth and success of the Company.

Environmental Risk

Environmental risk is defined as the potential adverse effects or threats arising from activities. All the operational activities are covered under one umbrella called Aspect-Impact Analysis. Environmental risks are evaluated from the Aspect-Impact analysis matrix which is a combination of failure to detect, severity and consequence of occurrence. The main objective of Environmental Management System is to reduce the risk level or eliminate the risk through mitigation plan like Operational Control Procedures (OCPs), Environmental Management Plan (EMP) and Emergency Preparedness and Response Plan (EPR).

In the present scenario environmental risk also cover the business ethics, need and expectation of interested parties and image of the company in the international platform.

Risk arising from the key characteristics of the environmental parameters like air emission, quality of effluent and noise are well tackled by advanced mechanism of engineering techniques not only to mitigate the risk level but also to comply with the statutory requirement. Outcome of all monitoring results are evaluated and combat mechanism system are adopted if required to the operational level.

Now Environmental risk is mostly affected by generation and disposal of waste both hazardous and non-hazardous. Company's effective waste management cell is looking after the storage, handling, recycling and disposal of waste in environmentally safe manner and also comply with the regulatory directives. Good housekeeping practices and effective TPM practices are there in place to help minimise the risk level.

Environment Management Cell is well supported by engineering departments for updating the existing pollution control devices and implementing suitable techniques for any stringent requirements in near future or any changing circumstances including developments in legal requirements. Depletion of natural resources is also a threat to environmental sustainability. Latest technology is used for implementation of 4R (reuse, recycle, reduction, reprocess) methodology and minimising the fossil fuel consumption.

With the objective to reduce consumption of fossil fuel & resulting greenhouse gas emission, the organisation has adopted a strong & effective Energy Management System as per ISO 50001 standard. The GHG emission is closely monitored and controlled considering its importance to the global climate change in context with the UN SDG 2030 commitments and India's national commitment.

Management Discussion ..... *(Contd.)*

The organisation shares its commitment to preserve and conserve fresh water. It has implemented various improvement actions in line with the Environmental Policy to continually increase treatment & recycling of waste water. Environment Management Cell takes suitable action to minimise the water consumption to the extent possible and to reduce the wastage of water via engineering control and / or administrative control.

Environmental risks are evaluated on continual basis through Environmental Management System of ISO 14001 standard. Environmental Management system has a priority to reduce the risk level and also to explore potential benefit with implementation of new technology.

Foreign Exchange Risk

Foreign Exchange Risk (also known as exchange rate risk or currency risk) is a financial risk posed by an exposure to unanticipated changes in the exchange rate between two currencies. Multinational businesses exporting or importing goods and services are faced with an exchange rate risk, which can have severe financial consequences if not managed appropriately. Considering the large exports and imports of raw material, the Company is exposed to the risk of fluctuation in the exchange rates.

The Company has adopted a comprehensive risk management review system wherein it actively hedges its foreign exchange exposures within defined parameters, through use of hedging instruments, such as, forward contracts, options and swaps. The Company periodically reviews its risk management initiatives and also takes expert advice on regular basis on hedging strategy.

Payment Risk

Payment risk refers to the possibility of loss on account of non-receipt or delayed or part receipt of payments. For example, in case of incorrect or delayed payments, there are costs arising from transferring funds back, interest charges, replacement costs and other types of charges. In case of not receiving or receiving partial payments, there will be a principal loss.

Since major water infrastructure projects are Government funded or foreign aided, the risk involved in payment default is minimum. Further, evaluating the credit worthiness of the customers has minimised the risk of default by other segment customers. Besides, the risk of export receivables other than subsidiaries is covered under Credit Insurance.

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Place: Kolkata
Date: 17 May, 2023

Annexure – 2

Report on Performance and Financial Position of the Subsidiaries and Joint Ventures of the Company for the year ended 31 March, 2023

There are 11 Subsidiaries and 2 Joint Venture (JV) companies of the Company as on 31 March, 2023. The performance and financial position of these Subsidiaries and JVs of the Company and their contribution to the overall performance of the Company for the Financial Year ended 31 March, 2023 are summarised below:

A. SUBSIDIARIES

1. Electrosteel Europe SA, France

Electrosteel Europe SA is a wholly owned subsidiary engaged in marketing and selling the products of the Company in France, Spain, Italy, Portugal, Poland, Germany, Croatia, Belgium and other countries located in Mainland Europe. During current financial year business activity of this subsidiary has improved resulting in higher turnover and profitability. The Financial Year 2023-24 is expected to remain good.

2. Electrosteel Castings (UK) Ltd., United Kingdom

Electrosteel Castings (UK) Ltd. is a wholly owned subsidiary engaged in marketing and selling the products of the Company in United Kingdom. During current financial year business activity of this subsidiary has improved resulting in higher turnover and profitability. The Financial Year 2023-24 is expected to remain good.

3. Electrosteel Algerie SPA, Algeria

Electrosteel Algerie SPA is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Algeria and other African countries. During current financial year business activity of this subsidiary has improved resulting in higher turnover and profitability. The Financial Year 2023-24 is expected to remain good.

4. Electrosteel USA, LLC, USA and its wholly owned subsidiary, WaterFab LLC, USA

Electrosteel USA, LLC is a wholly owned subsidiary and this entity along with its wholly owned subsidiary, i.e., WaterFab LLC is engaged in marketing and selling the products of the Company in USA. During current financial year business activity of this subsidiary has significantly improved resulting in higher turnover and profitability. The Financial Year 2023-24 is expected to remain good.

5. Electrosteel Trading, S.A., Spain

Electrosteel Trading S.A. is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Spain. During current financial year business activity of this subsidiary in respect of profitability has improved. The outlook for the Financial Year 2023-24 in respect of profitability is expected to be breakeven.

6. Electrosteel Doha for Trading LLC, Qatar

Electrosteel Doha for Trading LLC is a subsidiary engaged in marketing and selling the products of the Company in Qatar. The Company holds 49% stake and controlling interest in this subsidiary. During current financial year business activity of this subsidiary has shown sign of slowdown in comparison to last year due to lesser projects in market because of the FIFA World Cup which concluded in December 2022. The outlook of the Company for

Subsidiaries and Joint Ventures ..... *(Contd.)*

the next Financial Year 2023-24 appears challenging as there will be slowdown in the construction work due to completion of FIFA World Cup.

7. Electrosteel Castings Gulf FZE, UAE

Electrosteel Castings Gulf FZE is a wholly owned subsidiary engaged in marketing and selling the products of the Company in United Arab Emirates and other Middle-East countries. During current financial year business activity of this subsidiary has slowed down resulting in lower turnover and profitability due to lesser number of projects. The outlook of the Company for the next Financial Year 2023-24 appears positive.

8. Electrosteel Bahrain Holding WLL, Bahrain and its wholly owned subsidiary Electrosteel Bahrain Trading WLL

Electrosteel Bahrain Holding WLL (Formerly known as Electrosteel Bahrain Holding SPC Company) was incorporated as a wholly owned subsidiary to act as the holding company. Electrosteel Bahrain Holding WLL incorporated a subsidiary, Electrosteel Bahrain Trading WLL (i.e., step down subsidiary of the Company). This subsidiary mainly caters to the Saudi Arabia and Bahrain market. During current financial year business activity of this subsidiary has slowed down resulting in lower turnover and profitability due to lesser number of projects and lower prices. The Financial Year 2023-24 is expected to be good.

9. Electrosteel Brasil LTDA Tubos e Conexoes Duteis, Brazil

Electrosteel Brasil LTDA Tubos e Conexoes Duteis is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Brazil and other South American markets. There has been no activity through this subsidiary during the Financial Year 2022-23.

B. JOINT VENTURES

1. Domco Private Limited, India

The status of Domco Private Limited, a JV entity, has been covered under Note no. 8.1 of the Notes on Consolidated Financial Statements for the year ended 31 March, 2023.

2. North Dhadhu Mining Company Private Limited, India

The status of North Dhadhu Mining Company Private Limited, a JV entity, has been covered under Note no. 8.2 of the Notes on Consolidated Financial Statements for the year ended 31 March, 2023.

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Place: Kolkata
Date: 17 May, 2023

Annexure – 3

Report on Corporate Governance of the Company

for the year ended 31 March, 2023

[as required under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Company's philosophy on Corporate Governance in brief

The Company's philosophy on Corporate Governance is based on the foundation of ethical and transparent business operations. The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all the stakeholders. The Company is committed to the highest standards of corporate governance, and setting industry-leading benchmarks. Our goal is to promote and protect the long-term interest of all stakeholders while maintaining due compliance with all legal and regulatory requirements. The Company's philosophy on Corporate Governance extends across its business operations to meet the varied needs of all stakeholders and the society at large to create long term sustainable value.

The Company has a proven track record of transparent and ethical corporate governance practices. The Company continues to maintain high standards of transparency and effective leadership coupled with ethical business practices. As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('Act') and has established procedures and systems to comply with it. Some of the important codes, policies and programs adopted in this regard are -

- Code of Conduct for the Board of Directors and Senior Management Executives;
- Code of Conduct for regulating, monitoring and reporting trading by Designated Persons and their Immediate Relatives;
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information;
- Policy and Procedure for Inquiry in Case of Leak/Suspected Leak of Unpublished Price Sensitive Information;
- Vigil Mechanism/Whistle Blower Policy;
- Related Party Transaction Policy;
- Nomination and Remuneration Policy;
- Corporate Social Responsibility Policy;
- Policy for determining Material Subsidiaries;
- Policy on Board Diversity and Succession Planning for the Board of Director and Senior Management;
- Policy for determination of Materiality of Events/Information for disclosures;
- Familiarization Program for the Independent Directors;
- Dividend Distribution Policy.

Corporate Governance ..... *(Contd.)*

2. **Board of Directors**

2.1 Composition and Category of Directors and number of other Directorship and Committee Positions and the names of the listed entities in which the Director is a Director and the category of such Directorship held as on 31 March, 2023

The Board of Directors of the Company consisted of 18 (eighteen) members as on 31 March, 2023, which comprised of: Nine Independent, Non-Executive Directors, including one Independent Woman Director and Nine Executive Directors.

The Chairman of the Company is an Independent, Non-Executive Director.

The composition of the Board as on 31 March, 2023 was in accordance with the provisions of the Act and the Regulation 17 of the Listing Regulations. The details of each member of the Board as on 31 March, 2023 are provided herein below:

Name of the Director	Number of Directorship(s) in other public limited companies[1]	No. of committee positions in other public limited companies[2]		Directorship in other listed entities (Category of Directorship)
		Chairperson	Member	
Independent, Non-Executive Directors				
Mr. Pradip Kumar Khaitan DIN: 00004821 (Independent, Non-Executive Chairman)	6	2	2	Dalmia Bharat Limited (Independent, Non-Executive) India Glycols Limited (Independent, Non-Executive) Graphite India Limited (Independent, Non-Executive) CESC Limited (Non-Independent, Non-Executive) Firstsource Solutions Limited (Non-Independent, Non-Executive)
Mr. Binod Kumar Khaitan DIN: 00128502 (Independent, Non-Executive Director)	1	1	–	The Phosphate Co. Ltd. (Non-Independent, Non-Executive)
Mr. Amrendra Prasad Verma DIN: 00236108 (Independent, Non-Executive Director)	3	3	1	Solar Industries India Limited (Independent, Non-Executive)
Dr. Mohua Banerjee (Woman Director) DIN: 08350348 (Independent, Non-Executive Director)	–	–	–	–

Name of the Director	Number of Directorship(s) in other public limited companies[1]	No. of committee positions in other public limited companies[2]		Directorship in other listed entities (Category of Directorship)
		Chairperson	Member	
Mr. Rajkumar Khanna DIN: 05180042 (Independent, Non-Executive Director)	–	–	–	–
Mr. Vyas Mitre Ralli DIN: 02892446 (Independent, Non-Executive Director)	–	–	–	–
Mr. Bal Kishan Choudhury DIN: 00766032 (Independent, Non-Executive Director)	1	–	–	–
Mr. Virendra Sinha DIN: 03113274 (Independent, Non-Executive Director)	4	1	1	Texmaco Rail & Engineering Limited (Independent, Non-Executive) Andhra Paper Limited (Independent, Non-Executive)
Mr. Jinendra Kumar Jain DIN: 00737352 (Independent, Non-Executive Director)	–	–	–	–
Non-Independent, Executive Directors (Managing Directors & Whole-time Directors)				
Mr. Umang Kejriwal DIN: 00065173 (Promoter, Managing Director – Non-Independent, Executive)	2	–	–	–
Mr. Mayank Kejriwal DIN: 00065980 (Promoter, Joint Managing Director – Non-Independent, Executive)	4	–	–	–
Mr. Uddhav Kejriwal DIN: 00066077 (Promoter, Whole-time Director)	2	–	–	–
Mr. Sunil Katial DIN: 07180348 (CEO & Whole-time Director)	–	–	–	–

Corporate Governance ..... *(Contd.)*

Name of the Director	Number of Directorship(s) in other public limited companies[1]	No. of committee positions in other public limited companies[2]		Directorship in other listed entities (Category of Directorship)
		Chairperson	Member	
Mr. Ashutosh Agarwal DIN: 00115092 (Whole-time Director & CFO)	–	–	–	–
Mrs. Radha Kejriwal Agarwal DIN: 02758092 (Whole-time Director)	4	–	–	–
Mrs. Nityangi Kejriwal Jaiswal DIN: 07129444 (Whole-time Director)	–	–	–	–
Mr. Madhav Kejriwal DIN: 07293471 (Whole-time Director)	5	–	–	–
Mrs. Priya Manjari Todi DIN: 01863690 (Whole-time Director)	–	–	–	–

Notes :

1. Excludes Directorships/Chairpersonships in Associations, Private Limited Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Act and Alternate Directorships.
2. Only Audit Committee and Stakeholders' Relationship Committee of Indian Public Companies have been considered for committee positions.
3. None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31 March, 2023 have been made by the Directors.
4. Mr. Umang Kejriwal and Mr. Mayank Kejriwal are brothers. Mr. Umang Kejriwal is the father of Mrs. Radha Kejriwal Agarwal, Mrs. Nityangi Kejriwal Jaiswal and Mr. Madhav Kejriwal. Mrs. Radha Kejriwal Agarwal, Mrs. Nityangi Kejriwal Jaiswal and Mr. Madhav Kejriwal are brothers and sisters. Mr. Mayank Kejriwal is the father of Mr. Uddhav Kejriwal and Mrs. Priya Manjari Todi. Mr. Uddhav Kejriwal and Mrs. Priya Manjari Todi are brother and sister. Apart from this, none of the other Directors are in any way related to any other Director.
5. Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Independent Director has ceased to be a Director of the Company, with effect from 31 December, 2022, due to resignation.
6. Mr. Jinendra Kumar Jain (DIN: 00737352) has been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 14 February, 2023.

2.2 Attendance of Directors at the Board Meetings during the Financial Year ended 31 March, 2023 and at the last Annual General Meeting

During the Financial Year ended 31 March, 2023, 4 (four) Board Meetings were held and the gap between any two consecutive meetings held during the year did not exceed 120 days. The attendance details of each Director at the Board Meetings held during the year and at the last Annual General Meeting ('AGM') are provided below:

Name of the Director	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at the last AGM held on 16 September, 2022
Mr. Pradip Kumar Khaitan	4	4	No
Mr. Binod Kumar Khaitan	4	4	Yes
Mr. Amrendra Prasad Verma	4	4	Yes
Dr. Mohua Banerjee	4	4	No
Mr. Rajkumar Khanna	4	4	No
Mr. Shermadevi Yegnaswami Rajagopalan[1]	4	3	No
Mr. Vyas Mitre Ralli	4	4	No
Mr. Bal Kishan Choudhury	4	4	Yes
Mr Virendra Sinha	4	4	Yes
Mr. Umang Kejriwal	4	4	No
Mr. Mayank Kejriwal	4	4	No
Mr. Uddhav Kejriwal	4	4	No
Mr. Sunil Katial	4	4	Yes
Mr. Ashutosh Agarwal	4	4	Yes
Mrs. Radha Kejriwal Agarwal	4	3	No
Mrs. Nityangi Kejriwal Jaiswal	4	3	No
Mr. Madhav Kejriwal	4	3	No
Mrs. Priya Manjari Todi	4	3	No

Notes :

1. Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000) has ceased to be a Director of the Company, with effect from 31 December, 2022.

2.3 Information placed before the Board

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board.

During the Financial Year 2022-23, information as mentioned in Schedule II (Part A) to the Listing Regulations was placed before the Board for its consideration, to the extent it was applicable and relevant.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

Corporate Governance ..... *(Contd.)*

2.4 Details of Meeting-wise attendance of Board Members

Date of the Board Meeting	Board Strength	No. of Directors Present
10 May, 2022	18	18
12 August, 2022	18	17
11 November, 2022	18	15
14 February, 2023	17	17

2.5 Details of shares/convertible instruments held by the Non-Executive or Independent Directors of the Company as on 31 March, 2023 are as follows:

Name of the Director	No. of shares held
Mr. Pradip Kumar Khaitan	Nil
Mr. Binod Kumar Khaitan	2,000
Mr. Amrendra Prasad Verma	Nil
Dr. Mohua Banerjee	Nil
Mr. Rajkumar Khanna	Nil
Mr. Bal Kishan Choudhury	Nil
Mr. Virendra Sinha	Nil
Mr. Vyas Mitre Ralli	10,900
Mr. Jinendra Kumar Jain	Nil

Notes:

1. None of the Non-Executive or Independent Directors hold any convertible instruments and/or Stock Options of the Company as on 31 March, 2023.
2. Mr. Jinendra Kumar Jain (DIN: 00737352) has been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 14 February, 2023.

2.6 Details of familiarization programmes imparted to the Independent Directors

The details of familiarization programme imparted to the Independent Directors is hosted on the website of the Company at the web-link. https://www.electrosteel.com/admin/pdf/1975623485-Familiarization-Programme-for-Independent-Directors.pdf.

Further, at the time of appointment/re-appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her roles, functions and responsibilities, etc. The terms and conditions of appointment of the Independent Directors are also disclosed on the website of the Company.

2.7 A chart or a matrix setting out the skills/expertise/competence of the Board of Directors

The Board at its meeting held on 27 March 2019 had identified the below mentioned core skills/expertise/ competencies as required by the Company in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

CORE COMPETENCIES & EXPERTISE

Industry / Sector related knowledge
Business and Management Experience
Operations and Management Experience
Audit and Compliance
Finance and Accounting
Corporate Governance and Ethics
Strategy Development, Planning and Implementation
Stakeholder Management
Compliance and Legal / Regulatory Experience
Sales and Marketing
Human Resources Management
Risk Management
Human Resources
Industrial Relations

OTHER COMPETENCIES/SKILLS

Information Technology
Entrepreneurship
Economics
Strategic thinking and Planning skill
Leadership /Teamwork skills
Critical Thinking/Problem Solving Skills
Analysis and use of information
Decision making
Branding and Communication
Plant Operations
General Administration
Profit Centre Head
Operations and Manufacturing
Business and Product Development
Purchase
Marketing and Export

The table below expresses the specific areas of focus or expertise of individual Board members:

Name of the Director	Core Skills/Expertise/Competencies
Mr. Pradip Kumar Khaitan	a) Industry / Sector related knowledge b) Strategy Development, Planning and Implementation c) Compliance and Legal / Regulatory Experience d) Corporate Governance and Ethics
Mr. Binod Kumar Khaitan	a) Industry / Sector related knowledge b) Corporate Governance and Ethics
Mr. Amrendra Prasad Verma	a) Finance and Accounting b) Corporate Governance and Ethics c) Risk Management

Corporate Governance ..... *(Contd.)*

Name of the Director	Core Skills/Expertise/Competencies
Dr. Mohua Banerjee	a) Sales and Marketing
Mr. Rajkumar Khanna	a) Industry / Sector related knowledge b) Finance and Accounting c) Corporate Governance and Ethics d) Sales and Marketing
Mr. Vyas Mitre Ralli	a) Industry / Sector related knowledge b) Operations and Management Experience c) Corporate Governance and Ethics
Mr. Bal Kishan Choudhury	a) Finance and Accounting b) Compliance and Legal / Regulatory Experience c) Corporate Governance and Ethics
Mr. Virendra Sinha	a) Industry / Sector related knowledge b) Operations and Management Experience c) Strategy Development, Planning and Implementation
Mr Jinendra Kumar Jain	a) Industry / Sector related knowledge b) Finance and Accounting c) Corporate Governance and Ethics
Mr. Umang Kejriwal	a) Industry / Sector related knowledge b) Finance and Accounting c) Operations and Management Experience d) Corporate Governance and Ethics e) Strategy Development, Planning and Implementation f) Human Resources Management g) Risk Management
Mr. Mayank Kejriwal	a) Industry / Sector related knowledge b) Finance and Accounting c) Operations and Management Experience d) Corporate Governance and Ethics e) Strategy Development, Planning and Implementation f) Human Resources Management
Mr. Uddhav Kejriwal	a) Industry / Sector related knowledge b) Finance and Accounting c) Operations and Management Experience d) Corporate Governance and Ethics e) Strategy Development, Planning and Implementation f) Human Resources Management
Mr. Sunil Katial	a) Industry / Sector related knowledge b) Operations and Management Experience c) Strategy Development, Planning and Implementation
Mr. Ashutosh Agarwal	a) Industry / Sector related knowledge b) Finance and Accounting c) Operations and Management Experience d) Corporate Governance and Ethics e) Strategy Development, Planning and Implementation

Name of the Director	Core Skills/Expertise/Competencies
Mrs. Radha Kejriwal Agarwal	a) Industry / Sector related knowledge b) Plant Operations c) Human Resources, Industrial Relations d) Information Technology e) General Administration
Mrs. Nityangi Kejriwal Jaiswal	a) Industry / Sector related knowledge b) Profit Centre Head c) Branding and Communication d) Sales and Marketing
Mr. Madhav Kejriwal	a) Industry / Sector related knowledge b) Sales and Marketing c) Business and Product Development d) Strategy Development, Planning and Implementation
Mrs. Priya Manjari Todi	a) Industry / Sector related knowledge b) Operations and Manufacturing c) Purchase d) Marketing and Export

Notes:

1. Mr. Jinendra Kumar Jain (DIN: 00737352) has been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 14 February, 2023.

2.8 Confirmation as regards independence of Independent Directors

The Independent Directors of the Company have confirmed that:

a) they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and

b) in terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Listing Regulations and are independent of the management of the Company.

2.9 Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided

During the year under review, Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Independent Director has resigned from the Board of Directors of the Company, with effect from 31 December, 2022 on account of his advanced age, since he was 88 years old, and was finding it progressively challenging to devote the time, attention and focus on matters relating to the Company that was required of a Director, as mentioned by him.

3. Audit Committee

The composition, quorum and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Act and Regulation 18 read with Schedule II (Part C) to the Listing Regulations.

Corporate Governance ..... *(Contd.)*

The Committee comprised of the following Directors as its members, as on 31 March, 2023:

Mr. Binod Kumar Khaitan, Chairman - Independent Director
Mr. Pradip Kumar Khaitan - Independent Director
Mr. Amrendra Prasad Verma - Independent Director
Mr. Sunil Katial - Whole-time Director
Mr. Rajkumar Khanna - Independent Director

The representatives of Statutory Auditors, Internal Auditors as well as the Executives heading the Finance, Accounts and other Departments of the Company are invited to attend meetings as and when required by the Committee. All members of the Audit Committee are financially literate and have accounting and related financial management expertise. Mr. Binod Kumar Khaitan, the Chairperson of the Committee, was present at the 67th Annual General Meeting of the Company held on 16 September, 2022 to answer queries raised by the shareholders. The Company Secretary acts as the Secretary to the Audit Committee. During the year under review, the Board had accepted all the recommendations of Audit Committee.

The broad terms of reference of the Audit Committee, inter-alia, includes the following:

i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

iii. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

iv. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management;

   d. Significant adjustments made in the financial statements arising out of audit findings;

   e. Compliance with listing and other legal requirements relating to financial statements;

   f. Disclosure of any related party transactions;

   g. Modified opinion(s) in the draft audit report;

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi. Monitoring and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;

vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the Company with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuation of undertakings or assets of the Company, wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

xii. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with Internal Auditors of any significant findings and follow up there on;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. To review the functioning of the whistle blower mechanism;

xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

xxi. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

xxii. Consider and comment on rationale, cost - benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders.

xxiii.To carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;

xxiv. To perform such other functions as may be necessary or appropriate for the performance of its duties;

xxv. Review the following information:

a) Management Discussion and Analysis of financial condition and results of operations;

b) Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by the management;

c) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

d) Internal Audit Reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;

f) The statement of deviations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

ii. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

Corporate Governance ..... *(Contd.)*

During the Financial Year 2022-23, 4 (four) Audit Committee meetings were held on 10 May, 2022, 12 August, 2022, 11 November, 2022 and 14 February, 2023. Attendance at the meetings held during the year is given below:

Name of the Director	**No. of meetings**	
	Held	**Attended**
Mr. Binod Kumar Khaitan	4	4
Mr. Pradip Kumar Khaitan	4	4
Mr. Rajkumar Khanna	4	4
Mr. Amrendra Prasad Verma	4	4
Mr. Sunil Katial	4	4

4. Nomination and Remuneration Committee

There is a Nomination and Remuneration Committee ('NRC') in place with roles, powers and duties to be determined by the Board from time to time. Its terms of reference is in accordance with the provisions of Section 178 of the Act and Regulation 19(4) read with Schedule II (Part D) of the Listing Regulations.

The Committee comprised of the following Directors as its members, as on 31 March, 2023:

Mr. Binod Kumar Khaitan, Chairman – Independent Director
Mr. Pradip Kumar Khaitan – Independent Director
Mr. Rajkumar Khanna – Independent Director
Mr. Jinendra Kumar Jain – Independent Director

Notes:

1. Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Independent Director has ceased to be a Member of the Committee, due to his resignation from the Directorship of the Company, with effect from 31 December, 2022.
2. Mr. Jinendra Kumar Jain (DIN: 00737352) has been inducted as a member of the Committee with effect from 14 February, 2023

All members of the NRC are Non-Executive Directors. Mr. Binod Kumar Khaitan, Independent Director, acts as the Chairperson of the Committee and was present at the 67th Annual General Meeting of the Company held on 16 September, 2022 to answer shareholder queries.

The terms of reference of the NRC, inter-alia, includes the following:

i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees;

ii. for every appointment of an independent director, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of a description of the role and capabilities required of an independent director.

iii. formulation of criteria for evaluation of performance of independent directors and the board of directors;

iv. devising a policy on diversity of board of directors;

v. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

vi. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

vii. recommend to the board, all remuneration, in whatever form, payable to senior management;

viii. to carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;

ix. to perform such other functions as may be necessary or appropriate for the performance of its duties.

The Board has adopted a Nomination and Remuneration Policy recommended by NRC. Nomination and Remuneration Policy governs the criteria for determining qualifications, positive attributes and independence of a Director and lays down the remuneration principles for Directors, Key Managerial Personnel and other employees. The Committee had also formulated the Policy on Board Diversity and Succession Planning for the Board of Directors and Senior Management.

During the Financial Year 2022-23, 2 (two) NRC meetings were held on 10 May, 2022, and 14 February, 2023. Attendance at the meetings held during the year is provided below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	2	2
Mr. Pradip Kumar Khaitan	2	2
Mr. Shermadevi Yegnaswami Rajagopalan	2	1
Mr. Rajkumar Khanna	2	2

Note:

Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Independent Director has ceased to be a Member of the Committee, due to his resignation from the Directorship of the Company, with effect from 31 December, 2022.

The NRC has laid down the criteria for performance evaluation of Independent Directors of the Company as:

Evaluation of Non-Executive Directors

The broad parameters for reviewing the performance of Non-Executive Directors are:

- Participation at the Board/Committee meetings;
- Commitment (including guidance provided to senior management outside of Board/Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;
- Independence of behaviour and judgment; and
- Impact and influence.

Evaluation of Independent Directors

In addition to the parameters laid down for Non-Executive Directors, an Independent Director shall also be evaluated on the following parameters:

- Exercise of objective independent judgment in the best interest of Company;
- Ability to contribute to and monitor Corporate Governance practice; and
- Adherence to the Code of Conduct for Independent Directors.

Corporate Governance ..... *(Contd.)*

5. Stakeholders' Relationship Committee

The composition and terms of reference of the Stakeholders' Relationship Committee are in accordance with the provisions of Section 178 of the Act and Regulation 20 read with Schedule II (Part D) of the Listing Regulations.

The Stakeholders' Relationship Committee comprised of the following Directors as its members, as on 31 March, 2023:

Mr. Binod Kumar Khaitan, Chairman – Independent Director
Mr. Mayank Kejriwal – Joint Managing Director
Mr. Vyas Mitre Ralli – Independent Director
Mr. Ashutosh Agarwal – Whole-time Director and CFO

Mr. Binod Kumar Khaitan, Independent, Non-Executive Director is the Chairperson of the Committee. Mr. Khaitan was present at the 67th Annual General Meeting of the Company held on 16 September, 2022 to answer shareholder queries. Mr. Indranil Mitra, Company Secretary and Compliance Officer, acts as the Secretary to Stakeholders' Relationship Committee.

The terms of reference of the Stakeholders' Relationship Committee, inter-alia, includes the following:

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, issue of fresh/duplicate debenture certificate, general meetings, etc.

ii. Review of measures taken for effective exercise of voting rights by shareholders.

iii. To oversee the performance of the Registrar & Share Transfer Agent of the Company.

iv. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

v. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

vi. To review and monitor implementation and compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

vii. To recommend measures for the overall improvement of the quality of investor services and related matter.

viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

ix. To perform such other functions as may be necessary or appropriate for the performance of its duties.

During the Financial Year 2022-23, 4 (four) Stakeholders' Relationship Committee meetings were held on 10 May, 2022, 12 August, 2022, 11 November, 2022 and 14 February, 2023. Attendance at the said meetings are provided below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	4	4
Mr. Mayank Kejriwal	4	4
Mr. Vyas Mitre Ralli	4	4
Mr. Ashutosh Agarwal	4	4

At the beginning of the year under review, there was no complaint remaining unresolved. During the period under review, 25 (twenty five) investor complaints were received by the Registrar & Share Transfer Agent of the Company, which were duly resolved to the satisfaction of the shareholders.

There was no pending complaint at the end of the year.

6. Risk Management Committee

The composition and terms of reference of the Risk Management Committee are in accordance with the provisions of Regulation 21 of the Listing Regulations.

The Risk Management Committee comprised of the following Directors as its members, as on 31 March, 2023:

Mr. Binod Kumar Khaitan, Chairman – Independent Director
Mr. Vyas Mitre Ralli – Independent Director
Mr. Sunil Katial – Whole-time Director and CEO

The terms of reference of the Risk Management Committee, inter-alia, includes the following:

i. formulate a detailed Risk Management Policy, which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   (b) Measures for risk mitigation, including systems and processes for internal control of identified risks.

   (c) Business Continuity Plan.

ii. ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

iii. monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.

iv. periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

v. keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

vi. review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

vii. carry out any other function as may be mandated by the Board, from time to time and/or enforced/required by any statutory notification, amendment or modification, as may be applicable.

During the Financial Year 2022-23, 4 (four) Risk Management Committee meetings were held on 10 May, 2022, 12 August, 2022, 11 November, 2022 and 14 February, 2023. Attendance at the said meetings are provided below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	4	4
Mr. Vyas Mitre Ralli	4	4
Mr. Sunil Katial	4	4

Corporate Governance ..... *(Contd.)*

7. Corporate Social Responsibility Committee

The composition and terms of reference of the Corporate Social Responsibility ('CSR') Committee are in accordance with the provisions of Section 135 of the Act. As on 31 March, 2023, the CSR Committee of the Company was headed by Mr. Jinendra Kumar Jain, Independent and Non-Executive Director, as the Chairman, consequent upon the cessation of chairmanship of Mr. Shermadevi Yegnaswami Rajagopalan pursuant to his resignation as Independent Director of the Company with effect from 31 December, 2022. The other members of the Committee are Mr. Pradip Kumar Khaitan, Independent Director and Mr. Umang Kejriwal, Managing Director.

The terms of reference of the CSR Committee, inter alia, includes the following:

i. Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.

ii. Recommend the amount of expenditure to be incurred on the CSR activities.

iii. Monitor the CSR Policy of the Company from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the Financial Year 2022-23 forms a part of the Report of the Directors.

During the Financial Year 2022-23, 2 (two) CSR Committee meetings were held on 10 May, 2022 and 12 August, 2022. Attendance at the meetings held during the year is provided below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Shermadevi Yegnaswami Rajagopalan	2	2
Mr. Pradip Kumar Khaitan	2	2
Mr. Umang Kejriwal	2	2

8. Remuneration of Directors

The Non-Executive Directors did not have any pecuniary relationship or transactions (except receipt of sitting fees as Directors) with the Company for the year under review.

Further, the Board of Directors of the Company at its meeting held on 17 May, 2023, has approved the payment of commission to the Non-Executive Directors, including Independent Directors, as mentioned hereinunder.

The criteria for making payments to Non-Executive Directors is laid down in the Nomination and Remuneration Policy of the Company and can be accessed at the web-link, https://www.electrosteel.com/admin/pdf/1608020082 nominationRemunerationPolicy.pdf.

Details of remuneration paid to Directors for the Financial Year 2022-23

i. Remuneration paid to Independent & Non-Executive Directors:

(In Rupees)

Name of the Director	Sitting Fees[1]	Commission paid/payable[2]	Total
Mr. Pradip Kumar Khaitan	5,30,000	10,00,000	15,30,000
Mr. Binod Kumar Khaitan	7,10,000	10,00,000	17,10,000
Mr. Amrendra Prasad Verma	4,70,000	10,00,000	14,70,000
Dr. Mohua Banerjee	2,50,000	10,00,000	12,50,000

Name of the Director	Sitting Fees[1]	Commission paid/payable[2]	Total
Mr. Rajkumar Khanna	4,90,000	10,00,000	14,90,000
Mr. Bal Kishan Choudhury	2,70,000	10,00,000	12,70,000
Mr. Virendra Sinha	2,70,000	10,00,000	12,70,000
Mr. Shermadevi Yegnaswami Rajagopalan	2,50,000	–	2,50,000
Mr. Vyas Mitre Ralli	4,10,000	10,00,000	14,10,000
Total	**36,50,000**	**80,00,000**	**1,16,50,000**

Notes :

1. The amount of sitting fees for attending Board and Audit Committee meeting is Rs. 50,000 per meeting and for the meeting of Independent Directors of the Company, the sitting fees was fixed at Rs. 50,000 per meeting. The fees for attending any other meeting was fixed at Rs. 20,000 per meeting. The Directors are also entitled to reimbursement of expenses for participation in Board and other meetings.
2. The Members at the 66th AGM of the Company held on 3 September, 2021 had approved payment and distribution of Commission amongst Directors (other than Executive Directors) for a period of 3 years commencing from 1 April, 2021, in such amounts or proportions and in such manner as may be decided by the Board.

ii. Remuneration paid to Executive Directors: (In Rupees)

Name of the Director & Designation	Salary	Perquisites	Commission paid/payable	Total	Service Contract, etc.
Mr. Umang Kejriwal, Managing Director	1,80,00,000	1,97,58,883	2,00,00,000	5,77,58,883	Tenure of 5 years w.e.f. 1 April, 2022
Mr. Mayank Kejriwal, Joint Managing Director	1,80,00,000	1,51,11,911	2,00,00,000	5,31,11,911	Tenure of 5 years w.e.f. 1 April, 2022
Mr. Uddhav Kejriwal, Whole-time Director	1,02,00,000	1,36,34,054	–	2,38,34,054	Tenure of 3 years w.e.f. 16 June, 2023
Mr. Sunil Katial, Chief Executive Officer and Whole-time Director	86,16,000	1,67,10,020	–	2,53,26,020	Tenure of 3 years w.e.f. 1 April, 2023
Mr. Ashutosh Agarwal, Chief Financial Officer and Whole-time Director	51,72,000	1,21,12,111	–	1,72,84,111	Tenure of 3 years w.e.f. 3 January, 2022
Mrs. Radha Kejriwal Agarwal, Whole-time Director	12,12,286	29,96,677	–	42,08,963	Tenure of 3 years w.e.f. 14 February, 2022
Mrs. Nityangi Kejriwal Jaiswal, Whole-time Director	45,98,393	1,09,18,477	–	1,55,16,870	Tenure of 3 years w.e.f. 14 February, 2022
Mr. Madhav Kejriwal, Whole-time Director	45,98,393	1,02,42,887	–	1,48,41,280	Tenure of 3 years w.e.f. 14 February, 2022
Mrs. Priya Manjari Todi, Whole-time Director	48,67,000	1,12,94,796	–	1,61,61,796	Tenure of 3 years w.e.f. 14 February, 2022
Total	**7,52,64,072**	**11,27,79,816**	**-**	**22,80,43,888**	

Notes:

1. The appointments of Mr. Umang Kejriwal, Mr. Mayank Kejriwal, Mr. Uddhav Kejriwal, Mrs. Radha Kejriwal Agarwal, Mrs. Nityangi Kejriwal Jaiswal, Mrs. Priya Manjari Todi, Mr. Madhav Kejriwal, Mr. Sunil Katial and Mr. Ashutosh

Corporate Governance ..... *(Contd.)*

Agarwal, can be terminated by either party by giving 3 (three) months' notice in writing. There is no separate provision for payment of severance fees.

2. No Stock Options have been granted to any Executive Directors of the Company.

9. Subsidiary Companies

The Audit Committee reviews the financial statements, in particular the investments made by the Company's unlisted subsidiary companies. The minutes of the board meetings of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material unlisted subsidiary companies, except Electrosteel Europe S.A., as on 31 March, 2023.

10. General Body Meetings

a. Location and time, where last three Annual General Meetings ('AGM') were held:

Year	Location	Date	Time	Whether special resolutions passed
2021-22	The meeting was held via Video conferencing (VC) / Other Audio Visual Means (OAVM). The deemed venue of the meeting was Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017	16 September, 2022*	11.30 A.M.	No
2020-21	The meeting was held via Video conferencing (VC) / Other Audio Visual Means (OAVM). The deemed venue of the meeting was Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017	3 September, 2021	11.30 A.M.	Yes, 8 (Eight) 1. Re-appointment of Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), who retires by rotation and being eligible, offers himself for re-appointment 2. Re-appointment of Mr. Amrendra Prasad Verma (DIN: 00236108) as an Independent Director of the Company for a second term of five years. 3. Continuation of directorship of Mr. Vyas Mitre Ralli (DIN: 02892446) as a Non-Executive Director of the Company on attaining the age of 75 years.

Year	Location	Date	Time	Whether special resolutions passed
				4. Payment of remuneration to Mr. Umang Kejriwal (DIN: 00065173), Managing Director of the Company, for the period from 1 April, 2021 to 31 March, 2022. 5. Payment of remuneration to Mr. Uddhav Kejriwal (DIN: 00066077), Whole-time Director of the Company, for the period from 16 June, 2021 to 15 June, 2023. 6. Approval for payment of Remuneration, other than sitting fees, to Non-Executive Directors of the Company, including in case of no/ inadequate profits. 7. Approval for increasing the borrowing powers under Section 180(1)(c) of the Companies Act, 2013 8. Creation of charges, mortgages, hypothecation, etc., on the properties, assets and undertakings of the Company under Section 180(1)(a) of the Companies Act, 2013.
2019-20	The meeting was held via Video conferencing (VC) / Other Audio Visual Means (OAVM). The deemed of the meeting was Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017	15 September, 2020	11.30 A.M.	Yes, 1 (One) 1. Appointment of Mr. Sunil Katial (DIN: 07180348) as a Whole-time Director of the Company.

*M/s. Bihani Rashmi & Co., Chartered Accountants, was appointed as the Scrutinizer for scrutinizing the voting process (through remote e-voting and e-voting at the Meeting) for and at the AGM held on 16 September, 2022 and submitting Report thereon.

Corporate Governance ..... *(Contd.)*

b. During the Financial Year 2022-23, a Postal Ballot Process was conducted by the Company vide Notice dated 11 November, 2022 to propose the Special Resolution detailed hereinbelow, which was passed by the members of Electrosteel Castings Limited on 23 December, 2022. Ms. Rashmi Bihani (Membership No.: FCA 064298) of M/s. Bihani Rashmi & Co., Chartered Accountants, 5, Clive Row, (4th floor), Room No. 92A, Kolkata – 700 001, was appointed by the Board of Directors as the Scrutinizer, after receiving her consent for the same, for conducting the Postal Ballot voting process (including e-voting) in a fair and transparent manner. The following was the Result of the Postal Ballot as per the Scrutiniser's Report:

Sl. No.	Item of Business	% of Votes in favour	% of Votes against	Passed as
Special Business:				
1.	Preferential Issue of Warrants each convertible into, or exchangeable for, one equity share of the Company within the period of 18 months (eighteen months) in accordance with the applicable laws to the Promoter/ Promoter Group of the Company.	96.20	3.80	Special Resolution

Note: % has been rounded off to two decimal figures.

c. Procedure of Postal Ballot:

The Company had, on Wednesday, 23 November, 2022, completed despatch of Postal Ballot Notice through electronic mode, to the Members of the Company, who had registered their e-mail IDs with the Depository Participant(s) / Company, to transact Special Business as mentioned in the Notice, which was proposed to be passed by the Members of the Company through electronic means.

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Listing Regulations, the Members were provided with the facility to cast their vote electronically instead of dispatching the physical Postal Ballot Form by post. The Company had engaged the services of National Securities Depository Limited ('NSDL') for the purpose of providing e-voting facility to all its Members.

The e-voting period commenced on Thursday, 24 November, 2022 [9:00 A.M. (IST)] and ended on Friday, 23 December, 2022 [5:00 P.M. (IST)]

The Scrutinizer, upon completion of the scrutiny of votes cast through electronic means, submitted her Report, dated 26 December, 2022, to Mr. Indranil Mitra, Company Secretary of the Company, duly authorised by the Chairman of the Company for receipt of the Report, who countersigned the same, and the Result of the Postal Ballot was declared on 26 December, 2022 at the Corporate Office of the Company. The Result of the Postal Ballot, along with the Scrutinizer's Report, were posted under the 'Investors' section on the Company's website, www.electrosteel.com and were also displayed on the Notice Boards of the Company at its Registered Office and at its Corporate Office. The Result of the Postal Ballot was simultaneously communicated to all the Stock Exchanges where the equity shares of the Company were listed and to NSDL.

d. During the Financial Year 2022-23 a Postal Ballot Process was conducted by the Company vide Notice dated 14 February, 2023 to propose the Special Resolutions detailed hereinbelow, which were passed by the members of Electrosteel Castings Limited on 19 March, 2023. Ms. Rashmi Bihani (Membership No.: FCA 064298) of M/s. Bihani Rashmi & Co., Chartered Accountants, 5, Clive Row, (4th floor), Room No. 92A, Kolkata – 700 001, was appointed by the Board of Directors as the Scrutinizer, after receiving her consent for the same, for conducting the Postal Ballot voting process (including e-voting) in a fair and transparent manner. The following was the Result of the Postal Ballot as per the Scrutiniser's Report:

Sl. No.	Item of Business	% of Votes in favour	% of Votes against	Passed as
Special Business:				
1.	Re-appointment of Mr. Sunil Katial (DIN: 07180348) as a Chief Executive Officer (CEO) and Whole-time Director of the Company	99.79	0.21	Special Resolution
2.	Appointment of Mr. Jinendra Kumar Jain (DIN: 00737352) as an Independent Director of the Company.	99.96	0.04	Special Resolution

Note: % has been rounded off to two decimal figures.

e. Procedure of Postal Ballot:

The Company had, on Friday, 17 February, 2023, completed dispatch of Postal Ballot Notice through electronic mode, to the Members of the Company who had registered their e-mail IDs with the Depository Participant(s)/ Company, to transact Special Business as mentioned in the Notice, which was proposed to be passed by the Members of the Company through electronic means.

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Listing Regulations, the Members were provided with the facility to cast their vote electronically instead of dispatching the physical Postal Ballot Form by post. The Company had engaged the services of National Securities Depository Limited ('NSDL') for the purpose of providing e-voting facility to all its Members.

The e-voting period commenced on Saturday, 18 February, 2023 at 09:00 A.M., IST and ended on Sunday, 19 March, 2023 at 05:00 P.M., IST.

The Scrutinizer, upon completion of the scrutiny of votes cast through electronic means, submitted her Report, dated 20 March, 2023, to Mr. Indranil Mitra, Company Secretary of the Company, duly authorised by the Chairman of the Company for receipt of the Report, who countersigned the same, and the Result of the Postal Ballot was declared on 21 March, 2023 at the Corporate Office of the Company. The Result of the Postal Ballot, along with the Scrutinizer's Report, were posted under the 'Investors' section on the Company's website, www.electrosteel.com and were also displayed on the Notice Boards of the Company at its Registered Office and at its Corporate Office. The Result of the Postal Ballot was simultaneously communicated to all the Stock Exchanges where the equity shares of the Company were listed and to NSDL.

f. As on date, no special resolution is proposed to be conducted through Postal Ballot.

11. Means of Communication

The Company's quarterly/half-yearly/yearly financial results are published in national English newspaper(s) as well as newspaper(s) published in vernacular language of the region where the Registered Office of the Company is situated, such as, The Economic Times (all editions, in English) and Pratidin (in Odia). The Company also submits its releases and financial results to the Stock Exchanges on which the securities of the Company are listed, i.e., National Stock Exchange of India Limited and BSE Limited. The Company's results and official news releases, presentations made to institutional investors or to the analysts, if any, are also displayed on the Company's website, www.electrosteel.com.

Corporate Governance ..... *(Contd.)*

12. General Shareholder Information

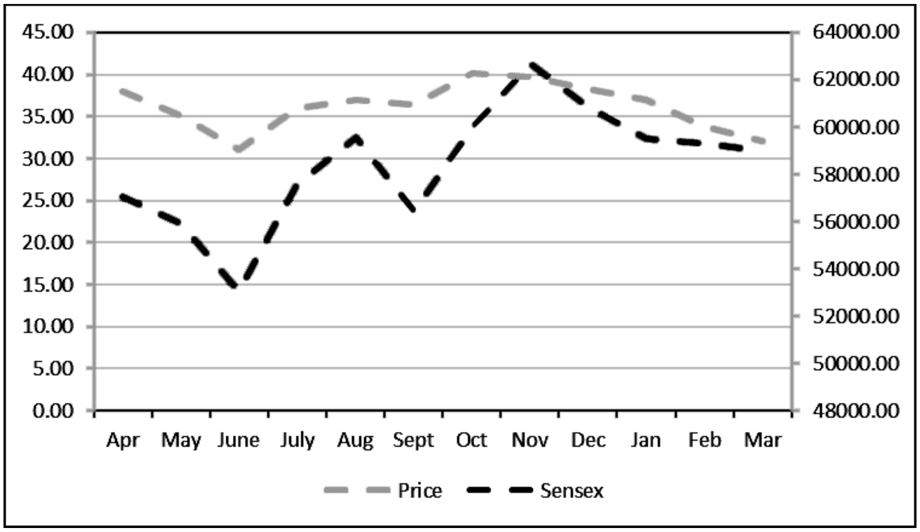
a)	Date, time and venue of the next Annual General Meeting	11 September, 2023, at 11.30 A.M., via Video Conferencing (VC) / Other Audio Visual Means (OAVM). The deemed venue of the meeting will be Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, India
b)	Financial Year	1 April, 2022 to 31 March, 2023
c)	Dividend payment date	Dividend for the Financial Year ended 31 March, 2023, if any, declared by the shareholders at the ensuing AGM will be paid to the shareholders within 30 days of declaration.
d)	Listing at Stock Exchanges Equity Shares & its Stock Codes at Stock Exchanges	a) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (Scrip Code – 500128)
		b) National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (Symbol – ELECTCAST) ISIN for Equity Shares - INE086A01029
e)	Listing Fee to Stock Exchanges	Annual Listing Fees have been paid to BSE and NSE.

f) Market Price data for the Scrip of the Company during the Financial Year 2022-23

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (Rs.)	Low Price (Rs.)	Volume (No.)	High Price (Rs.)	Low Price (Rs.)	Volume (No.)
Apr-22	47.40	37.85	28,67,38,683	47.45	37.85	3,66,54,267
May-22	40.15	32.75	17,21,43,233	40.20	32.75	2,25,84,477
Jun-22	36.70	26.40	8,07,19,304	36.70	26.50	1,42,77,665
July-22	38.10	30.60	8,10,78,301	38.15	30.65	1,57,23,129
Aug-22	38.10	34.00	9,89,85,345	38.20	34.20	2,63,98,370
Sep-22	39.80	33.80	19,25,18,274	39.80	33.70	3,72,83,877
Oct-22	43.00	36.00	18,69,21,482	42.80	36.00	4,17,45,232
Nov-22	45.75	38.80	31,76,80,333	45.75	38.80	4,97,88,850
Dec-22	40.70	35.00	10,11,09,576	40.70	35.00	2,17,91,980
Jan-23	40.55	35.05	10,77,08,158	40.50	35.05	1,95,58,038
Feb-23	37.60	32.70	7,86,89,480	37.60	32.70	1,77,61,658
Mar-23	35.47	31.40	6,13,23,120	35.45	31.50	1,58,29,450

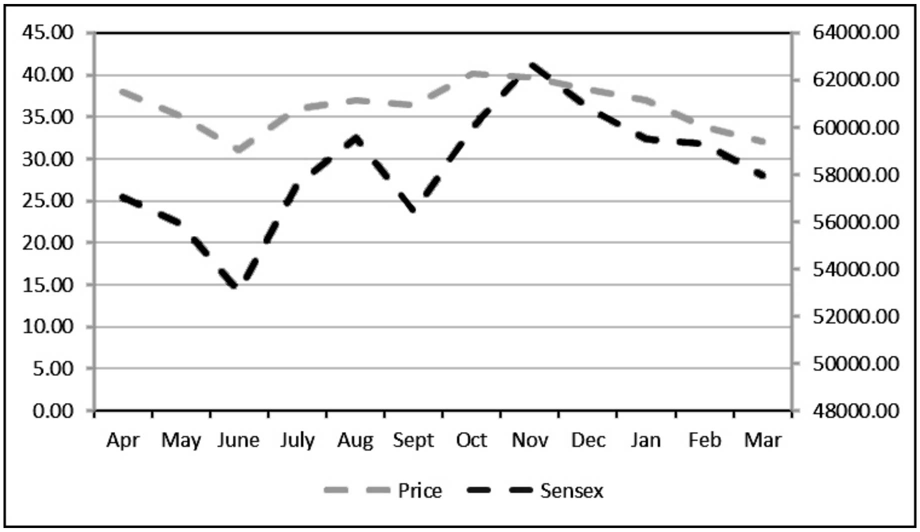
g) Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty for the Financial year 2022-23.

i. In comparison with BSE Sensex #



Monthly Closing prices of the Scrip and monthly Closing indices have been taken from BSE website.

ii. In comparison with NSE Nifty #



Monthly Closing prices of the Scrip and monthly Closing indices have been taken from National Stock Exchange of India website.

At the close of market hours on 31 March, 2023, the price of the scrip of the Company was Rs. 32.12 per share on BSE and Rs. 32.12 per share on NSE, and accordingly, the market cap of the Company as on 31 March, 2023 was Rs. 2021.66 crore (approx.) on BSE and Rs. 2024.63 crore (approx.) on NSE.

Corporate Governance ..... *(Contd.)*

h)	In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not applicable as none of the securities of the Company are suspended from trading.
i)	Registrar and Share Transfer Agent	Maheshwari Datamatics Pvt. Ltd., Registered Office: 23 R. N. Mukherjee Road, 5th Floor, Kolkata 700 001 Telephone No.: 033 2248 2248/2243 5029 Fax No.: 033 2248 4787 E-mail ID: mdpldc@yahoo.com
j)	Share transfer system	Effective 1 April 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form. The Company had sent necessary intimations to its shareholders regarding the restriction on transfer of securities in the physical form.

k) Distribution of shareholding as on 31 March, 2023:

Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Shares held
Upto 500	65,908	67.70	1,03,86,681	1.75
501 to 1,000	13,267	13.63	1,05,74,513	1.78
1,001 to 2,000	7,813	8.03	1,20,22,841	2.02
2,001 to 3,000	3,137	3.22	82,27,386	1.38
3,001 to 4,000	1,319	1.36	47,93,459	0.81
4,001 to 5,000	1,266	1.30	60,01324	1.01
5,001 to 10,000	2,266	2.33	1,67,43,273	2.81
10,001 and Above	2,371	2.43	52,58,55,770	88.44
Total	**97,347**	**100.00**	**59,46,05,247**	**100.00**

Note: % figures have been rounded off to nearest two decimal points.

l)	Dematerialization of shares and liquidity	As per directives of SEBI, the Company's shares are tradable compulsorily in electronic form. The Company's shares are available for dematerialization at National Securities Depository Ltd. ('NSDL') and Central Depository Services (India) Ltd. ('CDSL'). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE086A01029. As on 31 March, 2023, 99.37% of the shares of the Company stand dematerialized.

m)	Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding GDR/ADR/warrants or any convertible instruments as on 31 March, 2023.
n)	Commodity price risk or foreign exchange risk and hedging activities	The Company is exposed to foreign exchange risk on account of import and export transactions entered. Also, it is a sizable user of various commodities, including base metals & others, which exposes it to the price risk on account of procurement of commodities. The Company is proactively mitigating these risks by entering into commensurate hedging transactions with banks as per applicable guidelines, risk management plan/policies and prevailing market scenario. This is periodically reviewed by senior management team. The Board monitors the foreign exchange exposures on a quarterly basis and the steps taken by management to limit the risks of adverse exchange rate movement. Similarly, the management monitors commodities/raw materials whose prices are volatile and procurement is contracted considering volatility and plant requirements to minimize risk on the same.
o)	Plant locations:	Unit 1 : 30, 48 & 49 B.T. Road, P. O. Sukchar, P.S. Khardah, Dist.: 24-Parganas (North), Kolkata - 700 115, 700 116, 700 117 West Bengal Unit 2 : Srikalahasthi Works Rachagunneri - 517641, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh Unit 3 : Vill: Kashberia, P.O. Shibramnagar, Haldia, Purba Medinipur, West Bengal 721 635 Unit 4 : Gummidipoondi Taluk, P.O. Elavur, District Tiruvallur, Tamil Nadu 601 201 Unit 5 : Works: Chak Bansberia, Saptagram Gram Panchayat, P.O. Adcconagar, Hooghly 712 121 West Bengal

Corporate Governance ..... *(Contd.)*

p) Address for Correspondence:	Mr. Indranil Mitra Company Secretary Electrosteel Castings Limited G. K. Tower, 19 Camac Street, Kolkata 700 017 Phone: (033) 2283 9990 E-mail ID: companysecretary@electrosteel.com

q) List of Credit Ratings

During the year, India Ratings and Research (Ind-Ra) has affirmed the Company's Long-Term Issuer Rating of 'IND A+' and Short-Term borrowings of "IND A1+". The Outlook was Stable.

CRISIL Ratings has upgraded its rating on the short-term bank facilities to 'CRISIL A1+' from 'CRISIL A1' and reaffirmed its 'CRISIL A+' rating on the long-term bank facilities. The outlook has been revised to 'Positive' from 'Stable'.

13. Other Disclosures

A. Materially significant related party transactions having potential conflict with the interest of the Company at large

There were no materially significant related party transactions which may have potential conflict with the interest of the Company at large. Details of related party transactions are presented in the Notes to the Financial Statements.

B. Details of Non-Compliance, Penalties/Strictures imposed by Stock Exchanges/SEBI or any Statutory Authority, on any matter related to Capital Markets during last 3 years

An adjudication order dated 31 March, 2016 had been passed by the Securities and Exchange Board of India ('SEBI') imposing a penalty of Rs. 50 Lakh under Section 23A(a) and Rs. 50 Lakh under Section 23E of the Securities Contract (Regulation) Act, 1956 on the Company for violation of Clause 36 of the erstwhile Listing Agreement, read with Section 21 of Securities Contract (Regulation) Act, 1956. The Company had filed an appeal before the Securities Appellate Tribunal ('SAT') against the said order. However, SAT, Mumbai, vide its order, has, inter alia, dismissed the said appeal filed by the Company and had directed the Company to deposit the penalty of Rs. 1 Crore with SEBI within 30 days thereof. Thereafter, the Company had filed a second appeal before the Hon'ble Supreme Court of India. However, in the meantime, as a bona fide gesture, the Company had deposited the aforesaid penal amount of Rs. 1 crore, under protest and without prejudice to its rights under applicable laws. As on the date of this Report, the matter is pending with the Hon'ble Supreme Court of India.

Except the above, no penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

C. Vigil Mechanism

The Company has a Whistle Blower Policy towards Vigil Mechanism and the same is hosted on the website of the Company at web-link - https://www.electrosteel.com/admin/pdf/1613636847Vigil-Mechanism-Whistle-Blower-Policy.pdf . No personnel were denied access to the Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all mandatory requirements as stipulated in the Listing Regulations.

The Company had adopted the following discretionary requirements as stated in Part E of Schedule II to the Listing Regulations:

i) **Modified opinion(s) in audit report**

The Company endeavors to move towards a regime of financial statements with unmodified audit opinion. However, the modified opinion in the Independent Audit Reports on Standalone and Consolidated Financial Statements for the year under review forms an integral part of this Annual Report.

ii) **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

The position of the Chairman, Managing Director and Chief Executive Officer are separate. Mr. Pradip Kumar Khaitan, Independent Director, is the Chairman, Mr. Umang Kejriwal is the Managing Director and Mr. Sunil Katial is the Chief Executive Officer of the Company. Mr. Khaitan, Mr. Kejriwal and Mr. Katial are not related to each other.

iii) **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

E. Web link where policy for determining material subsidiaries is disclosed

The Company has formulated a policy on determining material subsidiaries of the Company, which has been uploaded on its website at the web-link: https://www.electrosteel.com/admin/pdf/1608019994Policy-for-determining-Material-Subsidiaries.pdf.

F. Web link where policy on dealing with related party transactions is disclosed

The Board has approved a policy for Related Party Transactions which has been hosted on the website of the Company. The web-link for the same is https://www.electrosteel.com/admin/pdf/1608020034Related-Party-Transaction-Policy.pdf.

G. Disclosure of commodity price risks and commodity hedging activities

The same has been already disclosed in this Report, at point no. 12(n), above.

H. Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the Financial Year 2022-23, the Company has issued 2,35,79,344 warrants to promoter / promoter group for cash at an issue price of Rs. 42.41/- per Warrant, against receipt of 25% of the issue price received upfront, aggregating to Rs. 24.99 crores, with a right to the Warrant Holder to apply for and be allotted 1 (one) Equity Share of face value of Re. 1/- each of the Company within a period of 18 (Eighteen) months from the date of allotment. As was reported to the Audit Committee of Directors at its meeting held on 14 February, 2023, the entire funds raised through the aforesaid preferential issue had been used for long term working capital requirements including regular capital expenditure requirements as well as for general corporate purpose of the Company, i.e., utilised for payment to vendors. There is no deviation in use of proceeds from the objects/purpose stated in the private placement offer cum application letter

I. Certificate from the Practicing Company Secretary

The Company has received a certificate from M/s. MKB & Associates, Company Secretaries, certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing

Corporate Governance ..... *(Contd.)*

as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

J. Recommendations of Committees of the Board

There were no instances during the Financial Year 2022-23, wherein the Board had not accepted recommendations made by any Committee of the Board which was mandatorily required.

K. Total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

The total fees paid by the Company for all services to the Statutory Auditor for the Financial Year 2022-23 was Rs. 65.83 Lakhs. No fee was paid by the Company for the Financial Year 2022-23 to the network firm/entity of which the Statutory Auditor was a part.

Hence, the total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part, stood at Rs. 65.83 Lakhs, for the Financial Year 2022-23.

L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) number of complaints filed during the Financial Year 2022-23 - NIL

b) number of complaints disposed of during the Financial Year 2022-23 - NIL

c) number of complaints pending as on end of the Financial Year 2022-23 – NIL

M. Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount'

No loans and advances in the nature of loans has been made by the Company and its subsidiaries to firms / companies in which directors are interested.

N. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Name and address: Electrosteel Europe S.A.
ZI Nord, 9 Rue Galilee, F13200,
Arles France

Date and place of incorporation: 24.12.2001, Lyon (France)

The name and date of appointment of the statutory auditors of such subsidiaries:

Name of Statutory Auditors : Ernst & Young Date of appointment:14.06.2019

14. The Company has complied with all the requirements as stated in Para C(2) to Para C(10) of Schedule V to the Listing Regulations.

15. The extent to which the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations have been adopted has already been disclosed in this Report, at point no. 13(D), above.

16. The Company is in compliance with the applicable Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

17. Code of Conduct

A Code of Conduct has been laid down for all Board Members and Senior Management of the Company, which suitably incorporates the duties of Independent Directors as laid down in the Act. The Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company. A declaration signed by the Chief Executive Officer to this effect is annexed hereto. The Code of Conduct is available on the Company's website, viz., www.electrosteel.com.

18. Disclosure with respect to demat suspense account/unclaimed suspense account

As on 31 March, 2023, there were no shares lying in the demat suspense account/unclaimed suspense account.

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Place: Kolkata
Date: 17 May, 2023

Declaration for Compliance of Code of Conduct

To
The Members of
Electrosteel Castings Limited

I hereby declare that the Company has obtained affirmation from all the members of Board of Directors and Senior Management Personnel of the Company that they have complied with the 'Code of Conduct of the Company for Board of Directors and Senior Management Personnel' in respect of Financial Year 2022-23.

For Electrosteel Castings Limited

Sunil Katial
Chief Executive Officer and Whole-time Director

Place: Kolkata
Date: 17 May, 2023

Corporate Governance ..... *(Contd.)*

Independent Auditors' Certificate

on compliance with the conditions of Corporate Governance

as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of
Electrosteel Castings Limited

Introduction

1. The Corporate Governance Report prepared by Electrosteel Castings Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023, and the said Report will be submitted by the Company to the Stock Exchanges as part of the Annual Report.

Managements' Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
   a) Read and understood the information prepared by the Company and included in its Corporate Governance Report;
   b) Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
   c) Obtained and read the Register of Directors as on March 31, 2023 and verified that at least one independent woman director was on the Board of Directors throughout the year;

d) Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2022 to March 31, 2023:
   i. Board of Directors;
   ii. Audit Committee;
   iii. Annual General Meeting (AGM);
   iv. Nomination and Remuneration Committee;
   v. Stakeholders' Relationship Committee;
   vi. Risk Management Committee;
   vii. Corporate Social Responsibility Committee.

e) Obtained necessary declarations from the directors of the Company.

f) Obtained and read the policy adopted by the company for related party transactions.

g) Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.

h) Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

Other Matters and Restriction on use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Lodha & Co,
Chartered Accountants
Firm ICAI Registration No.: 301051E

R. P. Singh
Partner
Membership No: 052438
UDIN: 23052438BGXSCF6464

Place: Kolkata
Date: May 17, 2023

Annexure – 4

Annual Report on
Corporate Social Responsibility ("CSR") Activities
for the Financial Year 2022-23

1.	**Brief outline on CSR Policy of the Company:**	Electrosteel Castings Limited ("ECL"/"the Company"), as a responsible corporate citizen, recognises that the growth of the nation lies in improving the quality of life of the rural populace and the long term future of the Company is best served by addressing the interests of the surrounding communities. The Company has formulated its CSR Policy in compliance with the provisions of the Companies Act, 2013. The Policy indicates the activities to be undertaken by the Company for fulfilling its CSR Obligations.
2.	**Composition of CSR Committee:**	

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
(i)	Mr Jinendra Kumar Jain*	Chairperson - Independent Director	2	–
(ii)	Mr. Pradip Kumar Khaitan	Member - Independent Director	2	2
(iii)	Mr. Umang Kejriwal**	Member - Managing Director	2	2
	Mr. Shermadevi Yegnaswami Rajagopalan **		2	2

*Mr. Jinendra Kumar Jain (DIN: 00737352) has been appointed as Chairman of CSR Committee with effect from 14 February, 2023.

** Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Independent Director has ceased to be a Director of the Company, with effect from 31 December, 2022, due to resignation.

3.	**Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**	Composition of CSR Committee is disclosed at https://www.electrosteel.com/about/board-committees.php CSR Policy is disclosed at https://www.electrosteel.com/admin/pdf/1613636907CSR-policy.pdf CSR projects approved by the Board is disclosed at https://www.electrosteel.com/admin/pdf/CSR%20Projects%202022-23.pdf
4.	**Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) :**	Not Applicable

5.	a)	**Average net profit of the Company as per sub-section (5) of Section 135:**	Rs 22,660.02 lakhs
	b)	**Two percent of average net profit of the Company as per sub-section (5) of Section 135:**	Rs. 453.20 lakhs
	c)	**Surplus arising out of the CSR projects or programmes or activities of the previous financial years**	NIL
	d)	**Amount required to be set off for the Financial Year, if any**	Rs. 88.11 lakhs
	e)	**Total CSR obligation for the Financial Year (b+c-d)**	Rs. 365.09 lakhs

6.	a)	**Amount spent on CSR Projects (both Ongoing and other than Ongoing Project).**	Rs. 474.36 lakhs
	b)	**Amount spent in Administrative Overheads**	NIL
	c)	**Amount spent on Impact Assessment, if applicable**	NIL
	d)	**Total amount spent for the Financial Year [(a) + (b) + (c)]**	Rs. 474.36 lakhs
	e)	**CSR amount spent or unspent for the Financial Year:**	

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4,74,36,381	NIL				

	f)	**Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in Rs.)
i.	Two percent of average net profit of the Company as per Section 135(5)	453.20 lakhs
ii.	Total amount spent for the Financial Year plus amount available for set off from previous financial years Rs. (474.36 + 88.11) lakhs	562.47 lakhs
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	109.27 lakhs
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	109.27 lakhs
vi.	Amount available for set off in succeeding financial years [(iii)-(iv)]	109.27 lakhs

7. **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
NIL							

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year :** No

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) :** Not applicable.

Place : Kolkata
Date : 17 May, 2023

Sunil Katial
Chief Executive Officer and Whole-time Director
DIN: 07180348

Jinendra Kumar Jain
Chairman of CSR Committee
DIN: 00737352

Annexure – 5B

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 is as under:

Name of the Director	Ratio of remuneration of each Director to Median remuneration
Mr. Pradip Kumar Khaitan, Chairman, Independent Director	3.78
Mr. Binod Kumar Khaitan, Independent Director	4.22
Mr. Amrendra Prasad Verma, Independent Director	3.63
Dr. Mohua Banerjee, Independent Director	3.09
Mr. Rajkumar Khanna, Independent Director	3.68
Mr. Shermadevi Yegnaswami Rajagopalan, Independent Director (up to 31 December, 2022)	0.62
Mr. Vyas Mitre Ralli, Independent Director	3.48
Mr. Bal Kishan Choudhury, Independent Director	3.14
Mr. Virendra Sinha, Independent Director	3.14
Mr. Umang Kejriwal, Managing Director	142.61
Mr. Mayank Kejriwal, Joint Managing Director	131.14
Mr. Uddhav Kejriwal, Whole-time Director	58.85
Mr. Sunil Katial, Chief Executive Officer and Whole-time Director	62.53
Mr Ashutosh Agarwal, Whole-time Director and Chief Financial Officer	42.68
Mrs Radha Kejriwal Agarwal, Whole-time Director	10.39
Mrs Nityangi Kejriwal Jaiswal, Whole-time Director	38.31
Mr Madhav Kejriwal, Whole-time Director	36.64
Mrs Priya Manjari Todi, Whole-time Director	39.90
Mr. Jinendra Kumar Jain, Independent Director	0

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the Financial Year 2022-23 is as under:

Name	% increase in Remuneration during the Financial Year 2022-23
Mr. Pradip Kumar Khaitan, Chairman, Independent Director	(7.27)
Mr. Binod Kumar Khaitan, Independent Director	(8.56)
Mr. Amrendra Prasad Verma, Independent Director	(6.37)
Dr. Mohua Banerjee, Independent Director	(5.30)
Mr. Rajkumar Khanna, Independent Director	(8.59)
Mr. Shermadevi Yegnaswami Rajagopalan, Independent Director	(82.27)

Name	% increase in Remuneration during the Financial Year 2022-23
Mr. Vyas Mitre Ralli, Independent Director	1.44
Mr. Bal Kishan Choudhury, Independent Director	1170.00
Mr. Virendra Sinha, Independent Director	–
Mr. Umang Kejriwal, Managing Director	44.24
Mr. Mayank Kejriwal, Joint Managing Director	5123.50
Mr. Uddhav Kejriwal, Whole-time Director	17.88
Mr. Sunil Katial, Chief Executive Officer and Whole-time Director	2.28
Mr. Ashutosh Agarwal, Whole-time Director and Chief Financial Officer	9.01
Mrs Radha Kejriwal Agarwal, Whole-time Director	798.18
Mrs Nityangi Kejriwal Jaiswal, Whole-time Director	748.12
Mr Madhav Kejriwal, Whole-time Director	711.19
Mrs Priya Manjari Todi, Whole-time Director	725.17
Mr. Indranil Mitra, Company Secretary	2.07

Notes :

1. Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000) has ceased to be a Director of the Company, with effect from 31 December, 2022 due to resignation.
2. Mr. Jinendra Kumar Jain (DIN: 00737352) had been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 14 February, 2023.

(iii) The percentage increase in the median remuneration of employees in the Financial Year 2022-23: 14.08%.

(iv) The number of permanent employees on the rolls of Company: 2,859 as on 31 March, 2023.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was an average % increase in salaries (median remuneration) of employees, other than managerial personnel in the last financial year i.e. 2022-23 of around 13.60% in comparison to a percentage increase in managerial remuneration for the said financial year of around 80.71%. The remuneration of managerial personnel was as approved by the shareholders of the Company, from time to time, and/or was linked to profit, in accordance with the provisions of the Companies Act, 2013.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration paid was as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Place : Kolkata
Date : 17 May, 2023

Annexure – 6

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ELECTROSTEEL CASTINGS LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ELECTROSTEEL CASTINGS LIMITED** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

i) The Companies Act, 2013 (as amended) (the Act) and the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015;

   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

vi) We, in consultation with the Company, came to a conclusion that no specific laws were directly applicable with regard to business activities of the Company during the period under review except that of the following:

a) The Factories Act, 1948 and Rules;

b) The Explosives Act, 1884;

c) The Petroleum Act, 1934;

d) The West Bengal Fire Services Act, 1950.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

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

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Company is taking adequate steps to open a suspense escrow account as required under SEBI Circular SEBI/HO/ MIRSD/PoD-1/OW/P/2022/64923 dated 30th December, 2022.

We further report that due to resignation of Mr. Shermadevi Yegnaswami Rajagopalan, Independent Director with effect from 31.12.2022, during the period 01.01.2023 to 13.02.2023, the Board was not duly constituted as per Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the Company has duly complied with the provisions of Regulation 25(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has appointed Mr Jinendra Kumar Jain as an Independent Director w.e.f. 14 February, 2023 within 3 months from the date of vacancy so caused as mentioned above.

We further report that the company has allotted 2,35,79,344 warrants convertible into or exchangeable for 1 fully paid-up equity shares of the company having face value of Re. 1 each at the issue price of Rs. 42.41 each payable in cash on preferential basis to Promoter/Promoter group on 27th December, 2022. The company has received Rs. 10.60 for each warrant, being 25% of the warrant issue price of Rs. 42.41 per warrant, on allotment of the aforesaid warrants.

We further report that during the audit period, the Company has passed special resolutions for:

i. appointment of Mrs. Radha Kejriwal Agarwal as a Whole-Time Director for a term of 3 (three) years, with effect from 14 February, 2022;

ii. appointment of Mrs. Nityangi Kejriwal Jaiswal as a Whole-Time Director for a term of 3 (three) years, with effect from 14 February, 2022;

iii. appointment of Mr. Madhav Kejriwal as a Whole-Time Director for a term of 3 (three) years, with effect from 14 February, 2022;

iv. appointment of Mrs. Priya Manjari Todi as a Whole-Time Director for a term of 3 (three) years, with effect from 14 February, 2022;

v. payment of commission to Mrs. Priya Manjari Todi as a Non-Executive Director of Srikalahasthi Pipes Ltd. for Financial Year 2021-22, consequent upon the amalgamation of Srikalahasthi Pipes Ltd (SPL) with and into the Company;

vi. issuance of upto 2,35,79,344 Warrants, each convertible into, or exchangeable for 1 (one) fully paid-up equity share of the Company having face value of Re 1/- each, at issue price of not less than Rs 42.41, within the period of 18 months to the Promoter/ Promoter Group of the Company;

vii. re-appointment of Mr. Sunil Katial as a Chief Executive Officer (CEO) and Whole-time Director of the Company for a term of 3 (three) consecutive years, with effect from 1 April, 2023;

viii. appointment of Mr. Jinendra Kumar Jain, as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 14 February, 2023.

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

For MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Manoj Kumar Banthia
Partner
Membership no. 11470
COP no. 7596

Date: 17.05.2023
Place: Kolkata
UDIN: A011470E000323529

Annexure – I

To,
The Members,
ELECTROSTEEL CASTINGS LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and the Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Manoj Kumar Banthia
Partner
Membership no. 11470
COP no. 7596

Date: 17.05.2023
Place: Kolkata
UDIN: A011470E000323529

Annexure – 7

Business Responsibility & Sustainability Report

for the year ended 31 March, 2023

Section A: General Information about the Company

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L27310OR1955PLC000310
2.	Name of the Company	Electrosteel Castings Limited
3.	Year of incorporation	1955
4.	Registered address	Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017
5.	Corporate address	G. K. Tower, 19, Camac Street, Kolkata – 700017
6.	E-mail ID	companysecretary@electrosteel.com
7.	Telephone	+91 33 2283 9990
8.	Website	www.electrosteel.com
9.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited BSE Limited
10.	Paid-up Capital	Rs. 59,46,05,247
11.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Indranil Mitra (Company Secretary) 033-22839990 companysecretary@electrosteel.com
12.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone
13.	Financial Year reported	2022-23

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
	Manufacturing of fabricated pipe and pipe fittings	The Company is into manufacturing of Ductile Iron Pipes and Ductile Iron fittings used for various applications such as water transmission and distribution, desalination plants, storm water drainages and sewage treatment plants.	100%

15.	Products/Services sold by the entity (accounting for 90% of the entity's Turnover):		
S. No.	**Product/Service**	**NIC Code**	**% of total Turnover contributed**
1.	Ductile Iron Pipes	24311	76.16%
2.	Cast Iron Pipes	24311	2.73%
3.	Ductile Iron Fittings	24311	4.62%
4.	Ferro Product	24311	4.07%
5.	Cement	23942	0.06%
6.	Others	243	12.36%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	10	15
International	NIL	18	18

17. Markets served by the entity: The Company's products have national as well as global presence.

a) Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	110

b) What is the contribution of exports as a percentage of the total turnover of the entity?

21.84%

c) A brief on types of customers

CUSTOMER PROFILE

	Type of customer	Approximate percentage
1.	Direct State Govt. departments like PHED/Water supply	23.44%
2.	Private small local contractors who work for Govt. Semi Govt. agencies	17.20%
3.	Big Turn-key contractors	37.52%
4.	Exports	21.84%

IV. Employees

18. Details as at the end of Financial Year:

a) Employees and Workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	1372	1349	98.32	23	1.68
2.	Other than Permanent (E)	63	63	100	0	0
3.	Total employees (D + E)	1435	1412	98.40	23	1.60

Business Responsibility & Sustainability Report ..... *(Contd.)*

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
WORKERS						
4.	Permanent (F)	1487	1487	100	0	0
5.	Other than Permanent (G)	8875	8751	98.60	124	1.40
6.	Total workers (F + G)	10362	10238	98.80	124	1.20

b) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	4	4	100	0	0
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	Total employees (D + E)	4	4	100	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NIL	NIL	NIL	NIL	NIL
5.	Other than Permanent (G)	NIL	NIL	NIL	NIL	NIL
6.	Total workers (F + G)	NIL	NIL	NIL	NIL	NIL

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	18	4	22.22%
Key Management Personnel	10	3	30%

20. Turnover rate for permanent employees and workers
(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.64%	12.50%	13.62%	16.25%	25%	16.72%	11.66%	7.14%	11.66%
Permanent Workers	4.29%	0%	4.29%	4.63%	0	4.63%	2.63%	0	2.63%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Electrosteel Europe S.A.	Subsidiary	100%	No
2.	Electrosteel Castings (UK) Limited	Subsidiary	100%	No
3.	Electrosteel Algerie SPA	Subsidiary	100%	No
4.	Electrosteel USA, LLC and its wholly owned subsidiary, WaterFab LLC, USA	Subsidiary	100%	No
5.	Electrosteel Trading, S.A.	Subsidiary	100%	No
6.	Electrosteel Doha for Trading LLC	Subsidiary	49%	No
7.	Electrosteel Castings Gulf FZE	Subsidiary	100%	No
8.	Electrosteel Bahrain Holding W.L.L. and its wholly owned subsidiary, Electrosteel Bahrain Trading WLL	Subsidiary	100%	No
9.	Electrosteel Brasil Ltda Tubos e Conexoes Duteis	Subsidiary	100%	No
10.	North Dhadhu Mining Company Private	Joint Venture	48.98%	No
11.	Domco Private Limited	Joint Venture	50%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - **Yes**

(ii) Turnover (in Rs): 6,91,600.46 Lakhs

(iii) Net worth (in Rs): 4,27,045.52 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	https://www.electrosteel.com/investor/code_of_conduct_and_policies.php	0	0	Nil	0	0	Nil
Investors (other than shareholders)		NA	NA	Nil	NA	NA	Nil

Business Responsibility & Sustainability Report ..... *(Contd.)*

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders		25	0	Nil	17	0	Nil
Employees and workers		0	0	Nil	0	0	Nil
Customers		4	0	Nil	7	0	Nil
Value Chain Partners		0	0	Nil	0	0	Nil
Other (please specify)		NA	NA	Nil	NA	NA	Nil

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	**Energy Management, Carbon Emissions and Climate Change**	Risk	Ductile Iron pipe & Fittings production process is a significant contributor to greenhouse gases with emissions arising primarily during the conversion of iron ore to iron or subsequent refining the iron to finished Ductile Iron products. The sector is currently responsible for about 8% of global final energy demand and 7% of energy sector CO2 emissions.	The Company has been focusing on lowering fuel & electricity consumption, investing in utilization of waste gases, and expanding renewable (solar) energy capacities. With the objective to reduce consumption of fossil fuel & resulting greenhouse gas emission, the organisation has adopted a strong & effective Energy Management System as per ISO 50001 standard. The Green House Gas emission is closely monitored & controlled considering its importance to the global climate change in context with the UN SDG 2030 commitments and India's national commitment.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	**Water Management**	Risk	Steel manufacturing is a water-intensive process, and improper water management can impact operations and create reputational risks.	The Company has set up a state-of-the-art effluent treatment plant (ETP). The Company has built three big ponds where rainwater and all process blow-down water are collected and reused back in the process, for dust suppression and gardening purposes. The Company has implemented various improvement actions in line with the Environmental Policy to continually increase treatment & recycling of waste water. Environment Management Cell takes suitable action to minimise the water consumption to the extent possible and to reduce the wastage of water via engineering control and / or administrative control. Additionally, at Srikalahasthi Works (SW), one of the facilities, the Company collects sewage water from Tirupati municipality. This wastewater undergoes treatment through a Sewage Treatment Plant (STP) before being recycled and utilized in the production process. This resulted in saving of approximately 3 lakh litres of water per day.	Positive

Business Representation & Sustainability Report ..... *(Contd.)*

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	**Health & Safety**	Risk	The production activity involves various hazards, including occupational health risks for workers, such as exposure to high temperatures and machinery accidents. Failure to address these risks can lead to injuries, degrades reputation and increased operational costs.	The Company is committed to creating and maintaining a high-safety culture. It has implemented HIRA (Hazard Identification & Risk Assessment) and conducts awareness programs and training for its employees and workers, regularly. The entire safety system undergoes periodic audits for continuous improvement. Pre-employment and Periodical Health check-ups are conducted for employees. Safety kaizen on operations is also in place to minimize safety and health risks.	Negative
4	**Product Safety and Innovation**	Opportunity	The Ductile Iron (DI) Pipe Industry is known for its reliance on advanced technology and innovation. As a prominent player in this sector, the Company is well-positioned to introduce newer, more efficient and sustainable products that cater to the evolving demands of our customers. The Company prioritizes innovation to stay at the forefront of the market and bring cutting-edge solutions to the industry.	NA	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	**Communities**	Opportunity	The Company's vision extends beyond being a pioneer in technology and innovation within the steel industry. Social Responsibility initiatives undertaken by the Company provide a platform for meaningful dialogue and engagement with the local community and other stakeholders. This enables building a positive image of the Company and creates harmonious relations.	NA	Positive
6	**Waste Management**	Risk	The production activity generates both non-hazardous and hazardous waste, which can adversely affect the environment. To mitigate the impact on the workforce and nearby communities, the Company safely manages and disposes of waste in accordance with legal requirements.	As an ISO 14001-certified organization, the Company has adopted a systematic approach and established a well-defined waste management cell responsible for the safe storage, handling and disposal of waste in compliance with statutory requirements. The Company follows the 4R approach, which includes recycling, reusing, reprocessing, and reducing waste, leading to a significant waste reduction. With this approach, the Company focuses on recycling and reusing iron ore fines and Coke fines and non-hazard waste repurposed as a raw material for a sub-process.	Positive

Business Responsibility & Sustainability Report ..... *(Contd.)*

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.electrosteel.com/investor/code_of_conduct_and_policies.php								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001 : 2015, ISO 14001 : 2015, ISO 50001 : 2018, ISO 45001 : 2018, SA 8000 : 2014, IS 9523 : 2000, IS 8329 : 2000.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company sets goals and targets for different business divisions and corporate functions and reviews them periodically.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance evaluation is an integral component of all functions throughout the Company.								
Governance, leadership and oversight									
7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) We believe our responsibility extends beyond the industry to encompass the environment and society. We are deeply committed to sustainability and responsible business practices. Our performance is driven by this commitment. Our supply chain and human resources policies prioritize stakeholder concerns. Through our ESG initiatives, we will achieve improved results and reinforce ECL's position as a leading ethical, sustainable and customer-focused brand. - Sunil Katial, Chief Executive Officer and Whole-time Director									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sunil Katial, Chief Executive Officer and Whole-time Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Mr. Sunil Katial, Chief Executive Officer and Whole-time Director								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
Performance against above policies and follow up action	Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The statutory compliance is reviewed periodically as per applicable laws by the Committee of the Board.									Periodically								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**

The Company carries out external and internal audits from time to time in accordance with the regulatory and statutory requirement. However, specific independent audit on the NGRBC principles has not yet been carried out.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Business Responsibility & Sustainability Report ..... *(Contd.)*

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	During this financial year, the Board of Directors were familiarised on upcoming regulations and topics like GRI including risk factors and mitigation process.	100%
Key Managerial Personnel	1	During this financial year, the KMPs were familiarised on upcoming regulations and on topics like GRI including risk factors and mitigation process.	100%
Employees other than BoD and KMPs	455	Several training programs were conducted during the year focusing on Health & Safety, First Aid training, Skill development, POSH, SA 8000, Skill upgradation Leadership trainings	100%
Workers	25	Health & Safety, First Aid training, Skill development, POSH, SA 8000, Skill upgradation SOPS, Safety awareness.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	NIL			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	**Name of the regulatory/ enforcement agencies/ judicial institutions**
N.A.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. The Company has adopted anti-corruption or anti-bribery policy. Copy of the anti-corruption or anti-bribery policy is available on the website of the Company. For more details refer to the link: www.electrosteel.com/admin/pdf/385692356-Electrosteel-Antibribery-Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	**FY 2021-22**
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		**FY 2021-22**	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: **NA**

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year: **None**

Total number of awareness programmes held	**Topics / principles covered under the training**	**%age of value chain partners covered (by value of business done with such partners) under the awareness programmes**
NIL	NIL	NIL

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Business Responsibility & Sustainability Report ..... *(Contd.)*

Yes, the Company has adopted the Code of Conduct, which is applicable to the Board Members and Senior Management explaining the circumstances to avoid that may likely lead to conflict of interest. For more details please refer to the link: https://www.electrosteel.com/investor/code_of_conduct_and_policies.php

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0.04%	0.04%	Nil
Capex	0.33%	0.73%	Nil

2. a. Does the entity have procedures in place for sustainable sourcing? **Yes**

   b. If yes, what percentage of inputs were sourced sustainably? **90%**

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste: **Not Applicable**

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same: **Not Applicable**

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? **No**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link
Nil					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same: **Not applicable**

Name of Product / Service	Description of the risk / concern	Action Taken
N.A.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
	8.91%	9.44%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	**Recycled**	**Safely Disposed**	**Re-Used**	**Recycled**	**Safely Disposed**
Plastics (including packaging)	–	–	–	–	–	–
E-waste			4.330 MT			0.80 MT
Hazardous waste						
a) Zinc Dust			675 MT			550.7 MT
b) Waste/Used Oil	7.125 KL		2.73 KL	9.013 KL		5.84 KL
c) Lead Acid batteries			309 Nos			309 Nos
d) Empty Barrels/ Containers containing Chemicals/ Hazardous Waste			108 Nos			90 Nos
Other waste						
Sinter return	86971 MT				77111MT	
BF Slag	1725 MT	60128 MT	157561		47501MT	
Magnesium Oxide		42.25 MT			50MT	
Granulated Slag			16167 MT			1410 MT
Refractory waste			12.5 MT			4 MT

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	**Reclaimed products and their packaging materials as % of total products sold in respective category**
	–

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	**% of employees covered by**										
	Total (A)	**Health insurance**		**Accident insurance**		**Maternity benefits**		**Paternity Benefits**		**Day Care facilities**	
		Number (B)	**% (B / A)**	**Number (C)**	**% (C / A)**	**Number (D)**	**% (D / A)**	**Number (E)**	**% (E / A)**	**Number (F)**	**% (F / A)**
Permanent employees											
Male	1349	1349	100	1349	100	NA	NA	0	0	0	0
Female	23	23	100	23	100	23	100	0	0	0	0
Total	**1372**	**1372**	**100**	**1372**	**100**	**23**	**100**		**0**	**0**	**0**
Other than Permanent employees											
Male	63	63	100	13	20.63	0		0	0	0	0
Female	0	0	0	0	0	0		0	0	0	0
Total	**63**	**63**	**100**	**13**	**20.63**	**0**		**0**	**0**	**0**	**0**

Business Responsibility & Sustainability Report ..... *(Contd.)*

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1487	1487	100	1487	100	NA		0		0	
Female	0	0	0	0		0		0		0	
Total	**1487**	**1487**	**100**	**1487**	**100**	**0**		**0**		**0**	
Other than Permanent employees											
Male	8751	8751	100	6487	74.13	NA		0		0	
Female	124	124	100	124	100	124	100	0		0	
Total	**8875**	**8875**	**100**	**6611**	**74.49**	**124**	**100**	**0**		**0**	

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Others – please specify	–	–	–	–	–	–

3. Accessibility of workplaces

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   While the Company premises may not be fully compliant with the Rights of Persons with Disabilities Act, 2016 the Company actively responds to the needs of differently-abled employees by providing assistance whenever required.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   The Company provides opportunity for physically challenged persons and has in place a Social Accountability Policy in the following link https://www.electrosteel.com/admin/pdf/1608019883Social_Accountability_Policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No ***(If Yes, then give details of the mechanism in brief)***
Permanent Workers	Initiatives like Meet your CEO; Meeting CEO with prior appointment; Representing issues through Division heads, HOD AND HR department
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	**FY 2022-23**			**FY 2021-22**		
	Total employees / workers in respective category (A)	**No. of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees/ workers in respective category (C)**	**No. of employees / workers in respective category, who are part of association(s) or Union (D)**	**% (D/C)**
Total Permanent Employees						
– Male	0	0	0	0	0	0
– Female	0	0	0	0	0	0
Total Permanent Workers						
– Male	1487	1487	100	1580	1580	100
– Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	**FY 2022-23**					**FY 2021-22**				
	Total (A)	**On Health and safety measures**		**On Skill upgradation**		**Total (D)**	**On Health and safety measures**		**On Skill upgradation**	
		No. (B)	**% (B / A)**	**No. (C)**	**% (C / A)**		**No. (E)**	**% (E / D)**	**No. (F)**	**% (F / D)**
Employees										
Male	1412	865	61.26	1217	86.19	1300	1300	100	823	63.30
Female	23	12	52.17	13	56.52	19	13	68.42	1	5.26
Total	1435	877	61.11	1230	85.71	1319	1313	99.55	824	63.84
Workers										
Male	10238	3568	34.85	2719	26.56	12272	2201	17.93	3083	25.12
Female	124	0	0	0	0	1	0	0	0	0
Total	10362	3568	34.43	2719	26.56	12273	2201	17.93	3083	25.12

Business Responsibility & Sustainability Report ..... *(Contd.)*

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1412	1412	100	1300	159	12.23
Female	63	63	100	19	0	0
Total	1435	1435	100	1319	159	12.05
Workers						
Male	10238	2880	28.13	12272	621	5.06
Female	124	0	0	1	0	0
Total	10362	2880	27.79	12273	621	5.06

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes – All the employees working in the plant including contract workmen are covered under this system as per ISO 45001:2018 & SA 8001:2014.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

HAZARD IDENTIFICATION & RISK ASSESSMENT (HIRA).

In addition to this, the Company is also following the Safety Observation tool.

A safety observation report is a tool used by safety officers to document hazards as well as safety commendations in the workplace. Safety observations not only ensures a safer workplace but it can also help to carry out best practices with other teams. Such safety observations identified by the cross functional teams along with safety department and it is ensured that the corrective and preventive measures are taken care of and implemented with respect to the safety observations which have been made by the cross functional team. This tool help employees understand the importance of safety while emphasising the organisation's commitment to create a safe work environment.

c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks (Y/N): **Yes**

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **Yes**

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	1.7
	Workers	1.71	0.98
Total injury recordable	Employees	0	2
	Workers	15	25
No. of fatalities	Employees	0	0
	Workers	2	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place

1.	Conducting Tools box	19.	Weekly safety meetings with middle management
2.	Safety induction	20.	Monthly Review meeting on safety with top management.
3.	Safety Trainings	21	PPE
4.	Safety Committee Meeting	22.	Display of sign boards like slogans, Dos & Don'ts, Posters, SOPS
5.	Safety Promotional Activities like Road safety week NSW, FSW	23.	Emergency equipments
6.	Safety Team Building with Divisional Safety officers - 8, Safety leaders - 40	24.	Accident investigation, root cause analysis & corrective action implementation all around the plant
7.	Fire extinguishers & Fire buckets	25.	Safety Inspections
8.	Smoke & fire detection systems	26.	Issuing Safety Booklets & leaf lets
9.	Manual emergency siren	27.	Legal compliance related safety
10.	Following check list for portable equipments	28.	Provided CO & O2 detectors
11.	Provided Fire hydrant system	29.	Contract safety management
12.	Fire Tanker for fire fighting	30.	Penalty system for safety vacillations as per Company policy
13.	Work permit system	31.	LOTO
14.	Method Statement	32.	Work Zone Monitoring
15.	Safety Observation system by Executives	33.	Plant Safety Inspection
16.	Night duty officers for safety observations	34.	External Audit
17.	24 Hrs safety members are available	35.	Internal Audit
18.	Safety Internal safety audit		

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	Nil	Nil	NA	11	2	The pending two complaints had been resolved in the current financial year.
Health & Safety	Nil	Nil	NA	14	4	The pending four complaints had been resolved in the current financial year.

Business Responsibility & Sustainability Report ..... *(Contd.)*

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

    The management regularly conducts reviews and updates of the safety and health protocol, ensuring its alignment with the most current industry standards and regulations as an ongoing practice. Some of the safety initiatives undertaken include improving safety profile during loading and unloading at the facilities, vehicular movements on the premises and streamlining the alarm management systems.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):

   Yes, ESIC / Group Insurance

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

   Statutory compliance check list relating to all the Departments will be periodically reviewed by the concerned departments and timely remittance is ensured.

   Not Applicable for OH&S Department.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	1	0	1	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No): **No**

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	50
Working Conditions	50

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:

   The Company encourages to adopt health and safety practices and maintain better working conditions among its value chain partners in alignment with statutory requirements.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   The Company has conducted an assessment of both internal and external stakeholders, taking into account their level of interest, influence and potential impact on our business. The Company also regularly reviews and updates the stakeholder matrix, to ensure that the engagement efforts remain relevant and effective. The Company actively engages with stakeholders through multiple channels to foster open communication, address their concerns and incorporate their perspectives into decision-making processes. This collaborative approach strengthens the Company's sustainability initiatives and helps to build strong, mutually beneficial relationships with stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Letters, emails, website of the Company and stock exchanges, newspaper	Ongoing basis – as and when required	Business related matters
Shareholders	No	As needed, Press releases, website, email advisories, in-person meetings, investor conferences, conference calls	• **Quarterly:** Financial statements in IndAS and IFRS, earnings call, exchange notifications, press releases • **Half Yearly**: Financial statements in IndAS and IFRS, earnings call, exchange notifications, press releases • **Continuous:** Investors page on the ECL website • **Annual:** Annual General Meeting, Annual report	• Educating the investor community about ECL integrated value creation model and business strategy for the long term • Helping investors voice their concerns regarding company policies, reporting, strategy, etc.
Employees	No	Letters, emails, website of the Company, newsletters, intranet, notice board	Ongoing basis – as and when required	• Human resource policies and rules • Career management and growth prospects • Work culture, health and safety matters • Other necessary information as guided by statutory regulators and various Acts.
Supplier	No	E-mails, phone calls and Meets, Website.	Regular and Continuous Engagement	• Material requirements and norms • Onboarding the vendor • Business opportunities with the company

Business Responsibility & Sustainability Report ..... *(Contd.)*

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes	CSR programs, reviews and feedback discussions	Regular and Continuous Engagement	• To build rapport with the community communication about Company's efforts for community betterment, Manpower supply • To gather support & participation in community engagement & CSR activities • Selection of new projects based on needs

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Board Members through management committees conduct regular consultations with stakeholders, including customers, employees, suppliers and local communities. The feedback received by the Board from these consultations flow into management reporting. Based on the findings, the management takes an appropriate course of action to address the issues immediately or integrate them into the long-term strategy.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, the Company effectively uses stakeholder consultation to support the identification and management of environmental and social topics.

3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.

   The feedback received from the community is used to strengthen CSR initiatives.

PRINCIPLE 5 : Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	1372	1372	100	1300	1300	100
Other than permanent	63	63	100	19	19	100
Total Employees	1435	1435	100	1319	1319	100
Workers						
Permanent	1487	1094	73.57	1580	269	17.03
Other than permanent	8875	3636	40.97	10693	81	0.76
Total Workers	10362	4730	45.65	12273	350	2.85

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1349	0	0	1349	100	1281	0	0	1281	100
Female	23	0	0	23	100	19	0	0	19	100
Other than Permanent										
Male	63	0	0	63	100	19	0	0	19	100
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	1487	0	0	1487	100	1580	0	0	1580	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	4360	393	9.01	3967	90.98	10692	195	1.82	10497	98.18
Female	0	0	0	0	0	1	0	0	1	100

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	14	16,20,000	4	98,62,916
Key Managerial Personnel	7	23834054	3	15516870
Employees other than BoD and KMP	1412	574168	21	545866
Workers	1572	357132	–	–

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No): **Yes**

   The employees can raise their concerns related to human rights issues with the Human Resource team.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   For any grievances on human rights issues, the employees can reach out to Human Resource team. The grievances are duly addressed and corrective measures deemed fit are taken.

Business Responsibility & Sustainability Report ..... *(Contd.)*

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	NIL					
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   The Company has in place an appropriate Policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to prevent sexual harassment of its employees. The Company has also put in place a robust Grievance Redressal process for investigation of employee concerns.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

   No

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company follows the laws, as applicable. Although no assessment was done by the Company, no complaints were received.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

   There were no human right issue during the year and no business process being modified/introduced to this.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   Nil

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   While the Company premises may not be fully compliant with the Rights of Persons with Disabilities Act, 2016, the Company actively responds to the needs of differently-abled visitors by providing assistance to access its premises.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Not applicable

PRINCIPLE 6 : Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	1693.20 TJ	1785 TJ
Total fuel consumption (B)	8559.93 TJ	8614 TJ
Energy consumption through other sources (C)	0.061 TJ	0.064TJ
Total energy consumption (A+B+C)	10235 TJ	10399 TJ
Energy intensity per rupee of turnover *(Total energy consumption/ turnover in lakhs)*	0.015	0.021
Energy intensity (optional) – the relevant metric may be selected by the entity		

   Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Yes. However, the process for achievement of targets set under the PAT Scheme is being carried out. Under PAT(V), Notified SEC for Baseline Year: 0.5371 TOE/Ton of product, Target was 0.5051 TOE/Ton of product and Achieved was 0.4800 TOE/Ton of product.

Business Responsibility & Sustainability Report ..... *(Contd.)*

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Ground water	120568.94KL	1303660 KL
(iii) Third party water	580420 KL	556540 KL
(iv) Seawater / desalinated water	Nil	Nil
(v) Others SEWAGE WATER	1596550 KL	1139264 KL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2297538.94 KL	2999464 KL
Total volume of water consumption (in kilolitres)	2297538.94 KL	2999464 KL
Water intensity per rupee of turnover *(Water consumed / turnover)*	3.32	5.98
Water intensity *(optional)* – the relevant metric may be selected by the entity	–	–

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **Y/HDA**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation: Yes, the Company has three big ponds where rain water and all process blow down water are being collected and reused in process, dust suppression and for gardening purposes.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	mg /Nm^3	71.16	55.28
SOx	mg /Nm^3	154	89.92
Particulate matter (PM)(FAP)	mg /Nm^3	17.94	16.86
Particulate matter (PM)(HW)	mg /Nm^3	31.36	39.59
Particulate matter (PM)(FFW)	mg /Nm^3	20.22	21.25
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: IIndicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **Y**

Monitoring is carried out quarterly by WBPCB APPROVED (M/S: - Envirocheck and M/S-Indicative Consultant India).

Also, the same is carried out by WBPCB/CPCB quarterly.

SW unit has appointed 3rd party external agency **M/s Care Labs** (MOEF & CC authorized and NABL accredited) for quarterly monitoring.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:
Not Applicable

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	3,71,508	3,91,720
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs.	Metric tonnes of CO2 equivalent	10,86,221	10,77,506
Total Scope 1 and Scope 2 emissions per rupee of turnover in Lakhs	MT CO2e/ INR Lakh revenue	2.11	2.93
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity		N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. **Yes**
   I. Burner modification in heat treatment furnace to increase Blast Furnace Gas (a process by-product) usage replacing fuel oil.
   II. Automation of Ladle/Hopper heating system to reduce fuel oil consumption.
   III. One new WHRB had been installed for utilising #4 Battery waste hot flue gas.
   IV. In SW Unit Installation of solar panel, BF gas boiler, use of BF gas as a clean fuel.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	14.720	-
E-waste ***(B)***	5.449	1.3
Bio-medical waste ***(C)***	0.138	0.1129
Construction and demolition waste ***(D)***	Nil	–
Battery waste ***(E)***	0.684	0.75
Radioactive waste ***(F)***	Nil	Nil

Business Responsibility & Sustainability Report ..... *(Contd.)*

Other Hazardous waste. Please specify, if any. ***(G)***	Zn Dust - 1137 Spent Oil - 15.826 Waste Oil - 11.04 ETP Sludge - 47.60 Used asbestos - 3.96 Flue Dust - 0.15 Waste paint - 2.63 Discarded container - 8.728 Gas cleaning residue - 196.61 Used oil - 1.45 Empty paint container - 4.19 Oil filter - 0.09 Oil contaminated cotton waste - 1.50 Empty Barrels - 1.16	Zn Dust - 520 Spent Oil - 13 Waste Oil - 1 ETP Sludge - 34 Used asbestos - 3 Flue Dust - 0.10 Waste paint - 3 Discarded container - 8
Other Non-hazardous waste generated ***(H).*** *Please specify, if any.* (Break-up by composition, i.e., by materials relevant to the sector)	Granulated Slag - 305001 Cement Slurry - 16547 Coke Fines - 24692 Iron ore Fines - 46465 GCP Sludge - 10071.83 Metal Scrap - 34728 Ladle Slag - 3000 Charcoal (SIP) - 23,487.80 Other waste including pollution dust (SIP) - 17141 Ferro slag (FAP) - 16897 Other waste including Pollution dust (FAP) - 1094 Sand from (FFW) - 4276 Refractory waste - 40	Granulated Slag -115380 Cement Slurry - 8950 Coke Fines - 6130 Iron ore Fines - 40000 GCP Sludge - 7200 Metal Scrap - 15450 Ladle Slag - 3000 Refractory waste - 42
Total (A + B + C + D + E + F + G + H)	**504893.55**	**196736.26**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	122469.83	57942
(ii) Re-used	14835	NIL
(iii) Other recovery operations		
Total	**137304.83**	**57942**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste (Hazardous waste)		
(i) Incineration	5.284	NIL
(ii) Landfilling	51.71	NIL
(iii) Other disposal operations (Safe disposed to PCB authorized party	634.172	580*
Total	**691.166**	**580**

For each category of waste		
Category of waste (Non- Hazardous waste)		
(i) Incineration	NIL	NIL
(ii) Landfilling	1) Ferro slag (FAP) - 16897 2) Other solid waste (SIP) - 17141 3) Other solid waste (FAP) - 1094 4) Sand from (FFW) - 4276	
(iii) Other disposal operations	Charcoal (SIP) - 23,487.80	580**
Total	**62895**	**580**

* Disposed to authorized re-processor
** Disposed to authorized Recycler/ CHWTSDF (M/s Ramky).

Note: IIndicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: **Y West Bengal Pollution Control Board/CPCB**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   For Hazardous wastes it is disposed to authorized reprocessor of WBPCB also sent to CHWTSDF (M/s Ramky). For Non Hazardous wastes it is stored in designated places and some of the wastes are recycled or reused in the process and the rest sold or disposed to outside agency for reuse in other process (FBC boiler) and for land filling for construction purpose

   Operation Control Procedures (OCP) and legal directives are followed to reduce usage of Hazardous and toxic chemicals in products and process.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format: **Not Applicable**

S. No.	**Location of operations/offices**	**Type of operations**	**Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)** **If no, the reasons thereof and corrective action taken, if any.**
	N.A.	N.A.	N.A.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: **Not applicable**

Name and brief details of project	**EIA Notification No.**	**Date**	**Whether conducted by independent external agency (Yes / No)**	**Results communicated in public domain (Yes / No)**	**Relevant Web link**
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Business Responsibility & Sustainability Report ..... *(Contd.)*

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: **No non-compliances are reported as per the applicable laws stated above.**

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil	Nil	Nil	Nil

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	0.061 TJ	0.064 TJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0.061 TJ	0.064 TJ
From non-renewable sources		
Total electricity consumption (D)	1693.20TJ	1784.91TJ
Total fuel consumption (E)	8559.93 TJ	8614.49TJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	10253.13 TJ	10399.40TJ

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NIL	NIL
- No treatment	14199.0 KL	NIL
- With treatment – please specify level of treatment	44682.09 KL	108620.0 KL
(ii) To Groundwater	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		

Parameter	**FY 2022-23**	**FY 2021-22**
(iv) Sent to third-parties	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**58881.09 KL**	**108620.0 KL**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. WBPCB approved external agency M/s. Envirocheck, Kolkata

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): **Not Applicable**

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area

   (ii) Nature of operations

   (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	**FY 2022-23**	**FY 2021-22**
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	Not Applicable
(ii) Groundwater	Not Applicable	Not Applicable
(iii) Third party water	Not Applicable	Not Applicable
(iv) Seawater / desalinated water	Not Applicable	Not Applicable
(v) Others (Sewage water)	Not Applicable	Not Applicable
Total volume of water withdrawal (in kilolitres)	**Not Applicable**	**Not Applicable**
Total volume of water consumption (in kilolitres)	**Not Applicable**	**Not Applicable**
Water intensity per rupee of turnover (Water consumed / turnover)	Not Applicable	Not Applicable
Water intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment	Not Applicable	Not Applicable
(ii) Into Groundwater		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment	Not Applicable	Not Applicable
(iii) Into Seawater		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment	Not Applicable	Not Applicable

Business Responsibility & Sustainability Report ..... *(Contd.)*

Parameter	FY 2022-23	FY 2021-22
(iv) Sent to third-parties		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment	Not Applicable	Not Applicable
(v) Others		
- No treatment	Not Applicable	Not Applicable
- With treatment – please specify level of treatment	Not Applicable	Not Applicable
Total water discharged (in kilolitres)	**Not Applicable**	**Not Applicable**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions and its intensity, in the following format: **Not applicable**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs	Metric tonnes of CO2 equivalent	N.A	N.A.
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent	N.A.	N.A.
Total Scope 3 emission intensity *(optional)* – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent	N.A.	N.A.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities: **Not Applicable**

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Please refer to the Annexure 8 relating to Particulars On Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   Yes. The Company has a disaster management plan. The plan is reviewed annually by the department heads to assess potential new hazards and develop mitigation strategies and response protocols. The disaster management plan emphasises on preparedness through safety SOPs and mock-drill exercises are conducted throughout the year. The Company has conducted total 16 mock drills in Khardah unit for the financial year 2022-2023. Each and every mock-drill is reviewed by an expert committee. If the expert committee identify any lacuna they suggest for further improvements. The concerned department implements the suggestion on a war footing basis.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard: **Not Applicable**

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts: **Not Applicable**

PRINCIPLE 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations : 3 (Three)

   b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Engineering Export Promotion Council	National
3	Indian Chamber of Commerce, Kolkata	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

Leadership Indicators

1. Details of public policy positions advocated by the entity: **Nil**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NIL					

PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

   No, SIA was undertaken by the Company in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

Business Responsibility & Sustainability Report ..... *(Contd.)*

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **Not applicable**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

   The Company has implemented effective grievance redressal systems to address the concerns of different stakeholder groups. Concerned stakeholders can reach out to the Company's management by writing or meeting administrative officers at the respective plants. Additionally, communities have the opportunity to share feedback on CSR programs. The management takes immediate steps to redress such grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY Current Financial Year (22-23)		FY Previous Financial year (21-22)	
	MSME	SMALL PRODUCER	MSME	SMALL PRODUCER
Directly sourced from MSMEs/ small producers	0.62%	5.83%	0.71%	1.86%
	Within District	Neighboring District	Within District	Neighboring District
Sourced directly from within the district and neighbouring districts	17.78%	35.68 %	6.18%	25.91%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): **Not applicable.**

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

   Please refer to the Annexure 4 relating to Annual Report on CSR.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

   No

   From which marginalized/vulnerable groups do you procure?

   Not applicable.

   (b) What percentage of total procurement (by value) does it constitute?

   Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

   NIL

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

   Not applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted	% of beneficiaries from vulnerable and marginalized groups
Please refer to the Annexure 4 relating to Annual Report on CSR			

PRINCIPLE 9 : Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

   a. Customer complaint is received vide verbal or electronic communication by the concerned subsidiary or sales or territory in-charge.

   b. Depending upon the nature and severity of the complaint, they solve the issue or forward it to the technical team.

   c. Technical team analyses the problem to probe in to the root cause and proposes correction and corrective action accordingly.

   d. After receiving the satisfactory customer feedback, the complaint is considered as closed.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total
Environmental and social parameters relevant to the product	100% Our products are made predominantly of iron and cement that are environmentally safe. They are used mainly for transmission of drinking water that is essential for life, hence they have a deep social impact.
Safe and responsible usage	100% Our product does not have any hazardous aspect. It is fully safe while recommended conditions of use are maintained.
Recycling and/or safe disposal	75% Our product contains lining and coating materials (like cement mortar and paint) which is about 25% by weight. Rest is ductile iron which can be re-melt and reused.

Business Responsibility & Sustainability Report ..... *(Contd.)*

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	**Pending resolution at end of year**		**Received during the year**	**Pending resolution at end of year**	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy:

   Yes, we have a framework/policy on cyber security and risks in place.

   Web Link: **https://s3-ap-south-1.amazonaws.com/empwin-live- ew/documents/1653562039.PDF**

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   The following Cyber Security & Data Privacy measures are implemented at Electrosteel:

   1) Implementation of Perimeter Security (Firewall) in between external network (Internet) and internal corporate network (LAN).
   2) Implementation of Next Generation Endpoint Detection & Response System (EDR) for each and every Server and Workstation, connected to corporate LAN to protect from Malware, Virus, Ransomware and other Cyber Threats.
   3) Blocking of USB Ports for end user's workstation (End Point DLP)
   4) Web Filtering and Application Control.
   5) Active Directory and Domain Authentication for all Electrosteel Users.
   6) O365 Corporate Email Service with Multi Factor Authentication (MFA).
   7) Implementation of Cloud Email Security to protect Electrosteel Users and Computers from Ransomware, Phishing Attacks, Business Email Compromise (BEC), Advanced Persistent Threats (APT) and Spam Protection.
   8) Restriction on Cloud Data Storage Access and Public Email Service for personal use.
   9) Secure Remote Access (SSL VPN) with Multi Factor Authentication (MFA).

10) Implementation of Security Patch Updates Software for Servers and Workstations.

11) Enforcement of IT Security Policies throughout the Organization.

12) Cyber Security Awareness Program & Email Circulation (Dos & Don'ts) on Cyber Security for End Users.

13) Implementation of 24X7 Managed Security Service (SOC) over SIEM.

Note: As on date, no penalty/action taken by regulatory authorities on safety of products/Services.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available): **www.electrosteel.com**

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

   a) We provide Technical data sheet (TDS), Standard operating procedure (SOPs), user's guide, brochures, video related to safe handling, installation, etc. Recently to aid our customers, a mobile application "Toolbox by Electrosteel" has been launched.

   b) Information related to safe and responsible use of products are also available at our official website (www.electrosteel.com).

   c) We also impart training to the customers by organizing seminar, video calls, etc.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

   In case of planned shutdown of plant, the same is communicated to Sales team and they commit delivery accordingly.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief): Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No):

   Yes

   All product display information are as per statutory requirements.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact: The number of instances of data breaches along-with impact is "Zero".

   b. Percentage of data breaches involving personally identifiable information of customer: The Percentage is 0%.

Annexure – 8

PARTICULARS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

[Information under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A) CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy:

- Design modification of SDP Annealing Furnace gas burners to increase Blast Furnace Gas (a process by product) flow & thus reduce LDO consumption by approximately 30Kl/month.
- Development & usage of quick drying bitumen paint for pipe coating has resulted in reduction in usage of paint curing ovens & thus reduction in LDO consumption by approximately 25 Kl/month.
- Automation of all Ladle/Hopper heating systems to reduce LDO consumption by approximately 13 Kl/month.
- Replacement of existing burners of Sand Dryers with fuel efficient burner & installation burner automation system to reduce LDO consumption by approximately 3 Kl/month.
- Installation of Solid State Reactive Power Compensator in place of Capacitance based power factor correction device to improve plant Power Factor from 98% to >99%.
- Apart from the above, several actions have been taken to improve energy performance of plant & equipment e.g. temperature based Cooling Tower control in DIW, installation of energy efficient IE3 motor in Boiler feed water pumps, replacement of conventional lights with LED lights in all the plants.

ii) The steps taken by the Company for utilising alternate sources of energy:

- In 2022-23, 16,888 kWh Solar energy was utilized at Khardah, Bansberia & Haldia Works taken together.
- 8 Solar street lights have been installed during the year in KW main gate & oil storage tank areas.

iii) The capital investment on energy conservation equipments:

The Company has made a total capital investment amounting to Rs. 197 lakh during the financial year 2022-23 on energy conservation equipment.

B) TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption:

The Company continues to develop high-end paints for Ductile Iron Pipes and Fittings in their manufacturing facility and the quality is approved by different European laboratories.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- New joints are developed which speed up the laying process and save natural resources of mother earth. A number of imported paints are substituted by the paint developed by the Company in-house.
- The Company has made investments to develop spares for machines (currently imported) in India itself, extending its arm in support of the "Make-In India" initiative.
- With an aim to improve our products, the Company is encouraging several cost saving & process improvement initiatives from its employees. After proper evaluation of such initiatives, the Company

has also provided a platform to recognize noteworthy initiatives in an open forum. Currently workers are also being involved in this improvement program.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

a) The details of technology imported – Nil

b) The year of import – Not Applicable

c) Whether the technology is fully absorbed – Not Applicable

d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof – Not Applicable

iv) The expenditure incurred on Research and Development:

The expenditure incurred by the Company towards Research and Development during the Financial Year 2022-23 amounted to Rs. 2.78 Crore.

C) FOREIGN EXCHANGE EARNINGS & OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow is given below:

Foreign Exchange Earned:	Rs. 1150.18 Crore
Foreign Exchange Outgo:	Rs. 2303.49 Crore

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Place: Kolkata
Date: 17 May, 2023

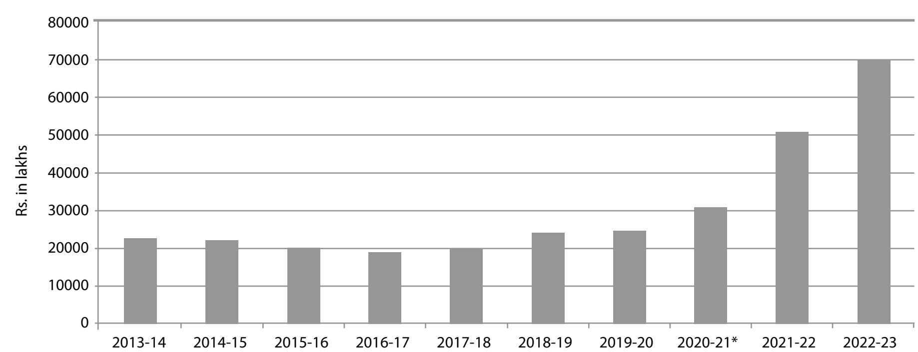
Ten Years Financial Summary

Rs. in Lakhs

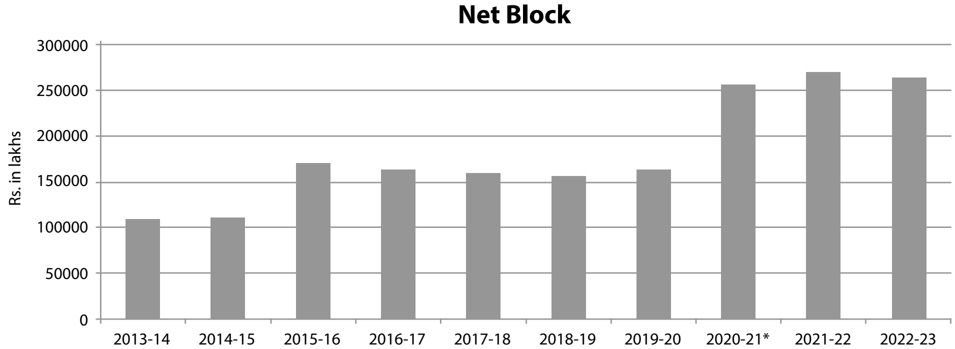
Year	Revenue from Operation	Earnings before Depreciation, Finance cost and Tax Expense (EBDIT)	Interest	Depreciation	Tax	Profit after Tax	Gross Block	Net Block	Capital Employed
2013-14	223509.05	32475.39	13581.96	5296.71	3540.88	10055.84	164668.04	109462.80	487165.21
2014-15	220328.82	30908.27	14531.62	6743.00	2366.49	7267.16	174316.05	110880.11	499985.06
2015-16	201615.28	30595.05	16907.79	6488.50	1611.74	5587.02	177804.26	171425.17	517183.25
2016-17	183207.85	37323.04	20105.16	6368.85	3120.73	7728.30	176281.82	163991.26	508003.98
2017-18	194366.44	30512.54	20231.83	5921.85	-339.78	4698.64	177964.68	160261.49	470686.16
2018-19	239060.75	-37911.95	22540.22	5481.79	-2348.16	-63585.80	178392.85	155917.87	424563.46
2019-20	247988.93	39617.60	21989.75	5274.32	2494.75	9858.78	190609.79	163284.82	432325.18
2020-21*	307570.68	44918.24	19889.28	7866.60	4066.72	13095.64	311217.81	255720.12	591529.77
2021-22	501482.77	71644.47	18526.53	11257.67	9299.98	32560.29	330353.14	268777.96	708126.30
2022-23	691600.46	81904.11	27224.33	11401.63	9801.80	33476.35	336294.65	264463.21	706772.61

* In view of amalgamation of Srikalahasthi Pipes Ltd w.e.f October 01, 2020 the figures has regrouped/reclassified whereever necessary.

Turnover



Net Block



STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Report

To The Members of Electrosteel Castings Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of Electrosteel Castings Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of Profit and Loss (including other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other notes for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and it's profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Attention is invited to the following notes of the accompanying financial statements:

a) Note no. 48 regarding cancellation of coal block allotted to the company in earlier year and adjustments required to be carried out in respect of the claim received so far and carrying value of the property, plant and equipment, capital work in progress, inventory and balance lying under other heads of account for the reasons stated therein; and

b) Note No. 9.1 in respect of company's investment in ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Calcutta and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land had been taken by the said party. The matter has been disputed by the company and is currently pending before DRAT and Hon'ble High Court at Madras.

c) Pending finalization of the matters dealt with in (a) and (b), impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, we have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Key Audit Matters	Addressing the key audit matters
Claims, Litigations and disclosure of contingent liabilities (as described in note 28, 48, 49 and 53(I) of the financial statements)	
The company is exposed to number of significant claims and litigations including taxation and related provisions of relevant laws and regulation and interpretations. This includes income tax refund of Rs. 62,10.24 lakhs carried forward as liabilities as on March 31, 2023 as dealt with in Note no. 28 and contingent liabilities as disclosed in Note no. 53(I). The assessment of the likelihood and quantum of any liability with respect to these matters are matter of judgmental due to the uncertainty. We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amount involved are or can be material to the financial statements.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of provision/ disclosure made include the following: • Understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations. • Understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of tax litigations relating to the relevant laws and regulations and the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigations and contingent liabilities; • Testing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigations and contingent liabilities; • Analysed significant changes/ updates from previous periods and obtained a detailed understanding of such items. Assessed recent judgements passed by the court authorities affecting such change;

Independent Auditors' Report *(Contd.)*

Key Audit Matters	Addressing the key audit matters
	• Discussed the status of significant known actual and potential litigations with the management and noted material information placed before the board for such cases; • Evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; • Reliance has been placed on such legal interpretation and opinion provided on the matter; • Assessment of the adequacy of management's assumptions and estimates related to the recognized provision for disputes and disclosure of contingent liabilities in the financial statements or otherwise references made in the Auditors' Report wherever relevant and appropriate; and • Examined external legal opinions and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.
Verification of Inventory and Valuation thereof (as described in note 13 and 3.8 of the financial statements)	
The total inventory of the Company amounts to Rs. 16,93,72.62 lakhs (as on March 31, 2023) which forms about 21.00% of the total assets of the Company. This includes bulk materials such as coal, coke, iron ore etc., which are susceptible to handling loss, moisture loss/gain, spillage etc. and determination of the same requires estimation based on experience and technical expertise. We determined this to be a matter of significance to our audit due to quantum of the amount and estimation involved.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of determination of year-end inventory and valuation thereof include the following: • The Company deployed an Independent agency for verification of Bulk Materials during which we were present to oversee the process of the verification; • We reviewed the report submitted by external agency and obtained reasons/explanation for variations observed by them with respect to book stock; • The materiality for variations after considering the reasonable allowance for volumetric measurement were duly considered; and • We examined the valuation process/ methodology and checks being performed at multiple levels to ensure that the valuation is consistent as per the policy followed in this respect.

Key Audit Matters	Addressing the key audit matters
Recoverability of Government Grant (as described in note 19.4 of the financial statements)	
The Company has been entitled for various sales tax incentives under industrial promotion scheme issued by the State Government. The company had complied with the condition of the Scheme and incentives were accounted for in the books in earlier years. A sum of Rs. 58,83.07 lakhs are outstanding as on March 31, 2023. Further such incentive for the period from July 01, 2017 to March 31, 2019 for reasons stated in Note no. 53(ii)(a) has not been recognised. We determined this to be a matter of significance to our audit due to quantum of the government grant outstanding, compliance requirement of the scheme and also because of recovery pattern of the same.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of accounting and disclosure include the following: • Evaluating eligibility requirement of the schemes and compliances by the company; • Understanding and testing the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the grant; and • Considering the relevant notification to ascertain the basis for determination, completion of performance obligation and assessing the appropriateness of the government grant and timing of recognition and past receipts of the grants.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the annexures thereto (namely Management Discussion and Analysis, Report on performance and financial position of the subsidiaries and joint ventures, Report on Corporate Governance, Annual Report on CSR Activities, Business Responsibility and Sustainability Report, Conservation of energy, technology absorption, foreign exchange earnings and outgo and remuneration and other specified particulars of employees) but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated

Independent Auditors' Report *(Contd.)*

in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2022 have been taken from the standalone financial statements for the year ended on that date which were audited by the predecessor auditor who expressed a qualified opinion on these financial statements. We have placed reliance on the report dated May 10, 2022 given by the predecessor auditor for the purpose of these standalone financial statement and our report thereupon.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;

    d) Except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

    e) The matter described in the Basis for Qualified Opinion Paragraph, in the event of being decided unfavorable, in our opinion, may have an adverse effect on the functioning of the company;

    f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

    g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above; and

    h) With respect to the adequacy of the internal financial controls with reference to financial statements in place and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to financial statements.

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

    i. Except for the matters dealt with in the Basis for Qualified Opinion paragraph impact whereof are presently not ascertainable, the Company has disclosed the impact of pending litigations (other than those already recognized in the financial statements) on its financial position as required in terms of the Ind AS and provisions of the Companies Act, 2013 – Refer Note no. 53(i) to the financial statements;

    ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note no. 46 to the financial statements;

    iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

    iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

Independent Auditors' Report *(Contd.)*

or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The dividend declared or paid during the year by the company is in compliance with Section 123 of the Companies Act, 2013.

vi. As stated in Note no. 22.8 of the financial statements, the Board of Directors of the company has proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Companies Act, 2013, as applicable.

vii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, In our opinion and according to the information and explanations given to us, the remuneration (including sitting fees) paid by the Company to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

For Lodha & Co,
Chartered Accountants
Firm's ICAI Registration No.:301051E

R. P. Singh
Partner
Membership No. : 52438
UDIN: 23052438BGXSCC8585

Place : Kolkata
Date : May 17, 2023

ANNEXURE "A" TO THE AUDITORS' REPORT TO THE MEMBERS OF ELECTROSTEEL CASTINGS LIMITED

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

i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of Property, Plant and Equipment's and Intangible Assets except in case of furniture and fixture.

b. The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to this program, a comprehensive and detailed verification of Property, plant and Equipment and Capital Work in Progress was carried out for certain locations except for Property, Plant and Equipment located at Parbatpur Coal Block for reasons stated in Note no. 48 by engaging the services of an Independent firm of professional and no such verification has been carried out in this year. As informed, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us and based on the registered sale deed/ transfer deed / conveyance deed / court orders approving schemes of arrangements / amalgamations, confirmation from Security Trustees provided to us and other documents provided to us, we report that, the title deeds, comprising of all the immovable properties of land and building are held in the name of the Company as on the balance sheet date except certain land for which title deeds are yet to be executed as detailed below: (Refer Note no. 5.7 of the financial statements).

(Rs. In Lakhs)

Particulars	Property held since when	Held in the name of	Whether promoter, director or their relative or employee	Gross Block
Freehold Land	2008-2009 to 2014-2015	Various owners having small plots	No	3,35.81
Freehold Land	April 01, 2014	Mahadev Vyapaar Private Limited	No	18,89.04
Freehold Land	October 01, 2020	Srikalahasthi Pipes Limited	No	3,51,50.37
Leasehold Land	October 01, 2020	Srikalahasthi Pipes Limited	No	3,60.15

d. The company is not following revaluation model of accounting and has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets during the year. Accordingly, the reporting under Clause 3 (i)(d) of the Order is not applicable to the Company.

e. As per the information and explanation given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, further reporting under Clause 3 (i)(e) of the Order is not applicable to the Company.

ii) a. As informed, the inventories of the Company except for Finished goods at Khardah and Bansberia Unit, materials in transit, stock lying with third parties and inventories lying at parbatpur coal block for reasons stated in Note no. 48 have been physically verified by the independent firm of professionals along with the management at reasonable intervals during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable, and procedure followed for such verification is appropriate. As the Company's inventory of raw materials comprises mostly of bulk materials such as coal, coke, iron ore, etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. The discrepancies noticed on physical verification between the physical stock and book stock of inventories to the extent verified during the year, were not 10% or more in aggregate for each class of inventory and the same have been properly dealt with in the books of account as per the policy followed in this respect.

b. According to the information and explanation given to us the company has been sanctioned working capital limit in excess of Rupees Five Crores on the basis of securities of Current Assets of the company. On the basis of examination of returns/statements submitted by the Company to the banks in this respect, as provided to us for the purpose, these were in agreement with the unaudited books and records and the financial statements prepared therefrom by the management.

iii) According to the information and explanation given to us and based on the documents examined, the Company has advanced loans to five companies other than subsidiaries and Joint Ventures. Further, the company has also provided financial guarantees to it's subsidiaries against various working capital facilities availed from banks.

a. In our opinion and according to the information and explanation given to us, the company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year apart from the details given below:

(Rs. In Lakhs)

Particulars	Guarantees	Loans
Aggregate amount granted/ provided during the year:		
Subsidiaries	55,87.62	–
Others	–	1,75,00.00

ANNEXURE “A” TO THE AUDITORS' REPORT *(Contd.)*

Particulars	Guarantees	Loans
Balance outstanding as on balance sheet dates in respect of above cases		
Subsidiaries	55,87.62	–
Others	–	1,09,35.00

b. In our opinion and according to the information and explanation given to us, the terms and conditions of the granting of all the loans and guarantees provided during the year are prima facie not prejudicial to the company’s interest.

c. In respect of loans granted during the year, the schedule of repayment of principal and payment of interest has been stipulated and the repayments are regular

d. In respect of loans granted by the company, there is no overdue amount remaining outstanding at the Balance Sheet date.

e. In our opinion, no loans granted by the company that have fallen due during the year, have been renewed or extended or fresh loan granted to settle the over dues of existing loans given to the same parties.

f. In our opinion and according to the information and explanation given to us, the company has not granted any loans which are either repayable on demand or without specifying any terms or period of repayment. Further, company has not granted any advances in the nature of loans. Accordingly, further reporting under Clause 3(iii)(f) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanation provided to us, the company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. Further, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2023 from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder and therefore, the provisions of clause 3(v) of the Order is not applicable to the company.

vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company’s products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees’ State Insurance, Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it. Further, there were no undisputed amounts payable in respect of these statutory dues in arrear as at March 31, 2023 for a period of more than six months from the date they become payable.

b. Details of statutory dues referred to in (a) above which have not been deposited as on March 31, 2023 on account of any dispute are given below:

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the Amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax/ VAT	0.25	2010-2011	Commercial taxes Tribunal, Ranchi
		41,83.69	2007-2009, 2015-2016, 2017-2018	West Bengal Appellate & Revisional Board
		3,03.10	2013-2015	Additional Commissioner, Commercial Taxes, West Bengal
		55.91	2014-2016	Joint Commissioner (Appeal) Sales Tax, Dhanbad Circle, Dhanbad
		13.24	2009-2010	Hon’ble Jharkhand High Court
		1.62	2012-2013	Deputy Commissioner, Sales Tax, Bokaro Circle, Bokaro
		7,93.14	2000-2001, 2003-2005	Sales Tax Appellate Tribunal, Hyderabad
		2,00.98	2011-2012, 2013-2014	Sales tax Appellate Tribunal, Vishakhapatnam
		1,51.60	2000-2001, 2010-2011	High Court of Andhra Pradesh
		2,78.23	2012-2013, 2014-2015	Assistant Commissioner, Chittor
Andhra Pradesh Tax on Entry of Goods into Local Area Act 2001	Entry Tax	2,11.66	2014-2015 to 2017-2018	Appellate Deputy Commissioner, Tirupathi
West Bengal Tax on Entry of Goods into Local Area Act 2001	Entry Tax	84,34.08	2011-2012 to 2017-2018	West Bengal Taxation Tribunal

ANNEXURE "A" TO THE AUDITORS' REPORT *(Contd.)*

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the Amount relates	Forum where dispute is pending
Goods and Service Tax Act 2017	GST	62.24	Transitional credit	Hon'ble High Court of Jharkhand
	GST	18.44	2017-2018	The assistant Commissioner- CGST & CX Khardah Division
	GST	3.43	2019-2020	Adjudicating Authority
Central Excise Act	Excise Duty	11.86	2005-2006	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
	Excise Duty	10.77	2008-2009	Additional director General, Director of revenue Intelligence, New Delhi
	Excise Duty	19,10.34	2002-2003 to 2004-2005, 2005-2007	Commissioner of Goods and Service Tax & Cx Khardah Division Kolkata North Commissionerate
	Excise Duty	54.45	2006-2008	Customs, Excise and Service Tax Appellate Tribunal, Hyderabad
	Service Tax	20.29	2004-2005 to 2007-2008	Hon'ble Madras High Court
	Service Tax	1,18.89	2006-2012	Commissioner of GST & Central Excise, Appeals II, Chennai
	Service Tax	4,70.86	2007-2008 to 2011-2016	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
	Service Tax	3,77.76	2002-2003 to 2006-2007	CGST & CX Kolkata North Commissionerate
	Service Tax	5,78.49	2006-2017	Commissioner of Central Excise, Tirupathi
The Income Tax Act, 1961	Income Tax	6,41.47	2017-2018 and 2018-2019	CIT (Appeals), Income Tax

viii) In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a. In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to financial institutions and banks.

b. According to the information, explanations and representation given to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. In our opinion and on the basis of information and explanations given to us by the management, the term loan taken during the year were applied for the purpose for which the loans were obtained.

d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that fund raised on short term basis have not been utilized for long term purposes.

e. According to the information and explanations given to us and as per the audit procedure performed by us, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. Accordingly, further reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.

f. According to the information and explanations given to us and as per the audit procedure performed by us, we report that the company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, further reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

b. As stated in Note no. 22.7 of the financial statement, in our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 42 and Section 62 to the extent applicable for preferential allotment of Share Warrants to Promoter/ Promoter group and has utilized funds so raised for the purposes for which they were raised. Other than this, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xi. a. During the course of our examination of books of account carried out during the year in accordance with generally accepted auditing practices in India, we have neither come across incidence of any material fraud by or on the company, noticed or reported, nor have we been informed of any such case by the management.

b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and representation received from the management, no report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed with the Central Government. Accordingly, reporting

ANNEXURE "A" TO THE AUDITORS' REPORT *(Contd.)*

under Clause 3(xi)(b) of the Order is not applicable to the Company.

c. As represented to us by the management and as far as ascertained from examination of books of and records in accordance with generally accepted auditing practices in India, there are no whistle blower complaints received by the company during the year. Accordingly, paragraph 3(xi)(c) of the Order is not applicable to the Company.

xii) The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties as disclosed in financial statements are in compliance with Section 177 and 188 of the Act where applicable and details thereof have been disclosed in the Financial statements as required by the applicable accounting standards.

xiv) a. The Internal audit of the Company has been carried out by a firm of Chartered Accountants. The system followed, in our opinion, is generally commensurate with the size and nature of its business.

b. Further, we have considered, during the course of our audit, the reports of the internal auditor for the period under audit, issued to the Company during the year and till the date of our audit, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable to the company.

b. The Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid certificate of registration as required under Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.

c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

d. In our opinion and based on the representation received by us from the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable to the company.

xvii) On the basis of overall examination of the financial statement, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors, Management plans as provided to us and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts and assumptions as represented to us up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due for payment.

xx) In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Lodha & Co,
Chartered Accountants
Firm's ICAI Registration No.:301051E

R. P. Singh
Partner

Place : Kolkata — Membership No. : 52438
Date : May 17, 2023 — UDIN: 23052438BGXSCC8585

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report the Members of Electrosteel Castings Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Electrosteel Castings Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lodha & Co,
Chartered Accountants
Firm's ICAI Registration No.:301051E

R. P. Singh
Partner
Membership No. : 52438
UDIN: 23052438BGXSCC8585

Place : Kolkata
Date : May 17, 2023

Standalone Balance Sheet as at March 31, 2023

(Rs. in lakhs)

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non–current assets			
(a) Property, Plant and Equipment	5	**26,05,14.88**	26,45,43.39
(b) Capital work-in-progress	50	**13,02,37.00**	12,07,69.92
(c) Other Intangible assets	6	**4,63.06**	3,37.40
(d) Right-of-use assets	7	**34,85.27**	38,97.17
(e) Investments in subsidiaries and joint ventures	8	**63,68.05**	63,68.05
(f) Financial Assets			
(i) Investments	9	**65,93.90**	95,06.13
(ii) Other financial assets	10	**55,36.77**	42,56.02
(g) Non-current tax assets (Net)	11	**20,23.18**	14,43.89
(h) Other non-current assets	12	**27,56.25**	9,37.82
		41,79,78.36	41,20,59.79
Current assets			
(a) Inventories	13	**16,93,72.62**	18,41,30.53
(b) Financial Assets			
(i) Investments	14	**95,42.05**	3,61,72.87
(ii) Trade receivables	15	**13,09,53.27**	10,41,88.79
(iii) Cash and cash equivalents	16	**2,00,50.98**	1,52,14.34
(iv) Bank balances other than (iii) above	17	**1,81,52.74**	3,05,04.10
(v) Loans	18	**1,09,35.00**	53,08.00
(vi) Other financial assets	19	**1,97,43.21**	1,87,62.74
(c) Other current assets	20	**1,24,77.35**	1,42,08.33
		39,12,27.22	40,84,89.70
Total Assets		**80,92,05.58**	82,05,49.49
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	21	**59,46.05**	59,46.05
(b) Other Equity	22	**42,10,99.47**	39,27,96.72
		42,70,45.52	39,87,42.77
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	**7,05,67.72**	8,38,19.52
(ii) Lease liabilities	24	**14,86.79**	17,93.76
(b) Provisions	25	**40,04.46**	41,57.19
(c) Deferred tax liabilities (Net)	26	**3,48,00.39**	3,56,32.74
(d) Other non-current liabilities	27	**3,92.60**	34,60.75
(e) Non-current tax liabilities (Net)	28	**62,10.24**	62,15.64
		11,74,62.20	13,50,79.60
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	29	**17,30,23.10**	18,66,97.97
(ii) Lease liabilities	24	**5,10.65**	5,63.58
(iii) Trade payables	30		
(a) Total Outstanding dues of micro and small enterprises: and		**15,95.15**	26,63.11
(b) Total Outstanding dues other than micro and small enterprises		**4,96,22.12**	5,34,90.65
(iv) Other financial liabilities	31	**1,01,22.50**	36,40.71
(b) Other current liabilities	32	**2,83,29.03**	3,78,99.96
(c) Provisions	33	**14,95.31**	14,26.59
(d) Current Tax Liabilities (Net)	34	**–**	3,44.55
		26,46,97.86	28,67,27.12
Total Equity and Liabilities		**80,92,05.58**	82,05,49.49

Significant accounting policies and other accompanying notes (1 to 61) form an integral part of the standalone financial statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
Membership No. A20387

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

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

(Rs. in lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations	35	**69,16,00.46**	50,14,82.77
Other Income	36	**96,52.16**	80,32.93
Total income		**70,12,52.62**	50,95,15.70
EXPENSES			
Cost of materials consumed	37	**39,90,87.45**	27,52,94.38
Purchases of stock-in-trade	38	**–**	22.47
Changes in inventories of finished goods, stock-in-trade and work-in-progress	39	**(26,96.15)**	(2,45,03.06)
Employee benefits expense	40	**3,58,09.78**	3,25,91.17
Finance costs	41	**2,72,24.33**	1,85,26.53
Depreciation and amortisation expense	42	**1,14,01.63**	1,12,57.67
Other expenses	43	**18,71,47.43**	15,44,66.27
Total expenses		**65,79,74.47**	46,76,55.43
Profit before tax		**4,32,78.15**	4,18,60.27
Tax expense :	44		
Current tax		**1,06,33.96**	1,04,00.00
Deferred tax		**(8,32.16)**	(6,43.34)
Related to earlier year		**–**	(4,56.68)
Profit for the year		**3,34,76.35**	3,25,60.29
Other Comprehensive Income	45		
(i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		**(4.13)**	(1,74.28)
b) Equity instruments through other comprehensive income		**(29,12.23)**	53,50.86
(ii) Income tax relating to items that will not be reclassified to profit or loss	44.2	**0.19**	43.88
Other Comprehensive Income for the year (net of tax)		**(29,16.17)**	52,20.46
Total Comprehensive Income for the year (comprising of profit/(loss) and other comprehensive income for the year)		**3,05,60.18**	3,77,80.75
Earnings per equity share of par value of Re. 1 each.	51		
(1) Basic (Rs.)		**5.63**	5.48
(2) Diluted (Rs.)		**5.63**	5.48

Significant accounting policies and other accompanying notes (1 to 61) form an integral part of the standalone financial statements.

As per our report of even date
For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
Membership No. A20387

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

Standalone Statement of changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

As at April 01,2022	Changes in equity share capital during the current year	As at March 31, 2023
59,46.05	–	59,46.05

As at April 01,2021	Changes in equity share capital during the current year	As at March 31, 2022
43,29.55	16,16.50	59,46.05

Note : During the previous year, 161650538 equity shares of Re.1 each has been issued to shareholders of erstwhile Srikalahasthi Pipes Limited on amalgamation of the said company with the company, pursuant to the scheme of amalgamation approved by Hon'ble National Company Law Tribunal, Cuttack Branch vide its order dated December 09, 2021.

B. Other Equity

As at March 31, 2023

(Rs. in lakhs)

Particulars	Reserves & Surplus					Items of other comprehensive income		Money received against share warrants	Total
	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	Equity Instrument through Other Comprehensive Income		
As at April 01, 2022	41,48.28	(4,40,25.80)	10,77,71.07	14,85,07.51	16,96,18.86	(2,26.34)	70,03.14	–	39,27,96.72
Total Comprehensive Income for the year	–	–	–	–	3,34,76.35	(3.09)	(29,13.08)	–	3,05,60.18
Transferred to Retained Earnings	–	–	–	–	(2,29.43)	2,29.43	–	–	–
Received during the year	–	–	–	–	–	–	–	24,99.41	24,99.41
Dividend on Equity shares	–	–	–	–	(47,56.84)	–	–	–	(47,56.84)
Transferred to Retained Earnings on disposal of Equity shares through OCI	–	–	–	–	–	–	–	–	–
As at March 31, 2023	**41,48.28**	**(4,40,25.80)**	**10,77,71.07**	**14,85,07.51**	**19,81,08.94**	**-**	**40,90.06**	**24,99.41**	**42,10,99.47**

Standalone Statement of changes in Equity for the year ended March 31, 2023 (Contd.)

B. Other Equity (Contd.)

As at March 31, 2022

(Rs. in lakhs)

Particulars	Reserves & Surplus					Items of other comprehensive income		Money received against share warrants	Total
	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	Equity Instrument through Other Comprehensive Income		
As at April 01, 2021	41,48.28	(4,40,25.80)	10,77,71.07	14,85,07.51	13,96,17.82	(95.93)	18,19.13	–	35,77,42.08
Total Comprehensive Income for the year	–	–	–	–	3,25,60.29	(1,30.41)	53,50.87	–	3,77,80.75
Transferred to Retained Earnings	–	–	–	–	–	–	–	–	–
Received during the year	–	–	–	–	–	–	–	–	–
Dividend on Equity shares	–	–	–	–	(27,26.11)	–	–	–	(27,26.11)
Transferred to Retained Earnings on disposal of Equity shares through OCI	–	–	–	–	1,66.86	–	(1,66.86)	–	–
As at March 31, 2022	41,48.28	(4,40,25.80)	10,77,71.07	14,85,07.51	16,96,18.86	(2,26.34)	70,03.14	–	39,27,96.72

Refer Note no. 22 for nature and purpose of reserves.

Significant accounting policies and other accompanying notes (1 to 61) form an integral part of the standalone financial statements.

As per our report of even date
For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
Membership No. A20387

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

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

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		**4,32,78.15**		4,18,60.27
Adjustment to reconcile profit before tax to net cash generated from operating activities				
Add : Depreciation and amortisation expenses	**1,14,01.63**		1,12,57.67	
Sundry balances/Advances/ CWIP written off	**27,85.32**		17,88.36	
Credit loss allowance on trade receivables/advances/others	**2,14.47**		2,09.09	
Loss on sale / discard of fixed assets (Net)	**8,30.73**		4,40.53	
Fair Valuation of derivative instruments through Profit and Loss	**9,00.25**		(7,02.31)	
Net gain/(Loss) on fair valuation of Current Investment	**85.56**		(94.54)	
Finance costs	**2,72,24.33**	**4,34,42.29**	1,85,26.53	3,14,25.33
		8,67,20.44		7,32,85.60
Less : Interest income	**49,24.07**		32,02.28	
Dividend income from investments	**32,02.29**		25,65.24	
Deferred Income	**25.64**		25.64	
Provision for obsolescence of Stores & Spares	**53.90**		(2,42.40)	
Net gain on derecognition of financial assets at amortised cost	**25.94**		1.25	
Unrealised Foreign Exchange Fluctuation and translation	**16,90.89**		7,46.95	
Profit on sale of Current Investments	**3,94.46**		1,66.07	
Profit on sale of Non Current Investment	**–**		7,84.52	
Provisions / Liabilities no longer required written back	**7,66.20**	**1,10,83.39**	9,49.32	81,98.87
Operating Profit before Working Capital changes		**7,56,37.05**		6,50,86.73
Movements in working capital				
Less : Increase/(Decrease) in Inventories	**(1,48,11.80)**		8,70,77.34	
Increase/(Decrease) in Trade Receivables	**2,50,71.15**		3,06,08.56	
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	**(27,26.20)**		18,97.43	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	**1,67,80.98**	**2,43,14.13**	(3,28,46.57)	8,67,36.76
Cash generated From Operations		**5,13,22.92**		(2,16,50.03)
Less : Direct Taxes paid (Net)		**1,15,58.02**		1,08,77.79
Net cash flow from Operating Activities (A)		**3,97,64.90**		(3,25,27.82)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment against Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	**(1,80,92.45)**		(1,90,76.37)	
Realisation against Property, Plant and Equipment, Intangible Assets	**3,71.18**		8,93.70	
Purchase of Current Investment	**(35,88,71.17)**		(18,83,73.12)	
Sale of Current Investment	**38,58,10.90**		1,68,121.45	
Sale of Non-Current Investment	**–**		12,01.32	
Inter Corporate Loan given	**(1,75,00.00)**		(2,00,00.00)	
Inter Corporate Loan repaid	**1,18,73.00**		1,64,22.00	
Interest received	**43,94.63**		32,66.53	
Dividend received	**32,02.29**		25,65.24	
Movement in bank balances other than cash and cash equivalents	**95,04.29**	**2,06,92.67**	43,34.28	(3,06,44.97)
Net Cash flow from Investing Activities (B)		**2,06,92.67**		(3,06,44.97)

Standalone Statement of Cash Flow for the year ended March 31, 2023 (Contd.)

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from application towards share warrants	**24,99.41**		–	
Proceeds/(Repayments) from short term borrowings (net)	**(1,03,55.13)**		7,72,18.18	
Repayment of long term borrowings	**(3,19,84.31)**		(3,56,22.57)	
Proceeds from long term borrowings	**1,37,70.81**		4,16,80.00	
Interest and other borrowing cost paid	**(2,42,27.87)**		(1,69,25.13)	
Repayment of Lease Liability	**(5,67.00)**		(5,65.99)	
Dividend paid	**(47,56.84)**	**(5,56,20.93)**	(27,26.11)	6,30,58.38
Net cash flow from Financing Activities (C)		**(5,56,20.93)**		6,30,58.38
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)		**48,36.64**		(1,14.41)
Cash and Cash equivalents at the beginning of the year		**1,52,14.34**		1,53,28.75
Cash and Cash equivalents as at the end of the year (Refer Note no. 16)		**2,00,50.98**		1,52,14.34

Note :

(a) The above Statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.

(b) Ind AS 7 Cash flow statements requires the entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes, opening and closing balances in liabilities arising from financing activities and changes in this respect are as follows :

Particulars	As at March 31, 2022	Inflow/ (outflow) of Cash Flows (net)	Non Cash Changes: Foreign Exchange Movement, Amortised Cost & Other Adjustments	Non Cash Changes: Current / Non Current classification	As at March 31, 2023
Borrowings-Non Current (Refer Note No. 23)	8,38,19.52	10,80.83	17,71.76	(1,61,04.39)	**7,05,67.72**
Borrowings-Current (Refer Note No. 29)	18,66,97.97	(2,96,49.46)	(1,29.80)	1,61,04.39	**17,30,23.10**
Lease Liabilities (Refer Note no. 24)	23,57.34	(5,67.00)	2,07.10	–	**19,97.44**

(c) Components of Cash and Cash Equivalent have been disclosed in note no. 16 of the financial statement.

Significant accounting policies and other accompanying notes (1 to 61) form an integral part of the financial statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
Membership No. A20387

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

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

1. Corporate Information

Electrosteel Castings Limited ('the Company') is a public limited company in India having its corporate office in Kolkata in the State of West Bengal and registered office at Rajgangpur, District: Sundergarh in the State of Odisha and is engaged in the manufacture and supply of Ductile Iron (DI) Pipes, Ductile Iron Fittings (DIF) and Cast Iron (CI) Pipes as its core business. It also produces Pig Iron, Metallurgical Coke, Sponge Iron, Sinter, Cement, Ferro products, Paint and Power mainly for captive consumption. The manufacturing activities of the company are spread over five different locations situated at Khardah, Haldia, Bansberia, Srikalahasthi and Elavur. The company caters to the needs of Water Infrastructure Development.

Hon'ble National Company Law Tribunal, Cuttack Bench (NCLT) vide their order dated December 09, 2021 had sanctioned the scheme of amalgamation ("the scheme") between the Electrosteel Castings Limited ("Company" or "the transferee Company") and Srikalahasthi Pipes Limited ("Transferor Company " or the "SPL") and their respective shareholders and creditors for the amalgamation of SPL with the Company with effect from the appointed date i.e. October 1, 2020. The Company's shares are listed on National Stock Exchange of India Limited and BSE Limited. The Board of Directors have approved the financial statements for the year ended March 31, 2023 on May 17, 2023.

2. Recent Accounting Developments

2.1 Application of new and revised standards:

Effective April 01, 2022, the company has adopted the amendments vide Companies (Indian Accounting Standard) Amendment Rules, 2022 notifying amendment to existing Ind AS. These amendments to the extent relevant to the company's operation were relating to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There were other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are not relevant to the company.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

2.2 Recent accounting pronouncements:

On March 31, 2023, Ministry of Corporate Affairs (MCA) has made certain amendments to existing Ind AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the company's operation include amendment to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates . Further consequential amendments with respect to the concept of material accounting policies have also been made in ", Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There are other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations, Ind AS 109 "Financial Instruments " Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these are not relevant to the company.

Even though the company will evaluate the impact of above, none of these amendments as such are vital in nature and are not likely to have material impact on the financial statements of the company.

3. Statement of compliance and Significant Accounting Policies

3.1 Statement of Compliance

These financial statements, excepting as stated in note no. 48, have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

Companies Act, 2013 ("the Act"). The Company has complied with Ind AS issued, notified and made effective till the date of authorisation of the financial statements.

Accounting Policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis except for –

a) certain financial instruments that are measured in terms of relevant Ind AS at fair value/ amortized cost at the end of each reporting period;

b) certain class of Property, Plant and Equipment which on the date of transition have been fair valued to be considered as deemed costs; and

c) Defined benefit plans - Plan Assets measured at fair value.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

Level 2 : Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.

Level 3 : Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair value. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition i.e. PPE which have been fair valued on transition to be considered as deemed cost and comprises purchase price of assets or its construction cost including duties and taxes (net of input tax credit availed), inward freight and other expenses incidental to acquisition or installation, adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. In addition interest on borrowing to finance the construction of qualifying assets is capitalised as a part of the assets cost until such time the asset is ready for it's intended use. Expenditure on Blast Furnace/Coke Oven Battery Relining is capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Capital Work-in-progress includes project development expenses, equipments to be installed, construction and erection materials etc. Such costs are added to the related items and are classified to the appropriate categories of PPE when completed and ready for intended use.

The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on March 31, 2009 (as amended on December 29, 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at March 31, 2016. Accordingly, exchange differences relating to long term monetary items, in so far as they relate to the acquisition of PPE, were adjusted in the carrying amount of such assets.

Depreciation and Amortization

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method. In the following cases depreciation has been provided on written down value method using the rates arrived at based on the useful life as specified in Schedule II of the Companies Act 2013 :

– Entire PPE at Elavur unit and

– Entire PPE at Khardah, Haldia and Bansberia unit excluding plant and equipment and office equipments.

Certain plant and equipments have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the entire component/ PPE.

Assets costing rupees five thousand or less are being depreciated fully in the year of addition/acquisition.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components.

Railway siding constructed on Government land is amortised over the period of 10 years in terms of agreement.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the useful life as estimated for other assets considered for depreciation are as follows :

Category	Useful life
Buildings	
Non-Factory Building (RCC Frame Structure)	60 Years
Factory Building	30 Years
Roads	
Carpeted Roads-RCC	10 Years
Carpeted Roads-other than RCC	5 Years
Non-Carpeted Roads	3 Years
Plant and machinery	
Other than Continuous Process Plant	15 Years
Sinter Plant, Blast Furnace, Coke Oven	20 Years
Coke Oven Battery Relining	5 Years
Blast Furnace Relining	2 to 6 Years
Pipe Moulds (specified size)	3 to 15 Years
Power Plant	40 Years
Computer equipment	
Servers and networks	6 Years
Others	3 Years

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

Category	Useful life
Furniture and fixtures, Electrical Installation and Laboratory Equipment's	10 Years
Office equipment	5 Years
Vehicles	
Motor cycles, scooters and other mopeds	10 Years
Others	8 Years

Right to use wagons acquired under "Wagon Investment Scheme", cost of computer software packages (ERP and others) and mining rights are allocated / amortized over a period of 10 years, 5 years and available period of mining lease respectively.

Depreciation/ Amortisation methods, useful life and residual values are reviewed and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost of acquisition/ deemed cost on transition date comprising of purchase price inclusive of duties and taxes (net of input tax credit) less accumulated amortization and impairment losses.

Expenditure incurred on research and development are not capitalized but are charged as expense in the statement of profit and loss in the period in which such expenditure is incurred.

3.4 Leases

(i) Company as a lessee

The Company's lease asset classes primarily consist of leases for Land, Buildings and Plant and Equipment. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether :

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

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considered for arriving at ROU and lease liabilities when it is reasonably certain that they will be exercised.

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

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(ii) Company as a lessor

a. Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

b. Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.5 Derecognition of Tangible and Intangible assets

An item of PPE/ ROU/ Intangible Asset is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE/ Intangible Assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.6 Impairment of Tangible/ Intangible and ROU Assets

Tangible/ Intangible and ROU assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years that reflects current market assessments of the time value of money and the risk specific to the asset.

3.7 Financial Instruments

Financial assets and financial liabilities (financial instruments) are recognised when the company becomes a party to the contractual provisions of the instruments. The company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

The company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement :

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

Level 2 : Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.

Level 3 : Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

A. Financial Assets

I. Initial Recognition and measurement

The financial assets include investments, trade receivable, loans and advances, cash and cash equivalents, bank balances other than cash and cash equivalents, derivative financial instruments and other financial assets.

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate in initial recognition. However, trade receivable that do not contain a significant financing component are measured at transaction price.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

II. Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

(i) at amortised cost,

(ii) at fair value through other comprehensive income (FVTOCI), and

(iii) at fair value through profit or loss (FVTPL).

Financial Assets at amortised cost

A 'financial Asset' is measured at the amortised cost if the following two conditions are met:

(i) The asset is held within a business whose objective is to hold these assets in order to collect contractual cash flows and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised Cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial asset give rise to cash flows representing solely payments of principal and interest.

Financial Assets at Fair value through profit or loss (FVTPL)

Financial Assets which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

Equity Instruments

Equity instruments in the Scope of Ind AS 109 are measured at FVTPL except for investments in Subsidiaries and Joint Ventures.

The company makes an election to present changes in fair value through other comprehensive income or through profit or loss on instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

In case the company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. In addition, profit or loss arising on sale is taken to other comprehensive income. The amount accumulated in this respect is transferred within the Equity on derecognition.

III. Derecognition

The company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

B. Financial Liabilities

I. Initial Recognition and measurement

The financial liabilities include trade and other payables, loan and borrowings including book overdraft, derivative financial instruments and other financial liabilities.

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or are deducted from the fair value of the financial liabilities as appropriate in initial recognition.

II. Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified in the following categories:

(i) at amortised cost, and

(ii) at fair value through profit or loss (FVTPL).

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

Financial Liabilities at amortised cost

After initial recognition, financial liabilities are measured at amortized cost using Effective Interest Rate (EIR) method. When the financial liabilities are derecognised, gain or losses are recognised in profit or loss. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

Financial Liabilities at Fair value through profit or loss (FVTPL)

Financial Liabilities which does not meet the criteria of amortised cost are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

III. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

C. Derivative and Hedge Accounting

Initial Recognition and Subsequent measurement

The company enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/ financial liability, at fair value through profit or loss. Transaction costs attributable are also recognized in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Consolidated Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Consolidated Statement of profit and loss.

D. Financial Guarantee Contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

E. Offsetting financial instruments

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

F. Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The company recognises loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

The company recognises lifetime expected credit losses for trade receivables. Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods and process stock represents direct and indirect cost for bringing the inventory to present situation and condition including cost of material plus costs of conversion, comprising of labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete under the Turnkey Contracts undertaken by the Company.

By Products are valued at net realizable value.

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

3.9 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency at the exchanges rate prevailing on the dates of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the reporting date exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction

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

The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on March 31, 2009 (as amended on December 29, 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at March 31, 2016. Accordingly, exchange differences relating to long term monetary items, were in so far as they relate to the acquisition of fixed assets, were adjusted in the carrying amount of such assets.

3.10 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from 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 when there is a present obligation that arises from past events where it is either

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.12 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employee.

Short Term Benefits

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

Other Long Term Employee Benefits

The cost of providing long term employee benefits consisting of leave encashment that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

Post Employment Benefits

The Company operates the following post employment schemes:

— Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

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

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

— Defined Contribution Plan

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

3.13 Operating and Other Income

i. Revenue from Sale of Products

Revenue from contracts with customers is accounted for only when it has commercial substance, and all the following criteria are met:

(i) parties to the contract have approved the contract and are committed to perform their respective obligations;

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;

(iii) consideration in exchange for the goods or service to be transferred is collectible and determinable.

Revenue from contract with customers is recognized on satisfaction of performance obligation, when control over the goods or services has been transferred and/or goods/ services are delivered/ provided to the customer. Delivery occurs when the goods have been shipped or delivered to a specific location, and the customer has either accepted the goods under the contract or the company has sufficient evidence that all the criteria for acceptance have been satisfied.

Revenue is measured at the amount of transaction price (consideration specified with the customers) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of rebates, claims and discounts, returns and value added tax. Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the company are excluded from revenue. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognized for expected returns in relation to sales made corresponding assets are recognized for the products expected to be returned.

The company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

ii. Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

iii. Export Benefits

Export incentives are accounted for in the year of export if the entitlements and realis ability thereof can be estimated with reasonable accuracy and conditions precedent to such benefit is fulfilled.

3.14 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs general or specific are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.15 Non-current assets (or disposal groups) held for sale

Non-current assets held for sale are presented separately in the balance sheet when the following criteria are met:

– the Company is committed to selling the asset;

– the assets are available for sale immediately;

– an active plan of sale has commenced; and

– Sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

Non-current asset classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a Non-current asset classified as held for sale are presented separately from other liabilities in the balance sheet.

3.16 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Operating Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit/(loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Segment Reporting

Operating segments are identified and reported taking into account the in the different risk and return, organisation structure and in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments, financial results, forecasts or plan for the segment and accordingly is identified as the chief operating decision maker.

The Company has identified one reportable segment "Pipes and all other activities revolve around the main business" based on the information reviewed by the CODM.

3.20 Business Combination

Common control business combination where the Company is transferee, is accounted using the pooling of interest method. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised other than those adjustments that are made are to harmonise accounting policies. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statement of the transferor company. The excess between the amounts of consideration paid over the share capital of the transferor company is recognised and disclosed as capital reserve on business combination.

The financial information in the financial statements in respect of prior periods is restated from the beginning of the preceding period in the financial statements if the business combination date is prior to that date. However, if business combination date is after that date, the financial information in the financial statements is restated from the date of business combination.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The notes provide an overview of the areas that involved a high degree of judgement or complexity and of items which are 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 estimates and judgements is included in relevant note together with information about basis of calculation of each affected line item in the financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Depreciation / amortization and impairment on Property, Plant and Equipment / intangible assets/ ROU

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

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

4.2 Impairment on Investments in Subsidiaries and Joint Ventures

The company reviews its carrying value of investments in Subsidiaries and Joint Venture carried at cost/ deemed cost (net of impairment if any) annually or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount the impairment loss is accounted for in the standalone statement of profit and loss.

4.3 Right-of-use assets and lease liability

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account among other thing, the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.4 Claims and Compensation

Claims including insurance claims / arbitration claim are accounted for on determination of certainty of realisation thereof. Compensation receivable against coal mine (refer note no. 48) pending final acceptance or settlement thereof even though has not been given effect to, as amount expected to be realised in this respect has been considered to be covering the carrying amount of the relevant assets and other recoverables.

4.5 Impairment allowances for on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. In case of

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

variation in financial condition the amount of impairment as recognised may vary having a significant impact on the financial statement.

4.6 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Also there are many transactions and assumptions during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

4.7 Defined benefit obligation (DBO)

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. An actuarial valuation critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

5. Property, Plant and Equipment :
As at March 31, 2023

(Rs. in lakhs)

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Live Stock	Total
Gross Block									
As at April 1, 2022	**15,51,13.72**	**2,52,14.03**	**13,66,13.62**	**3,61.99**	**16,35.45**	**11,30.87**	**33,63.20**	**1.11**	**32,34,33.99**
Additions	71.06	3,76.45	71,48.55	24.21	2,27.44	2,24.67	–	–	80,72.38
Disposal/adjustments	(11.24)	–	(21,64.84)	–	(1,67.86)	(3.34)	–	–	(23,47.28)
As at March 31, 2023	**15,51,73.54**	**2,55,90.48**	**14,15,97.33**	**3,86.20**	**16,95.03**	**13,52.20**	**33,63.20**	**1.11**	**32,91,59.09**
Accumulated Depreciation									
As at April 1, 2022	**–**	**96,87.92**	**4,40,21.05**	**2,22.99**	**9,78.73**	**6,34.58**	**33,45.33**	–	**5,88,90.60**
Charge for the period	–	11,50.53	93,78.61	32.94	1,86.17	1,47.28	3.45	–	1,08,98.98
Disposal/adjustments	–	–	(10,00.91)	–	(1,41.53)	(2.93)	–	–	(11,45.37)
As at March 31, 2023	**–**	**1,08,38.45**	**5,23,98.75**	**2,55.93**	**10,23.37**	**7,78.93**	**33,48.78**	–	**6,86,44.21**
Net carrying amount									
As at March 31, 2023	**15,51,73.54**	**1,47,52.03**	**8,91,98.58**	**1,30.27**	**6,71.66**	**5,73.27**	**14.42**	**1.11**	**26,05,14.88**

As at March 31, 2022

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Live stock	Total
Gross Block									
As at April 1, 2021	15,51,13.72	2,38,28.68	11,94,12.52	3,39.14	14,64.78	9,66.26	33,63.20	1.11	30,44,89.41
Additions	–	13,85.35	2,35,11.41	22.88	3,23.81	1,66.89	–	–	2,54,10.34
Disposal/adjustments	–	–	(63,10.31)	(0.03)	(1,53.14)	(2.28)	–	–	(64,65.76)
As at March 31, 2022	15,51,13.72	2,52,14.03	13,66,13.62	3,61.99	16,35.45	11,30.87	33,63.20	1.11	32,34,33.99
Accumulated Depreciation									
As at April 1, 2021	–	85,20.04	4,01,91.15	1,92.20	9,45.78	5,15.22	29,07.97	–	5,32,72.36
Charge for the period	–	11,67.88	88,25.16	30.81	1,67.48	1,21.08	4,37.36	–	1,07,49.77
Disposal/adjustments	–	–	(49,95.26)	(0.02)	(1,34.53)	(1.72)	–	–	(51,31.53)
As at March 31, 2022	–	96,87.92	4,40,21.05	2,22.99	9,78.73	6,34.58	33,45.33	–	5,88,90.60
Net carrying amount									
As at March 31, 2022	15,51,13.72	1,55,26.11	9,25,92.57	1,39.00	6,56.72	4,96.29	17.87	1.11	26,45,43.39

Notes :

5.1 Net Block of Plant and Equipments includes Rs. 4,07.72 lakhs (previous year Rs.4,08.22 lakhs) being contribution for laying the power line, the ownership of which does not vest with the Company.

5.2 Railway Siding represents the cost of construction of the assets for Company's use over the specified period as per the terms of the agreement.

5.3 Freehold land includes Rs.3,35.81 lakhs (previous year Rs.3,35.81 lakhs) pertaining to the Parbatpur Coal Mine in respect of which the execution of conveyance deeds are pending execution (refer note no. 48). Freehold land also includes Rs. 2,75.27 lakhs (previous year Rs. 2,75.27 lakhs) towards contribution in relation of Joint Venture Company "North Dhadhu Mining Company Private Limited". (refer note no. 8.2)

5.4 Freehold land includes Rs. 18,89.04 lakhs (previous year Rs.18,89.04 lakhs), acquired on merger of erstwhile Mahadev Vyapaar Private Limited and Rs.3,51,50.37 lakhs (previous year Rs.3,51,50.37 lakhs) on merger of erstwhile Srikalahasthi Pipes Limited (SPL) where title deeds in favour of the company are in process of being registered.

5.5 Freehold land includes, land amounting to Rs.2,94,93.58 lakhs (previous year Rs.2,94,93.58 lakhs) situated at Elavur plant of the Company which are mortgaged in the favour of lender of ESL Steels Limited, an erstwhile associate of the Company. (Also refer note no. 9.1)

5.6 During the year 1942.56 sq. mtr. of land was acquired by Union of India under the provisions of National Highways Act, 1956 and a compensation amounting to Rs. 16.24 lakhs was determined and received by the company in the month of March 2023. The company being aggrieved of the compensation granted against the same has accepted the amount under protest and filed a petition on April 06, 2023 demanding higher compensation.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

5.7 Title deeds of immovable property not held in the name of the Company are as follows:

As at March 31, 2023 (Rs. in lakhs)

Description of item of Property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter,director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Freehold land	3,35.81	Various owners having small plots (related to Coal mine)	No	Between 2008-09 to 2014-15	Refer note no. 48
Freehold land	18,89.04	Mahadev Vyapaar Pvt. Ltd.	No	01/04/2014	#
Freehold land	3,51,50.37	Srikalahasthi Pipes Limited	No	01/10/2020	#
Leasehold Land	3,60.15	Srikalahasthi Pipes Limited	No	01/10/2020	#

Both the companies were merged with the Company in earlier years. The transfer of the respective lands in the name of the Company is under process.

As at March 31, 2022 (Rs. in lakhs)

Description of item of Property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter,director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Freehold land	3,35.81	Various owners having small plots (related to Coal mine)	No	Between 2008-09 to 2014-15	Refer note no. 48
Freehold land	18,89.04	Mahadev Vyapaar Private Limited	No	01/04/2014	#
Freehold land	3,51,50.37	Srikalahasthi Pipes Limited	No	01/10/2020	#
Leasehold Land	3,60.15	Srikalahasthi Pipes Limited	No	01/10/2020	#

Mahadev Vyapaar Private Limited and Srikalahasthi Pipes Limited were merged with the Company in earlier year. The transfer of the respective lands in the name of the Company is under process.

5.8 The Company doesn't hold any Benami Property and there is no proceedings initiated or pending against the Company for holding any Benami Property under the Benami Transaction (Prohibition) Act, 1988 and rules made there under.

5.9 Refer note no. 23 to financial statements in respect of charge created against borrowings.

5.10 The above includes assets pertaining to Parbatpur Coal Block, consequential adjustment whereof will be given effect to as dealt with in note no. 48 of the financial statement . Also refer note no. 49 in respect of Iron-ore and manganese ore mine.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

6. Other Intangible Assets

As at March 31, 2023 (Rs. in lakhs)

Particulars	**Computer Softwares**	**Mining Rights**	**Right to Use under wagon investment scheme**	**Total**
Gross Block				
As at April 1, 2022	**7,65.58**	**8.13**	**8,65.14**	**16,38.85**
Additions	2,16.41	–	–	2,16.41
Disposal	–	–	–	–
As at March 31, 2023	**9,81.99**	**8.13**	**8,65.14**	**18,55.26**
Accumulated Amortisation				
As at April 1, 2022	**4,28.18**	**8.13**	**8,65.14**	**13,01.45**
Charge for the year	90.75	–	–	90.75
Disposal	–	–	–	–
As at March 31, 2023	**5,18.93**	**8.13**	**8,65.14**	**13,92.20**
Net carrying amount				
As at March 31, 2023	**4,63.06**	**–**	**–**	**4,63.06**

As at March 31, 2022

Particulars	**Computer Softwares**	**Mining Rights**	**Right to Use under wagon investment scheme**	**Total**
Gross Block				
As at April 1, 2021	5,62.95	8.13	8,65.14	14,36.22
Additions	2,02.63	–	–	2,02.63
Disposal	–	–	–	–
As at March 31, 2022	7,65.58	8.13	8,65.14	16,38.85
Accumulated Amortisation				
As at April 1, 2021	3,89.56	8.13	8,65.14	12,62.83
Charge for the year	38.62	–	–	38.62
Disposal	–	–	–	–
As at March 31, 2022	4,28.18	8.13	8,65.14	13,01.45
Net carrying amount				
As at March 31, 2022	3,37.40	–	–	3,37.40

Notes :

6.1.1 Right to use Wagon represents cost incurred in connection with wagon procured under "Wagon investment Scheme" and handed over to railway authorities for their normal operations and ensuring the availability of the wagons to the company on priority for transportation by them as and when required.

6.1.2 The company being deprived of the availability of the wagons as per the “Wagon Investment Scheme” (WIS) had terminated the agreement with South Eastern Railway (SER). Arbitration award pursuant to the claim for compensation for losses/damages has been allowed in favour of the Company. SER objected to the said award and the matter is currently pending before the Hon’ble Calcutta High Court. Pending decision of the Hon’ble Court, Rs. 2,52,85.27 lakhs deposited by SER in respect of the said award has been allowed to be withdrawn by the Company on submission of the Bank Guarantee. Subsequent to the Balance Sheet date, the said amount has been withdrawn and kept in fixed deposit. Pending final decision, no adjustment with respect to ROU Assets as above or claim amount has been given effect to in the financial statement.

6.2 Refer note no 23 to financial statements in respect of charge created against borrowings.

6.3 Refer note no. 48 dealing with coal mine assets.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

7. Right of Use Assets

As at March 31, 2023

(Rs. in lakhs)

Particulars	**Land**	**Building**	**Plant & Equipments**	**Total**
Gross Carrying Amount				
As at April 1, 2022	**20,81.98**	**10,38.46**	**21,59.86**	**52,80.30**
Additions	–	–	–	–
Disposal/ Adjustment	–	–	–	–
As at March 31, 2023	**20,81.98**	**10,38.46**	**21,59.86**	**52,80.30**
Accumulated Depreciation				
As at April 1, 2022	**2,10.43**	**6,54.35**	**5,18.35**	**13,83.13**
Charge for the year	31.28	2,07.85	1,72.77	4,11.90
Disposal/ Adjustment	–	–	–	–
As at March 31, 2023	**2,41.71**	**8,62.20**	**6,91.12**	**17,95.03**
Net carrying amount				
As at March 31, 2023	**18,40.27**	**1,76.26**	**14,68.74**	**34,85.27**

As at March 31, 2022

(Rs. in lakhs)

Particulars	**Land**	**Building**	**Plant & Equipments**	**Total**
Gross Carrying Amount				
As at April 1, 2021	20,81.98	10,50.34	21,59.86	52,92.18
Additions	–	55.72	–	55.72
Disposal/ Adjustment	–	(67.60)	–	(67.60)
As at March 31, 2022	20,81.98	10,38.46	21,59.86	52,80.30
Accumulated Depreciation				
As at April 1, 2021	1,81.44	4,35.48	3,45.58	9,62.50
Charge for the year	31.03	2,18.87	2,19.38	4,69.28
Disposal/ Adjustment	(2.04)	–	(46.61)	(48.65)
As at March 31, 2022	2,10.43	6,54.35	5,18.35	13,83.13
Net carrying amount				
As at March 31, 2022	18,71.55	3,84.11	16,41.51	38,97.17

Note :

7.1 The Company has taken land on leases for lease period ranging from 3 to 90 years. Lease term includes non-cancellable period and expected lease period.

7.2 Refer note no 23 to financial statements in respect of charge created against borrowings.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

8. Investment in Subsidiaries and Joint Ventures

(Fully paid up except otherwise stated) (Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Holding (Nos.)	Amount	Holding (Nos.)	Amount
Investments in Equity Instruments				
Investment measured at Cost/Deemed Cost				
Unquoted				
Subsidiaries				
Electrosteel Europe SA (Face value of Euro 10 each)	**380000**	**23,23.41**	380000	23,23.41
Electrosteel Algeria SPA (Face value of 1637.50 Algerian Dinar each)	**82500**	**9,14.41**	82500	9,14.41
Electrosteel Castings (UK) Ltd. (Face value of GBP 1 each)	**1100000**	**10,59.26**	1100000	10,59.26
Electrosteel USA, LLC	**#**	**14,45.60**	#	14,45.60
Electrosteel Trading S.A.Spain (Face Value of Euro 10 each)	**6500**	**45.10**	6500	45.10
Electrosteel Castings Gulf FZE (Face Value of UAE Dhiram 1000000 each)	**1**	**1,50.60**	1	1,50.60
Electrosteel Brasil LTDA Tubos E Conexoes Duteis (Face Value of BRL 1 each)	**150000**	**45.05**	150000	45.05
Electrosteel Doha for Trading LLC (Face Value of QAR 1000 each)	**98**	**14.84**	98	14.84
Electrosteel Bahrain Holding WLL (Face value of BHD 100 each)	**2500**	**4,14.83**	2500	4,14.83
		64,13.10		64,13.10
Joint Venture				
Domco Private Limited (Face value of Rs 100/- each) (Refer Note no. 8.1)	**30000**	**30.00**	30000	30.00
North Dhadhu Mining Company Private Limited (Face value of Rs.10/- each) (Refer Note no. 8.2)	**8228053**	**8,22.81**	8228053	8,22.81
		8,52.81		8,52.81
Less: Impairment in value of Investments		**(8,97.86)**		(8,97.86)
		63,68.05		63,68.05
Total investment in Subsidiaries and Joint Venture		**63,68.05**		63,68.05
#Towards 100% Capital Contribution				
Aggregate amount of Unquoted Investments		**72,65.91**		72,65.91
Aggregate amount of Impairment in value of Investments		**8,97.86**		8,97.86

8.1 The Company has investment of Rs. 30.00 lakhs (previous year Rs. 30.00 lakhs) in equity shares and given advance of Rs. 7,00.00 lakhs (previous year Rs. 7,00.00 lakhs) against equity to Domco Private Limited (DPL), a Company incorporated in India, and has joint control (proportion of ownership interest of the Company being 50%) over DPL along with other venturers (the Venturers) in terms of the Shareholder's Agreement dated March 27, 2004. The Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) against the Company against operation and mismanagement of the company inter alia on various matters including for forfeiture of the Company's investment in equity shares of the DPL. The matter was later transferred to the Company Law Board, Kolkata Bench and is now being taken up by the National Company Law Tribunal, Kolkata Bench (NCLT). The Company had also inter alia filed an arbitration proceeding under Arbitration & Conciliation Act, 1996 against recovery of the said amount against which the ventures also filed their counter claims on the company. The matter is sub judice before the NCLT.

Pending final outcome of the above matter, the amounts in equity shares and advance have been fully provided for in the financial statements in earlier year. The other venturers are not providing the financial statements of DPL, and thereby necessary disclosures etc. could not be provided in these financial statements.

8.2 (a) The North Dhadhu Coal Block located in the state of Jharkhand was allocated to the Company, Amalgam Steel & Power Limited (ASPL) (formerly known as Adhunik Alloys & Power Limited), Jharkhand Ispat Private Limited (JPL) and Pawanjay Steel & Power Limited (PSPL) (collectively referred to as venturers) for working through North Dhadhu Mining Company Private Limited (NDMCPL), a joint venture company. The Company has joint control (proportion of ownership interest of the Company being 48.98 %) along with other venturers represented by investment of Rs. 8,22.81 lakhs in equity shares of NDMCPL.

(b) In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, The Ministry of Coal, Government of India had issued an order for de-allocation of North Dhadhu Coal Block. The Company has submitted its claim for compensation which is awaiting acceptance. In the view of the management the compensation to be received in terms of ordinance is expected to cover the cost incurred by the Joint venture company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 8,22.81 lakhs in Joint venture has been provided in earlier year.

8.3 Particulars of investments as required in terms of section 186(4) of the Companies Act,2013 have been disclosed under note 8, 9 & 14.

8.4 **Details of Subsidiaries, Associates and Joint Ventures in accordance with Ind AS 112 "Disclosure of interests in other entities":**

Name of the Company	Country of Incorporation	Proportion of ownership interest/voting rights held by the company	
		At at March 31, 2023	At at March 31, 2022
Subsidiary			
Electrosteel Europe SA	France	**100.00%**	100.00%
Electrosteel Algerie SPA	Algeria	**100.00%**	100.00%
Electrosteel Castings (UK) Limited	United Kingdom	**100.00%**	100.00%
Electrosteel USA LLC	United States of America	**100.00%**	100.00%
Electrosteel Trading S.A, Spain	Spain	**100.00%**	100.00%
Electrosteel Castings Gulf FZE	United Arab Emirates	**100.00%**	100.00%
Electrosteel Doha for Trading (LLC)	Qatar	**97.00%**	97.00%
Electrosteel Brasil LTDA. Tubos e Conexoes Duteis	Brazil	**100.00%**	100.00%
Electrosteel Bahrain Holding WLL	Bahrain	**100.00%**	100.00%
Joint Ventures			
North Dhadhu Mining Company Private Limited	India	**48.98%**	48.98%
Domco Private Limited	India	**50.00%**	50.00%

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

9. Non Current Investment

(Fully paid up except otherwise stated) (Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Holding (Nos.)	Amount	Holding (Nos.)	Amount
Investment designated at Fair Value through Other Comprehensive Income				
Quoted				
R.G. Ispat Limited (Face value of Rs.10/- each)*	**50**	**0.00**	50	0.00
		0.00		0.00
Unquoted				
Rainbow Steels Limited (Face value of Rs.10/- each)	**100**	**0.01**	100	0.01
Singardo International Pte Limited (Face value of SGD 1 each)	**25000**	**24.86**	25000	20.92
N Marshall Hi-tech Engineers Private Limited (Face value of Rs.10/- each)	**50000**	**8.64**	50000	8.86
ESL Steel Limited (Face value Rs. 10/-each) (Refer note no. 9.1)	**19796000**	**65,60.39**	19796000	94,76.34
		65,93.90		95,06.13
		65,93.90		95,06.13
Total - Non-Current Investments		**65,93.90**		95,06.13
Aggregate amount of Quoted Investments		**0.00**		0.00
Aggregate amount of Market value of Quoted Investments		**–**		–
Aggregate amount of Unquoted Investments		**65,93.90**		95,06.13
Aggregate amount of Impairment in value of Investments		**–**		–

*figures below rounding off limit

9.1 The Company holds 19796000 equity shares (previous year 19796000 equity shares) of Rs. 10/- each in ESL Steel Limited (ESL) out of which 17334999 equity shares (previous year 17334999 equity share) of Rs. 10/- each amounting to Rs. 57,44.81 lakhs have been pledged with the consortium of lenders of ESL (lenders). The notices issued by the lenders for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the company's plea for release of such pledge is pending before the Hon'ble Court.

Further in the earlier years, certain land amounting to Rs. 2,94,93.58 lakhs (previous year Rs. 2,94,93.58 lakhs) of the company, situated at Elavur, Tamil Naidu, were mortgaged to another lender SREI Infrastructure Finance Limited (SREI) of ESL and SREI had subsequently assigned the right of the said property to an Asset Reconstruction Company (ARC) although the claims of the said lender were fully discharged by the ESL as per the Resolution Plan approved by NCLT, Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land against alleged claim in SARAFESI Notice in an earlier year. The Company had disputed the alleged assignment of the loan by the lender at Hon'ble Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, the Company had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARAFESI actions and release of the title deeds of such land. The DRT vide its order dated April 08, 2022 uploaded on April 27, 2022 had dismissed the application of the Company. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the Company to deposit 50% of the SARAFESI demand i.e. Rs. 2,93,55.04 lakhs (previous year Rs. 2,93,55.04 lakhs) and was of the view that at admission stage it cannot go in to the merits of the case hence, cannot give any relief on the pre-deposit. The Company then has filed revision application at Hon'ble Madras High Court under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution challenging provisions of pre-deposit under SARAFESI Act. The matter is now pending before Hon'ble Madras High Court.

Earlier, the ARC had also filed an application before the National Company Law Tribunal, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) process against the Company which has been decided in the favour of the Company vide NCLT order dated June 24, 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack and the matter is pending before National Company Law Appellate Tribunal (NCLAT), New Delhi.

Pending finalization of the matter, investments and land as dealt herein above, have been carried forward at their book value.

9.2 The Company has made an irrevocable decision to consider investment in equity instruments, other than in Subsidiaries and Joint ventures not held for trading (non current investments) to be recognized at FVTOCI.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

10. Other Financial Assets

(Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Fixed Deposit with Banks (having maturity of more than 1 year from Balance Sheet date)	10.1	**30,03.34**	1,42.64
		30,03.34	1,42.64
Security Deposits	10.3, 29.1, 54	**25,33.43**	41,13.38
		25,33.43	41,13.38
Security Deposits - credit impaired	10.2	**3,17.27**	60.68
Less : Impairment Allowance		**(3,17.27)**	(60.68)
		–	–
		55,36.77	42,56.02

10.1 Fixed Deposits with banks includes Rs. 3.34 lakhs (previous year Rs. 1,42.64 lakhs) which have been pledged with banks/customer against margin/security deposit with them.

10.2 Movement of Impairment Allowance

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		**60.68**	69.18
Recognised during the year	49	**2,60.59**	–
Reversal during the year		**(4.00)**	(8.50)
Balance at the end of the year		**3,17.27**	60.68

10.3 Security deposits includes Rs 7,16.53 lakhs (previous year Rs. 5,02.23 lakhs) with the related parties. It also includes Rs. 80.32 lakhs (previous year Rs. 13,95.31 lakhs) lying with customer in terms of agreement/order towards supplies of goods.

11. Non-Current Tax Assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current Tax Assets (net)	**20,23.18**	14,43.89
	20,23.18	14,43.89

12. Other Non-Current Assets

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Capital Advances		**26,43.33**	7,02.48
Prepaid expenses		**1,07.74**	2,31.12
Others	12.1	**5.18**	4.22
		27,56.25	9,37.82

12.1 Represents loans and advance to employees amounting to Rs. 5.18 lakhs (previous year Rs. 4.22 lakhs).

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

13. Inventories (At lower of cost or Net Realisable Value) (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	**8,95,12.69**	9,83,26.48
Raw materials in transit	**62,18.63**	1,91,10.19
Process stock	**1,85,49.55**	2,11,98.90
Finished goods [including in transit Rs. 43,02.86 lakhs (previous year Rs. 27,53.82 lakhs)]	**3,32,30.20**	2,78,84.70
Stock-in-trade (in respect of goods acquired for trading)	**14.60**	14.60
Stores and spares [net of provision for obsolescence of Rs. 2,23.90 lakhs (previous year Rs.2,42.40 lakhs)]	**2,16,36.65**	1,75,10.90
Stores and spares in transit	**2,10.30**	84.76
	16,93,72.62	18,41,30.53

13.1. Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

14. Current Investment

(Fully paid up except otherwise stated)

Particulars	Face Value (Rs.)	As at March 31, 2023 Holding (Nos.)	As at March 31, 2023 Amount	As at March 31, 2022 Holding (Nos.)	As at March 31, 2022 Amount
At Amortised Cost					
Bonds (Quoted)					
Housing Development Finance Corporation Ltd 5.40 NCD 11AG23	1000000	–	–	300	31,07.84
Housing Development Finance Corporation Ltd Z-001 6 NCD 29MY26	1000000	–	–	400	41,66.04
Bank Of Baroda SR XVII 7.95 BD Perpetual	10000000	–	–	5	5,11.03
Bank Of Baroda SR XVIII 8 BD Perpetual	10000000	–	–	20	20,16.57
State Bank Of India SR I 7.72 BD Perpetual	10000000	–	–	30	30,96.95
State Bank Of India SR II 7.72 BD Perpetual	10000000	–	–	30	30,65.40
State Bank Of India SR III 7.55 BD Perpetual	10000000	–	–	30	30,04.38
LIC Housing Finance Limited TR 400 5.45 LOA 25AG23	1000000	–	–	200	20,69.21
LIC Housing Finance Limited TR 409 6.01 LOA 19MY26	1000000	–	–	300	31,33.13
Housing Development Finance Corporation Ltd Series U-004 9.05 NCD 20NV23	1000000	**50**	**5,03.05**	–	–
ICICI Bank Limited SR-DMR18AT 9.15 BD Perpetual	1000000	**150**	**15,02.85**	–	–
National Bank for Agriculture and Rural Development SR 20K 6.40 LOA 31JL23	1000000	**100**	**9,95.30**	–	–
National Bank for Agriculture and Rural Development SR 21D 5.14 LOA 31JN24	1000000	**200**	**19,60.01**	–	–
REC Limited SR 184 B STRP D 7.55 BD 26SP23	1000000	**50**	**4,99.39**	–	–
State Bank Of India Series 1 9.56 NCD Perpetual	1000000	**150**	**15,11.91**	–	–
State Bank Of India Series I 8.9 BD 02NV28	1000000	**150**	**15,09.33**	–	–
State Bank Of India Series III 9.45 BD Perpetual	1000000	**100**	**10,07.94**	–	–
			94,89.78		2,41,70.55
At Fair Value through Profit and Loss					
Investment in Mutual Funds (unquoted)					
LIC MF Liquid Fund - Direct Plan - Growth	1000	–	–	310394	1,20,02.32
Bank of India Overnight Fund - Regular Plan - Growth (OVRGG)	1000	**4612**	**52.27**	–	–
			52.27		1,20,02.32
Total – Current Investments			**95,42.05**		3,61,72.87
Aggregate amount of Quoted Investments and market value thereof					
– In Bonds			**94,89.78**		2,41,70.55
			94,89.78		2,41,70.55
Aggregate amount of Unquoted Investments					
– In Mutual Funds			**52.27**		1,20,02.32
			52.27		1,20,02.32

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

15. Trade Receivables

(Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Unsecured			
Trade Receivables considered good		**13,10,82.13**	10,43,31.71
Trade Receivables - credit impaired		**–**	3.79
Less: Credit loss allowances on Trade Receivable	15.2	**(1,28.86)**	(1,46.71)
		13,09,53.27	10,41,88.79

15.1 **Ageing of Trade Receivables**

As at March 31, 2023

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payments						
	Not yet due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed Trade Receivable							
(i) Considered Good	11,29,49.26	1,76,65.86	2,02.47	1,17.51	20.92	9.70	13,09,65.72
(ii) Which has significant increase in credit risk	–	–	–	–	–	–	–
(iii) Credit Impaired	–	–	–	–	–	–	–
Disputed Trade Receivable							
(i) Considered Good	–		–	2.49	69.29	44.63	1,16.41
(ii) Which has significant increase in credit risk	–	–	–	–	–	–	–
(iii) Credit Impaired	–	–	–	–	–	–	–
Total	**11,29,49.26**	**1,76,65.86**	**2,02.47**	**1,20.00**	**90.21**	**54.33**	**13,10,82.13**
Less: Credit loss allowances on Trade Receivable	–	–	–	–	74.53	54.33	1,28.86
Total	**11,29,49.26**	**1,76,65.86**	**2,02.47**	**1,20.00**	**15.68**	**–**	**13,09,53.27**

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payments						
	Not yet due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed Trade Receivable							
(i) Considered Good	7,44,66.07	2,91,93.18	1,61.00	3,34.62	43.01	59.95	10,42,57.83
(ii) Which has significant increase in credit risk	–	–	–	–	–	–	–
(iii) Credit Impaired	–	3.79	–	–	–	–	3.79
Disputed Trade Receivable							
(i) Considered Good	–	–	–	69.29	1.40	3.19	73.88
(ii) Which has significant increase in credit risk	–	–	–	–	–	–	–
(iii) Credit Impaired	–	–	–	–	–	–	–
Total	7,44,66.07	2,91,96.97	1,61.00	4,03.91	44.41	63.14	10,43,35.50
Less: Credit loss allowances on Trade Receivable	–	3.72	–	69.29	10.56	63.14	146.71
Total	7,44,66.07	2,91,93.25	1,61.00	3,34.62	33.85	–	10,41,88.79

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

15.2 Movement of Credit loss allowances on Trade Receivable (Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balance at the beginning of the year	**1,46.71**	66.70
Recognised during the year	**1.69**	1,05.98
Reversal during the year	**(19.54)**	(25.97)
Balance at the end of the year	**1,28.86**	1,46.71

15.3 Balances of Trade Receivables including for Turnkey Contracts and retention money are subject to confirmation/reconciliation and adjustments in this respect are carried out as and when amounts thereof, if any are ascertained.

15.4 There are no unbilled receivable as on March 31, 2023 and March 31, 2022.

15.5 There are no debts due by the directors or other officer of the Company or any of them severally or jointly with any other person or debts due by the firm or private companies respectively in which any director is a partner or a director or a member.

15.6 Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

15.7 Refer note no. 54 for balances with related parties.

16. Cash and Cash Equivalents

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balances with banks		
In current and cash credit accounts	**1,95,11.28**	92,06.03
Fixed Deposits with Banks (having original maturity of less than 3 months)	**5,00.00**	60,00.00
Cash on hand	**39.70**	8.31
	2,00,50.98	1,52,14.34

16.1 Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

17. Bank Balances Other than Cash and Cash Equivalents

Particulars	**Ref. note no.**	**As at March 31, 2023**	As at March 31, 2022
Balance with banks			
In Fixed Deposit Escrow account	25.1	**5,36.93**	5,36.93
In dividend accounts		**1,69.14**	1,55.51
Fixed deposits (having original maturity of less than 3 months)		**1,23.89**	–
Fixed deposits with Banks (having original maturity of more than 3 months and less than 12 months)	17.1 & 17.2	**1,73,22.78**	2,98,11.66
		1,81,52.74	3,05,04.10

17.1 Fixed Deposits with banks include fixed deposit of Rs. 47,12.62 lakhs (previous year Rs. 1,59,88.39 lakhs) which have been pledged with banks against banking facility given by them. Further fixed deposits include Rs. 21.35 lakhs (previous year Rs. 42.66 lakhs) lying with customer against deposit for supplies of materials.

17.2 Fixed Deposits with bank include fixed deposit of nil (previous year Rs. 7,41.84 lakhs) lying as per the DSRA in terms of facilities granted by them.

17.3 Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

18. Loans

Particulars	**Ref. note no.**	**As at March 31, 2023**	As at March 31, 2022
Loan Receivables Considered Good - Unsecured			
Inter corporate deposits	18.1	**1,09,35.00**	53,08.00
		1,09,35.00	53,08.00
Loan Receivables - Credit impaired			
Loans and Advances to related party	54	**7,00.00**	7,00.00
		7,00.00	7,00.00
Less: Impairment Allowances	8.1 and 18.2	**7,00.00**	7,00.00
		–	–
		1,09,35.00	53,08.00

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

18.1 Disclosure of Inter Corporate Loans as per Sec 186(4) of the Companies Act 2013 are as follows : (Rs. in lakhs)

Particulars of Loans Given	Rate of Interest	Amount Outstanding as at March 31, 2023	Maximum Amount Outstanding during the year ended March 31, 2023	Amount Outstanding at the year end March 31, 2022	Maximum Amount Outstanding during the year ended March 31, 2022
Sanghai Commercial & Credits Private Limited	7% to 10%	–	3,08.00	3,08.00	1,67,30.00
Tetron Commercial Limited	6% to 8%	67,95.00	70,00.00	20,00.00	20,00.00
Rashmi Properties And Investments Limited	6% to 8%	8,45.00	40,00.00	20,00.00	20,00.00
Nouveau Metal Industries Limited	6% to 8%	9,35.00	15,00.00	10,00.00	10,00.00
Tetron Capital Limited	6% to 8%	18,60.00	40,00.00	–	–
Mindstream Agrico Private Limited	6% to 8%	5,00.00	60,00.00	–	–
Total		**1,09,35.00**	**2,28,08.00**	**53,08.00**	**2,17,30.00**

18.1.1 All the above Inter Corporate Loans have been given for general corporate purposes.

18.2 Movement of Allowances for doubtful advances.

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**7,00.00**	7,00.00
Recognised during the year	**–**	–
Reversal during the year	**–**	–
Balance at the end of the year	**7,00.00**	7,00.00

18.3 Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

19. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Security Deposits			
- Considered Good	19.1	**14,08.05**	1,75.92
- Considered Doubtful		**1,69.52**	1,69.52
- Less: Impairment Allowances	19.3	**(1,69.52)**	(1,69.52)
Interest receivable		**9,97.61**	4,68.17
Claim receivable against coal block	48	**93,16.85**	93,16.85
Excise Duty Claim Receivable	19.2 & 48	**13,05.87**	13,05.87
Derivative Assets at fair value through profit or loss		**–**	7,02.31
Export incentive receivable		**4,38.32**	5,81.02
Incentive/Subsidy/Cess receivable	19.4	**62,19.62**	61,21.83
Insurance claim and other receivable		**56.89**	90.77
		1,97,43.21	1,87,62.74

19.1 Include Rs. 12,84.10 lakhs (previous year Rs. 94.68 lakhs) lying with customer as security deposit in terms of agreement/order towards supplies of goods.

19.2 Excise Duty claim receivable represent the refund claimed in respect of unutilised amount lying in respect of coal mine which has been rejected by the department against which an appeal has been filed before the appellate authority and the management is confident of recovery of the same.

19.3 Movement of Impairment Allowances

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**1,69.52**	6.75
Recognised during the year	**–**	1,62.77
Reversal during the year	**–**	–
Balance at the end of the year	**1,69.52**	1,69.52

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

19.4 (a) Includes Rs. 46,80.58 lakhs (previous year Rs. 46,80.58 lakhs) related to claim under West Bengal Incentive Scheme (WBIS) 2000. In absence of any clarification from the Government of West Bengal regarding disbursal of incentive post implementation of GST, the West Bengal Industrial Development Corporation (WBIDC) the implementing agency is not releasing the fund in this respect. The company has filed a writ petition in Hon'ble High Court of Calcutta against the same and the matter is pending for final decision. The above claim being made in terms of incentive scheme, the amount thereof in view of the management are recoverable.

(b) Includes Rs. 12,02.49 lakhs (previous year Rs. 12,02.49 lakhs) in respect of sales tax subsidy receivable under Andhra Pradesh Industrial Investment Promotion Policy.

19.5 Refer note no.29.1 to Financial Statements in respect of charge created against borrowings.

20. Other Current Assets (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Advances for supply of goods and rendering of services			
- Considered Good		**90,73.64**	80,24.13
- Considered Doubtful	20.1	**29.85**	54.12
- Less: Impairment Allowances		**(29.85)**	(54.12)
Loans and advances to employees		**81.23**	73.10
Balance with Government authorities	20.2	**26,62.51**	57,08.92
Prepaid expenses		**6,59.97**	4,02.18
		1,24,77.35	1,42,08.33

20.1 Movement of Allowances for doubtful advances

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**54.12**	80.14
Recognised during the year	**–**	9.69
Reversal during the year	**(24.27)**	(35.71)
Balance at the end of the year	**29.85**	54.12

20.2 Balance with Government authorities includes a Rs. 2,93.17 lakhs (previous year Rs. 3,05.21 lakhs) as pre deposit against various demand raised being disputed by the company and pending in appeal before various appellate authorities.

20.3. Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

21. Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
Equity shares, Re. 1/- par value		
1030200000 (previous year 1030200000) equity shares	**1,03,02.00**	1,03,02.00
Issued, Subscribed and Paid-up		
Equity shares, Re. 1/- par value		
594605247 (previous year 594605247) equity shares fully paid up	**59,46.05**	59,46.05
	59,46.05	59,46.05

21.1 The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

21.2 During the previous year, 161650538 equity shares of Re.1 each has been issued to shareholders of erstwhile Srikalahasthi Pipes Limited pursuant to the scheme of amalgamation approved by Hon'ble National Company Law Tribunal, Cuttack Brach vide its order dated December 09, 2021.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

21.3 Reconciliation of the number of equity shares outstanding : (No. of shares)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Number of shares at the beginning		**594605247**	432954709
Add: Addition during the year in view of amalgamation	21.2	**–**	161650538
Number of shares at the end		**594605247**	594605247

21.4 Shareholders holding more than 5% equity shares : (No. of Shares)

Name of shareholders	As at March 31, 2023	As at March 31, 2022
G. K. & Sons Private Limited	**50656655**	50656655
Electrocast Sales India Limited	**41135158**	41135158
Murari Investment & Trading Company Limited	**39459399**	39459399
Asha Kejriwal - Trustee of Sreeji Family Benefit Trust / Mayank Kejriwal - Trustee of Sreeji Family Benefit Trust	**35027053**	35027053
Belgrave Investment Fund	**34986251**	34086251
India Opportunities Growth Fund Limited - Pinewood Strategy	**30769285**	30854285
G.K.Investments Limited	**29815483**	29815483

21.5 **Shareholdings of the Promoters in the Company :**

For the year ended March 31, 2023

Sl. No.	Name of the Promoter	Shareholding as on March 31, 2023		Shareholding as on March 31, 2022		Changes during the year
		No of Shares	% of Shares held	No of Shares	% of Shares held	
1	Mayank Kejriwal	6205469	1.04	6205469	1.04	–
2	Uddhav Kejriwal	3757724	0.63	3239540	0.54	0.09
	Total	**9963193**	**1.67**	**9445009**	**1.58**	**0.09**

For the year ended March 31, 2022

Sl. No.	Name of the Promoter	Shareholding as on March 31, 2022		Shareholding as on March 31, 2021		Changes during the year
		No of Shares	% of Shares held	No of Shares	% of Shares held	
1	Mayank Kejriwal	6205469	1.04	2188901	0.51	0.53
2	Uddhav Kejriwal	3239540	0.54	3239540	0.75	(0.21)
	Total	9445009	1.58	5428441	1.26	0.32

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Amount Rs. in lakhs)

22. Other Equity

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Capital Reserve	22.1		
As per last Balance Sheet		**41,48.28**	41,48.28
Capital Reserve on Amalgamation	22.2		
As per last Balance Sheet		**(4,40,25.80)**	(4,40,25.80)
Securities Premium Reserve	22.3		
As per last Balance Sheet		**10,77,71.07**	10,77,71.07
General Reserve	22.4		
As per last Balance Sheet		**14,85,07.51**	14,85,07.51
Retained Earnings	22.5		
As per last Balance Sheet		**16,96,18.86**	13,96,17.82
Profit after tax		**3,34,76.35**	3,25,60.29
Transferred from Other Comprehensive Income		**(2,29.43)**	–
Dividend on Equity shares		**(47,56.84)**	(27,26.11)
Transferred to Retained Earnings on disposal of Equity shares through OCI		**–**	1,66.86
		19,81,08.94	16,96,18.86
Other Comprehensive Income	22.6		
Equity instrument through other comprehensive income			
As per last Balance Sheet		**70,03.14**	18,19.13
Other Comprehensive Income for the year (net of tax)		**(29,13.08)**	53,50.87
Transferred to Retained Earnings		**–**	(1,66.86)
		40,90.06	70,03.14
Re-measurement of defined benefit plans			
As per last Balance Sheet		**(2,26.34)**	(95.93)
Other Comprehensive Income for the year (net of tax)		**(3.09)**	(1,30.41)
Transferred to Retained Earnings		**2,29.43**	–
		–	(2,26.34)
Money received against share warrants	22.7		
As per last Balance Sheet		**–**	–
Received during the year		**24,99.41**	–
		24,99.41	–
		42,10,99.47	39,27,96.72

22.1 **Capital Reserve**

The reserve was created on account of forfeiture of warrants convertible into equity shares.

22.2 **Capital Reserve on Amalgamation**

Capital Reserve on Amalgamation represent the excess of consideration paid i.e. equity shares issued with respect to net assets and reserves acquired consequent to amalgamation of erstwhile Mahadev Vyapaar Private Limited and Srikalahasthi Pipes Limited amounting to (Rs. 14,86.46 lakhs) and (Rs. 4,25,39.34 lakhs) respectively.

22.3 **Securities Premium Reserve**

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

22.4 **General Reserve**

General Reserve is a free reserve which is created by transfer of profit from retained earnings. As the Reserve is created by a transfer from one component to another and is not an item of OCI, item included in General Reserve is not reclassified subsequently to Statement of Profit and Loss.

22.5 **Retained Earnings**

Retained earnings generally represents the accumulated undistributed surplus earnings of the company. This includes Rs. 11,82,84.60 lakhs (previous year Rs. 11,80,62.49 lakhs) represented by changes in carrying amount of Property, Plant and Equipments being measured at fair value as on the date of transition as deemed cost. Further unrealised loss of Rs. 9,84,10.67 lakhs (previous year Rs. 9,84,10.67 lakhs) due to changes in carrying amount of investment has also been adjusted to the retained earning. Thereby Rs. 1,98,73.93 lakhs (previous year Rs. 1,96,51.82 lakhs) being represented by changes in carrying value of assets in terms of provisions of Companies Act 2013 is not available for distribution. This includes other comprehensive income of (Rs. 2,29.43 lakhs) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to statement of profit and loss.

22.6 **Other Comprehensive Income**

Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:

i) **Items that will not be reclassified to Profit and Loss**

a. The company has elected to recognise changes in the fair value of non-current investments (other than in subsidiaries, associates and joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on equity instruments being measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

b. This also includes actuarial gains and losses arising on defined benefit obligations recognised in OCI which is transferred to retained earning as stated in note no. 22.5.

ii) **Items that will be reclassified to profit and loss.**

a. This reserve represents the cumulative effective portion of changes in fair value of currency swap that are designated as cash flow hedge are recognised in OCI. This is reclassified to statement of Profit and Loss.

22.7 The company has allotted 23579344 warrants convertible into or exchangeable for 1 (one) fully paid-up equity shares of the company having face value of Re. 1 each at the issue price of Rs. 42.41 each payable in cash ('warrant issue price') on preferential basis to Promoter/ Promoter group on December 27, 2022 as approved by the Shareholders vide their postal ballot resolution dated December 23, 2022. The said allotment has been done upon receipt of Rs. 10.60 for each warrants aggregating to Rs. 24,99.41 lakhs included under other equity being the amount equivalent to 25% of the warrant issue price as upfront contribution received by the company in this respect entitling the warrant holders to apply for and get allotted one equity shares of the company against each warrant held in one or more tranche within a maximum period of eighteen months from the date of allotment on payment of balance amount of Rs. 31.81 each which is equivalent to 75% of the warrant issue price.

22.8 The Board of Directors at its meeting held on May 17, 2023 recommended a final dividend of Re. 0.90 per equity share to be paid on fully paid up equity shares amounting to Rs. 53,51.45 lakhs for the financial year ended March 31, 2023. The above is subject to approval of the shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statement.

23. Borrowings

Particulars	Ref. note no.	**As at March 31, 2023**		As at March 31, 2022	
		Non Current	**Current**	Non Current	Current
SECURED BORROWINGS					
Term loan					
– From banks	23.1.1 - 23.1.18	**5,55,30.55**	**1,48,40.39**	7,44,30.32	1,74,44.33
– From financial institution	23.2.1 - 23.2.4	**1,50,37.17**	**12,64.00**	93,89.20	18,50.00
		7,05,67.72	**1,61,04.39**	8,38,19.52	1,92,94.33

23.1.1 Rupee Term Loan of Rs. 1,10,00.00 lakhs from a bank was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi Unit and Freehold Land at Haldia. The said Loan has been fully repaid during the year.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

23.1.2 Rupee Term Loan of Rs. 50,00.00 lakhs from a bank was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi Unit and Freehold Land at Haldia. The said loan has been fully repaid during the year.

23.1.3 Rupee Term Loan of Rs. 1,50,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi Unit and Freehold Land at Haldia . The outstanding as on March 31, 2023 is Rs. 50,47.93 lakhs (previous year Rs. 1,02,34.39 lakhs). The balance loan is repayable in 7 equal quarterly installments starting from June 2024.

23.1.4 Rupee Term Loan of Rs. 50,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 33,12.65 lakhs (previous year Rs. 40,30.87 lakhs). The balance loan is repayable in 14 structured quarterly installments starting from April 2023 .

23.1.5 Rupee Term Loan of Rs. 4,00,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 60,03.54 lakhs (previous year Rs. 64,39.18 lakhs). The balance loan is repayable in 26 structured quarterly installments starting from June 2023.

23.1.6 Rupee Term Loan of Rs. 60,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 51,00.92 lakhs (previous year Rs. 53,05.32 lakhs). The balance loan is repayable in 43 structured monthly installments starting from April 2023.

23.1.7 Rupee Term Loan of Rs. 75,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia . The outstanding as on March 31, 2023 is Rs. 64,15.87 lakhs (previous year Rs. 70,10.16 lakhs). The balance loan is repayable in 15 structured quarterly installments starting from June 2023.

23.1.8 Rupee Term Loan of Rs. 50,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 36,43.80 lakhs (previous year Rs. 48,19.22 lakhs). The balance loan is repayable in 12 equal quarterly installments starting from May 2023.

23.1.9 Rupee Term Loan of Rs. 11,00.00 lakhs from a bank was secured by way of first pari passu charge over Current Assets of the company. This said loan has been fully repaid during the year.

23.1.10 Rupee Term Loan of Rs.75,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 33,60.83 lakhs (previous year Rs.55,68.10 lakhs). The balance loan is repayable in 9 equal quarterly installments starting from June 2024.

23.1.11 Rupee Term Loan of Rs.60,00.00 lakhs from a Bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 53,96.38 lakhs (previous year Rs. 59,94.85 lakhs). The balance loan is repayable in 18 equal quarterly installments starting from June 2023.

23.1.12 Rupee Term Loan of Rs.75,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 52,12.28 lakhs (previous year Rs.72,19.89 lakhs). The balance loan is repayable in 11 structured quarterly installments starting from May 2024.

23.1.13 Rupee Term Loan of Rs. 75,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Company located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs. 22,47.00 lakhs (previous year Rs. 29,92.00 lakhs). The balance loan is repayable in 6 equal quarterly installments starting from June 2023.

23.1.14 Rupee Term Loan of Rs. 1,00,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Company located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs.29,89.00 lakhs (previous year Rs. 49,71.00 lakhs). The balance loan is repayable in 6 equal quarterly installments starting from June 2023.

23.1.15 Rupee Term Loan of Rs. 1,45,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Company located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs. 18,61.68 lakhs (previous year Rs. 24,82.02 lakhs). The balance loan is repayable in 12 structured quarterly installments starting from May 2023.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

23.1.16 Rupee Term Loan of Rs. 2,00,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs.1,77,08.25 lakhs (previous year Rs. 1,93,98.91 lakhs). The balance loan is repayable in 20 structured quarterly installments starting from April 2023.

23.1.17 Rupee Term Loan of Rs. 15,00.00 lakhs from a bank was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Company located at Srikalahasthi unit. The said loan has been fully repaid during the year.

23.1.18 Rupee Term Loan of Rs. 120,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Company located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs. 20,70.81 lakhs (previous year nil). The balance loan is repayable in 20 equal quarterly installments starting from June 2024.

23.2.1 Rupee Term Loan of Rs.50,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia . The outstanding as on March 31, 2023 is Rs.49,79.98 lakhs (previous year nil). The balance loan is repayable in 12 equal quarterly instalments starting from September 2024.

23.2.2 Rupee Term Loan of Rs.1,00,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 56,37.19 lakhs (previous year Rs. 87,50.02 lakhs). The balance loan is repayable in 13 equal quarterly instalments starting from June 2024.

23.2.3 Rupee Term Loan of Rs. 25,00.00 lakhs from a financial institution was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The said loan has been fully repaid during the year.

23.2.4 Rupee Term Loan of Rs. 60,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs.56,84.00 lakhs (previous year nil). The balance loan is repayable in 18 equal quarterly instalments starting from May 2023.

23.3 The interest rate for the above loans ranges from 5.75% to 10.30%. p.a.

23.4 The outstanding balances disclosed in note 23.1 to 23.2 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

23.5 There are no registration/satisfaction of charges pending with Registrar of Companies beyond the statutory period as on the Balance Sheet date.

24. Lease Liabilities (Rs. in lakhs

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Non-Current	7 , 24.1 & 43.3	**14,86.79**	17,93.76
Current	7 , 24.1 & 43.3	**5,10.65**	5,63.58
		19,97.44	23,57.34

24.1 Lease liability represents present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

25. Provisions (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	47	**34,44.48**	35,97.21
Provision for mine closure and restoration charges	25.1	**5,59.98**	5,59.98
		40,04.46	41,57.19

25.1 Provision for Mines closure and restoration charges had been made in terms of statutory obligations specified for the purpose and Rs. 3,67.58 lakhs (value as on March 31, 2023 Rs. 8,62.57 lakhs) deposited in the Escrow account in terms of the stipulation made by Ministry of Coal, for Mines closure Plan. In view of cancellation of allotment of coal mines no further provision and accrual of income on fixed deposit lying in Escrow account has been considered necessary. (Refer note no. 17 and 48).

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

25.2 Movement in Mine closure and Restoration Obligation provision:

Particulars	(Rs. in lakhs)
As at April 01, 2021	5,59.98
Provision during the year	–
As at March 31, 2022	5,59.98
Provision during the year	–
As at March 31, 2023	**5,59.98**

Particulars	As at March 31, 2023	As at March 31, 2022
Current	**–**	–
Non current	**5,59.98**	5,59.98

26. Deferred Tax Liabilities (Net)

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet: (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax Assets	**(43,12.18)**	(44,05.08)
Deferred tax Liabilities	**3,91,12.57**	4,00,37.82
Net Deferred Tax (Assets)/Liabilities	**3,48,00.39**	3,56,32.74

26.1 **Components of Deferred tax (Assets)/ Liabilities**

As at March 31, 2023

Particulars	As at April 1, 2022	Charge/ (Credit) recognised in Profit or Loss (Earlier Years)	Charge/ (Credit) recognised in Profit or Loss	Charge/ (Credit) recognised in Other Comprehensive Income	As at March 31, 2023
Deferred Tax Assets:					
Fair valuation of Financial Assets	(4,64.07)	–	(60.11)	–	**(5,24.18)**
Merger expenses allowable u/s 35DD of the Income Tax Act,1961	(76.31)	–	(45.59)	–	**(1,21.90)**
Provision for Other Items u/s 43B of Income Tax Act, 1961	(26,60.97)	–	(17.39)	–	**(26,78.36)**
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(5,37.80)	–	(2,61.76)	–	**(7,99.56)**
Unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(1,20.55)	–	7.20	–	**(1,13.35)**
Fair valuation of Current Investments	(45.67)	–	45.80	–	**0.13**
Derivative instruments designated at fair value through P&L	(34.04)	–	(0.12)	–	**(34.16)**
Remeasurement of defined benefit obligations through OCI	(4,59.62)	–	4,19.86	(1.04)	**(40.80)**
Share issue expenses u/s 35D	(6.05)	–	6.05	–	**–**
Total Deferred Tax Assets	(44,05.08)	–	93.94	(1.04)	**(43,12.18)**
Deferred Tax Liabilities:					
Fair valuation of Financial Liabilities	8,78.53	–	(4,46.01)	–	**4,32.52**
Temporary difference with respect to Property, Plant & Equipment, Intangibles & ROU Assets	3,91,54.56	–	(4,79.35)	–	**3,86,75.21**
Investments designated at fair value through OCI	4.73	–	(0.74)	0.85	**4.84**
Total Deferred Tax Liabilities	4,00,37.82	–	(9,26.10)	0.85	**3,91,12.57**
NET DEFERRED TAX (ASSETS)/ LIABILITIES	3,56,32.74	–	(8,32.16)	(0.19)	**3,48,00.39**

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

As at March 31, 2022 (Rs. in lakhs)

Particulars	As at April 1, 2021	Charge/ (Credit) recognised in Profit or Loss (Earlier Years)	Charge/ (Credit) recognised in Profit or Loss	Charge/ (Credit) recognised in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Assets:					
Fair valuation of Financial Assets	(4,53.65)	–	(10.42)	–	(4,64.07)
Merger expenses allowable u/s 35DD of the Income Tax Act,1961	(85.91)	–	9.60	–	(76.31)
Provision for Other Items u/s 43B of Income Tax Act, 1961	(27,61.11)	–	1,00.14	–	(26,60.97)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(5,22.54)	–	(15.26)	–	(5,37.80)
Unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(1,89.68)	–	69.13	–	(1,20.55)
Fair valuation of Current Investments	–	–	(45.67)	–	(45.67)
Derivative instruments designated at fair value through P&L	8.54	–	(42.58)	–	(34.04)
Remeasurement of defined benefit obligations through OCI	(391.70)	–	(24.05)	(43.87)	(4,59.62)
Share issue expenses u/s 35D	(34.20)	–	28.15	–	(6.05)
Total Deferred Tax Assets	(44,30.25)	–	69.04	(43.87)	(44,05.08)
Deferred Tax Liabilities:					
Fair valuation of Financial Liabilities	12,67.73	–	(3,89.20)	–	8,78.53
Temporary difference with respect to Property, Plant & Equipment, Intangibles & ROU Assets	3,99,56.09	(4,92.86)	(3,08.67)	–	3,91,54.56
Investments designated at fair value through OCI	19.25	–	(14.51)	(0.01)	4.73
Total Deferred Tax Liabilities	4,12,43.07	(4,92.86)	(7,12.38)	(0.01)	4,00,37.82
NET DEFERRED TAX (ASSETS)/ LIABILITIES	3,68,12.82	(4,92.86)	(6,43.34)	(43.88)	3,56,32.74

26.2 The expiry date for long term capital loss recognised are as follows: (Rs. in lakhs)

Particulars	**Year of Expiry**	**As at March 31, 2023**
Long Term Capital Loss	AY 2025-26	4,41.77
Long Term Capital Loss	AY 2026-27	0.12
Long Term Capital Loss	AY 2028-29	85.00

26.3 The expiry date for long term capital loss unrecognised are as follows: (Rs. in lakhs)

Particulars	**Year of Expiry**	**As at March 31, 2023**
Long Term Capital Loss	AY 2030-31	2,19,37.94

27. Other Non-Current Liabilities

(Rs. in lakhs)

Particulars	**Ref. note no.**	**As at March 31, 2023**	**As at March 31, 2022**
Contract Liability	27.1	**1.71**	30,31.97
Deferred Income	27.2	**3,20.52**	3,46.16
Others	27.3	**70.37**	82.62
		3,92.60	34,60.75

27.1 Contract liability includes nil (previous year Rs. 30,12.25 lakhs) received as interest bearing advance for sale of DI Pipes, Fittings and related accessories which has been classified and disclosed as aforesaid as per terms of the contract.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

27.2 Deferred Income Comprises of Government Grants/Assistance in form of: (Rs. in lakhs)

Particulars	Opening as on April 01, 2022 (including Current portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing as on March 31, 2023 (including Current portion
Financial Assistance under Industrial Infrastructure Development Fund (IIDF) towards Capital expenditure incurred for manufacturing DI Pipes as specified in Industrial Investment Promotion Policy 2005-2010 and 2010-2015.	3,71.80	–	25.64	**3,46.16**

27.3 Represents the amount lying against Own Your Car scheme (OYC).

28. Non Current Tax Liabilities (Net) (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Provision for taxation (net of advance tax)	28.1	**62,10.24**	62,15.64
		62,10.24	62,15.64

28.1 Includes Rs. 16,40.53 lakhs (net) [previous year Rs. 16,40.53 lakhs (net)] being interest received pertaining to Assessment Years 2003-04 to 2015-16, kept pending for decision of Hon'ble High Court at Calcutta in respect of the appeal filed by the Income Tax Department against the orders of the Income Tax Appellate Tribunal, Kolkata.

29. Borrowings (Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Current Maturities of Long Term Debt-Secured	23	**1,61,04.39**	1,92,94.33
SECURED			
Repayable on demand from banks	29.1		
– Indian Currency		**3,38,00.00**	7,02,62.79
– Foreign Currency		**50,34.62**	1,11,12.75
– Suppliers/Buyer's Credit		**5,69,08.78**	7,15,62.96
		9,57,43.40	15,29,38.50
UNSECURED			
Repayable on demand from banks			
– Bill discounted with banks		**3,79,16.20**	1,44,65.14
– Indian Currency		**1,50,00.00**	–
– Suppliers/Buyer's Credit		**72,59.11**	–
		6,01,75.31	1,44,65.14
From Body Corporates		**10,00.00**	–
		6,11,75.31	1,44,65.14
		17,30,23.10	18,66,97.97

29.1 Working Capital facilities from Banks (both fund based and non fund based) are secured by first pari passu charge by way of hypothecation of current assets namely raw materials, finished goods, work in progress, consumable stores and spares, book debts/receivables and all other moveable assets of the company both present and future.

29.2 There are no registration/satisfaction of charges pending with Registrar of Companies beyond the statutory period as on the Balance Sheet date.

29.3 The quarterly returns or statement of current assets filed by the Company with banks or financial institutions are in agreement with the unaudited books of accounts. The return or statement for quarter ended March 2023 are yet to be filed.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

30. Trade Payables (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Payable for Goods and Services			
Total Outstanding dues of micro and small enterprises	30.2	**15,95.15**	26,63.11
Total Outstanding dues of creditors other than micro and small enterprises	30.3	**4,96,22.12**	5,34,90.65
		5,12,17.27	5,61,53.76

30.1 **Ageing of Trade Payables**

As at March 31, 2023

Particulars	Outstanding for following period from due date of payment					
	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) MSME	**10,74.78**	**5,14.83**	**5.54**	**–**	**–**	**15,95.15**
(ii) Others	**2,42,34.85**	**2,16,26.83**	**7,84.74**	**9,39.36**	**19,92.89**	**4,95,78.67**
(iii) Disputed due - MSMEs	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed due - Others	**–**	**–**	**–**	**–**	**43.45**	**43.45**

As at March 31, 2022

Particulars	Outstanding for following period from due date of payment					
	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) MSME	21,45.61	5,06.42	0.29	0.32	10.47	26,63.11
(ii) Others	1,57,39.30	3,32,86.97	11,10.52	5,19.38	18,48.73	5,25,04.90
(iii) Disputed due - MSMEs	–	–	–	–	–	–
(iv) Disputed due - Others	–	8,48.52	–	–	1,37.23	9,85.75

30.2 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information received by the company from the suppliers regarding the status under the Act.

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Principal and Interest amount remaining unpaid but not due as at year end	**15,95.15**	26,63.11
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	**Nil**	Nil
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	**Nil**	Nil
d) Interest accrued and remaining unpaid as at year end	**2.84**	8.65
e) 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	**Nil**	Nil

30.2.1 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

30.3 Including acceptances of Rs. 1,10,19.94 lakhs (previous year Rs. 20,57.09 lakhs) against non fund based facilities secured as stated in note no. 29.1.

30.4 There are no unbilled dues as on March 31, 2023 and March 31, 2022.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

31. Other Financial Liabilities (Rs. in lakhs)

Particulars	**Ref. note no.**	**As at March 31, 2023**	As at March 31, 2022
Interest accrued but not due on borrowings	23	**15,58.48**	4,13.73
Unclaimed dividends	31.1	**1,69.14**	1,55.51
Derivatives at fair value through profit & loss		**9,00.25**	–
Other Payables			
Employee Payable		**28,12.84**	25,12.70
Capital vendors		**46,06.21**	3,88.34
Others - NPS, LIC, Superannuation etc.		**75.58**	1,70.43
		1,01,22.50	36,40.71

31.1 The same is not due for deposit to Investor Education and Protection Fund at the Balance Sheet date.

32. Other Current Liabilities (Rs. in lakhs)

Particulars	**Ref. note no.**	**As at March 31, 2023**	As at March 31, 2022
Contract Liability	32.1 & 54	**1,36,47.55**	2,62,80.32
Statutory Payables		**1,43,54.68**	1,13,05.07
Deferred Income	27.2	**25.64**	25.64
Others- ED on Power, OYC etc.	32.2	**3,01.16**	2,88.93
		2,83,29.03	3,78,99.96

32.1 Contract liability includes nil (previous year Rs. 8,99.32 lakhs) received as interest bearing advance against sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

32.2 Other includes Electricity Duty (ED) on Power Rs.2,64.07 lakhs (previous year Rs. 2,64.07 lakhs).

33. Provisions (Rs. in lakhs)

Particulars	**Ref. note no.**	**As at March 31, 2023**	As at March 31, 2022
Provision for employee benefits	47	**14,95.31**	14,26.59
		14,95.31	14,26.59

34. Current tax liabilities (Net) (Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Current tax liabilities (Net)	**–**	3,44.55
	–	3,44.55

35. Revenue from Operations (Rs. in lakhs)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Sale of products	**68,86,95.59**	49,98,64.43
Other operating revenues		
Incentive / Subsidy	**23,41.34**	15,34.05
Others	**5,63.53**	84.29
	69,16,00.46	50,14,82.77

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

35.1 **Disclosures as per Ind AS 115** (Rs. in lakhs)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(i) Revenue from contracts with customers disaggregated based on type of Revenue Stream		
A. Revenue from Sale of products (Transferred at point in time)		
Manufacturing		
Ductile Iron pipes	**52,45,08.77**	35,24,30.89
Ferro Products	**2,79,27.06**	3,01,54.65
Ductile Iron fittings	**3,18,31.98**	2,46,22.62
Cast Iron pipes	**1,88,14.95**	1,16,49.35
Cement	**4,40.96**	19,67.42
Others	**8,51,71.87**	7,90,10.12
Trading		
Ductile Iron pipes	**–**	5.01
Ductile Iron Fittings	**–**	24.37
	68,86,95.59	49,98,64.43
B. Revenue from contracts with customers disaggregated based on Geographical Region		
Within India	**53,82,91.85**	38,30,67.05
Outside India	**15,04,03.74**	11,67,97.38
	68,86,95.59	49,98,64.43
C. Revenue from contracts with customers disaggregated based on type of customer		
Government	**4,38,65.99**	2,95,09.83
Non Government	**64,48,29.60**	47,03,54.60
	68,86,95.59	49,98,64.43
(ii) Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	**68,86,73.41**	49,98,55.28
Adjustments made to contract price on account of:		
a) Price Adjustments	**22.18**	9.15
	68,86,95.59	49,98,64.43

(iii) The amounts receivable from customers become due after the expiry of credit period which on an average is ranging between 90 to 270 days.

(iv) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

36. Other Income (Rs. in lakhs)

Particulars	**Ref. note no.**	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Interest Income			
On Current Investments		**2,66.31**	–
On loans, deposits, overdue debts etc.		**45,11.29**	31,16.55
On Financial Assets measured at amortised cost		**1,32.39**	77.14
On Income Tax		**14.08**	8.59
Dividend income			
Non current investments		**32,02.29**	25,65.24
Net gain/(loss) on sale / redemption of Non Current investments (net)		**–**	7,84.52
Net gain/(loss) on sale / redemption of Current investments (net)		**3,94.46**	1,66.07
Net gain/(loss) on fair valuation of Current investments through profit and loss (net)		**–**	94.54
Net gain/(loss) on derecognition of financial assets at amortised cost		**25.94**	1.25
Liability / Provision no longer required written back		**7,66.20**	9,49.32
Miscellaneous income	36.1	**3,39.20**	2,69.71
		96,52.16	80,32.93

36.1 Miscellaneous income includes Government Grants of Rs. 25.64 lakhs (previous year Rs. 25.64 lakhs) as detailed in note no. 27.2

37. Cost of materials consumed (Rs. in lakhs)

Particulars	**Ref. note no.**	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Raw materials consumed	37.1	**39,90,87.45**	27,52,94.38
		39,90,87.45	27,52,94.38

37.1 Cost of material consumed includes nil (previous year Rs. 9,87.39 lakhs) in relation to cost of goods sold as raw materials.

38. Purchases of Stock In Trade (Rs. in lakhs)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
DI Fittings	**–**	22.47
	–	22.47

39. Changes in inventories of Finished goods, Stock-in-Trade and Work-in-progress (Rs. in lakhs)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Opening stock		
Finished goods	**2,78,84.70**	1,31,39.22
Stock-in-trade (in respect of goods acquired for trading)	**14.60**	14.69
Process stock	**2,11,98.90**	1,14,41.23
	4,90,98.20	2,45,95.14
Less: Closing Stock		
Finished goods	**3,32,30.20**	2,78,84.70
Stock-in-trade (in respect of goods acquired for trading)	**14.60**	14.60
Process stock	**1,85,49.55**	2,11,98.90
	5,17,94.35	4,90,98.20
	(26,96.15)	(2,45,03.06)

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

40. Employee Benefits Expense (Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	47	**3,20,88.10**	2,91,72.56
Contribution to provident and other funds	47	**16,98.11**	15,80.96
Staff welfare expenses		**20,23.57**	18,37.65
		3,58,09.78	3,25,91.17

41. Finance Costs (Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		**2,20,67.39**	1,55,48.34
Applicable (gain)/loss on foreign currency transactions and translation		**34,11.04**	16,61.70
Interest on Income tax		**–**	3,09.38
Other borrowing cost	41.2 & 43.3	**18,89.27**	13,67.83
Less: Transferred to Capital Work in Progress (CWIP)	41.1	**(1,43.37)**	(3,60.72)
		2,72,24.33	1,85,26.53

41.1 The company has capitalised general funds borrowed for the purpose of obtaining a qualifying asset by applying a capitalisation rate of 8% to 10% on the said assets as required in terms of Ind AS 23 "Borrowing Costs".

41.2 Other borrowing cost includes Rs. 2,07.10 lakh (previous year Rs. 2,12.17 lakh) towards lease obligation of Right of Use Assets.

42. Depreciation and Amortisation Expenses (Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Tangible and ROU Assets	5 & 7	**1,13,10.88**	1,12,19.05
Amortisation of Intangible Assets	6	**90.75**	38.62
		1,14,01.63	1,12,57.67

43. Other Expenses (Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spare parts		**4,91,92.82**	3,96,72.67
Power and fuel		**3,30,32.54**	2,96,56.78
Material Handling Charges		**85,10.87**	45,26.32
Rent	43.3	**5,57.72**	4,15.66
Repairs to buildings		**13,84.35**	7,30.98
Repairs to machinery		**39,06.21**	28,20.30
Insurance		**14,17.85**	11,15.73
Rates and taxes		**11,32.37**	7,25.60
Service Charges		**1,02,81.58**	93,50.21
Directors fees and commission		**1,16.10**	2,69.20
Freight & forwarding charges / Inspection Charges		**5,62,83.99**	4,41,16.99
Commission to selling agents		**53,32.15**	43,46.67
Loss on sale of fixed assets (net)		**8,30.73**	4,40.53
Net loss/(gain) on foreign currency transaction and translation		**(26,84.49)**	2,91.24
Net loss/(gain) on fair valuation of Derivative Instruments through Profit and Loss		**9,00.25**	(7,02.31)
Net loss/(gain) on fair valuation of Current investments through Profit and Loss (net)		**85.56**	–
Sundry balances/advances/cwip written off	49 & 43.4	**27,85.32**	17,88.36
Credit loss allowances on Trade Receivable/Advances/Others (net)		**2,14.47**	2,09.09
Charity & Donation		**17.71**	4,28.55
Miscellaneous expenses	43.1 & 43.2	**1,38,49.33**	1,42,63.70
		18,71,47.43	15,44,66.27

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

43.1 Miscellaneous expenses includes Auditor's Remuneration (including remuneration to previous auditor-refer note no. 43.1.1). (Rs. in lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Audit Fees	**24.00**	24.00
(b)	Limited Review and other certification charges	**40.07**	84.04
(c)	Reimbursement of expenses	**1.76**	5.81

43.1.1 Remuneration to previous auditor (Rs. in lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Audit Fees	**–**	24.00
(b)	Limited Review and other certification charges	**12.92**	84.04
(c)	Reimbursement of expenses	**1.76**	5.81

43.2 Disclosure in respect of Corporate Social Responsibility (CSR) activities included under Other Miscellaneous Expenses.

(Rs. in lakhs)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Gross amount required to be spent by the Company during the year	**4,53.20**	2,88.22
(b)	Amount spent during the year on :		
	(i) Construction / acquisition of any assets	**–**	–
	(ii) On purpose other than (i) above	**4,74.36**	3,75.48
(c)	Shortfall at the end of the year	**–**	–
(d)	Total of previous year shortfall	**–**	–
(e)	Reason for shortfall	**–**	–
(f)	Nature of CSR activities	1. Eradicating hunger, poverty and malnutrition, promoting health care including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. 2. Medical and health care. 3. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. 4. Rural Development projects. 5. Women empowerment. 6. Animal Welfare and Rural Development projects. 7. Flood Relief. 8. Promotion of Sports.	
(g)	Details of related party expenditure	**–**	–
(h)	Provision with respect to a liability incurred on entering into a contractual obligation	**–**	–

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

43.3 **Disclosure as per Ind AS 116 "Leases"**

43.3.1 **Movement in Lease Liabilities**

(Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balance at the beginning	**23,57.34**	27,11.16
Additions	**–**	55.72
Interest Cost accrued during the year	**2,07.10**	2,12.17
Deletions	**–**	18.95
Payment of lease liabilities	**5,67.00**	6,02.76
Balance at the end	**19,97.44**	23,57.34

43.3.2 **Other disclosures**

(Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Future payment of lease liabilities on an undiscounted basis are as follows:		
Less than one year	**5,27.51**	5,66.99
One to five years	**14,93.10**	14,27.57
More than five years	**34,40.55**	40,33.59
Lease liabilities included in the statement of financial position:	**19,97.44**	23,57.34
Current Lease Liabilities	**5,10.65**	5,63.58
Non-Current Lease Liabilities	**14,86.79**	17,93.76

43.3.3 **Amounts recognized in Profit or Loss**

(Rs. in lakhs)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Interest expense on lease liabilities	**2,07.10**	2,12.17
Depreciation on right-of-use assets	**4,11.90**	4,69.28
Expense relating to short-term leases (included in other expenses)	**5,57.72**	4,15.66
Total	**11,76.72**	10,97.11

43.4 The Railway Authorities had withdrawn the permission of operation of Railway siding under construction which is situated at Haldia, West Bengal. The company has claimed the compensation from the Railway Authorities for the amount incurred for the said siding which was denied and the matter is under arbitration based on the direction of Hon'ble High Court at Calcutta. Pending arbitration proceedings, the company had recognised a charge of Rs. 40,96.46 lakhs (including Rs. 17,78.11 lakhs during the previous year) in earlier years. However the Company continues to pursue its claim with the Railway Authorities.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

44. Tax Expense

(Rs. in lakhs)

Particulars	**Ref. note no.**	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Current tax			
In respect of the current year		**1,06,33.96**	1,04,00.00
In respect of prior years		**–**	36.18
Total Current tax expense recognised		**1,06,33.96**	1,04,36.18
Deferred tax			
In respect of the current year	26	**(8,32.16)**	(6,43.34)
In respect of prior years	26	**–**	(4,92.86)
Total Deferred tax expense recognised		**(8,32.16)**	(11,36.20)
Total Tax expense recognised in the current year		**98,01.80**	92,99.98

44.1 **Reconciliation of Income tax expense for the year with accounting profit is as follows:**

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(Rs. in lakhs)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Profit before tax	**4,32,78.15**	4,18,60.27
Income tax charge calculated at 25.168% (previous year 25.168%)	**1,08,92.24**	1,05,35.39
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit		
- Dividend	**(8,05.95)**	(6,45.62)
- Effect of change in tax base of fair value land	**(2,40.05)**	(2,74.34)
- Effect of other adjustments	**(1,83.69)**	(1,21.42)
- Effect of other adjustments in respect of earlier year	**–**	(4,56.68)
Add : Effect of expenses that are not deductible in determining taxable profit		
- CSR Expenditure etc.	**1,20.30**	94.50
- Others	**18.95**	1,68.15
Income tax expense recognised in Statement of Profit and Loss	**98,01.80**	92,99.98

44.2 **Income tax recognised in other comprehensive income**

(Rs. in lakhs)

Particulars	**Ref. note no.**	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Deferred tax			
Arising on income and expenses recognised in other comprehensive income:			
Net fair value gain on investments in equity shares at FVTOCI	26	**(0.85)**	0.01
Remeasurement of defined benefit obligation	26	**1.04**	43.87
Total income tax recognised in other comprehensive income		**0.19**	43.88
Bifurcation of the income tax recognised in other comprehensive income into:			
Items that will not be reclassified to profit or loss		**0.19**	43.88

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

45. Components of Other Comprehensive Income (Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans	47	**(4.13)**	(1,74.28)
Equity Instrument through Other Comprehensive Income		**(29,12.23)**	53,50.86
		(29,16.36)	51,76.58

46. FINANCIAL INSTRUMENTS (Rs. in lakhs)

a) The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	**13,09,53.27**	**13,09,53.27**	10,41,88.79	10,41,88.79
Cash and Bank balances	**2,02,57.05**	**2,02,57.05**	99,06.78	99,06.78
Fixed Deposits with Banks	**2,09,50.01**	**2,09,50.01**	3,59,54.30	3,59,54.30
Loans	**1,09,35.00**	**1,09,35.00**	53,08.00	53,08.00
Other Financial Assets	**2,22,76.64**	**2,22,76.64**	2,21,73.81	2,21,73.81
Investment in Bonds	**94,89.78**	**94,89.78**	2,41,70.55	2,41,70.55
Financial Assets measured at Fair Value through Profit and Loss Account				
Derivative Instruments	**–**	**–**	7,02.31	7,02.31
Investment in Mutual Funds	**52.27**	**52.27**	1,20,02.32	1,20,02.32
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments other than Subsidiaries and Joint Venture	**65,93.90**	**65,93.90**	95,06.13	95,06.13
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings - fixed rate	**15,69,18.71**	**15,69,18.71**	16,62,89.86	16,62,89.86
Borrowings - floating rate	**8,66,72.11**	**8,66,72.11**	10,42,27.63	10,42,27.63
Lease Liabilities	**19,97.44**	**19,97.44**	23,57.34	23,57.34
Trade Payables	**5,12,17.27**	**5,12,17.27**	5,61,53.76	5,61,53.76
Other Financial Liabilities	**92,22.25**	**92,22.25**	36,40.71	36,40.71
Financial Liabilities measured at Fair Value through Profit and Loss Account				
Derivative Instruments	**9,00.25**	**9,00.25**	–	–

b) **Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

1. The fair value of cash and cash equivalents, current trade receivables and payables, current loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. In respect of non current trade receivables and loans, fair value is determined by using discount rates that reflect the present borrowing rate of the company.

2. A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present prevailing rates for similar borrowing in the market.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

3. Investments (other than Investments in Joint Venture and Subsidiaries) traded in active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. Investment in liquid and short term mutual fund, which are classified as Fair value through Profit and Loss are measured using quoted market prices at the reporting date and in case of debentures, bonds and government securities, the net present value at current yield to maturity have been considered. Unquoted investments in shares have been valued based on the historical net asset value as per the latest audited financial statements.

4. The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

c) Fair value hierarchy

1. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date:

(Rs. in lakhs)

Particulars	As at March 31, 2023	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
		Quoted Price in active market	Significant observable inputs	Significant unobservable inputs
Financial Assets				
Investment in Mutual Funds (Current)	**52.27** (1,20,02.32)	52.27 (1,20,02.32)	– –	– –
Investment in Equity Instruments other than Subsidiaries and Joint Venture (Non-Current)	**65,93.90** (95,06.13)	– –	– (94,76.34)	65,93.90 (29.79)
Derivative Instrument - Not designated as hedging instrument	**–** (7,02.31)	**–** –	– (7,02.31)	**–** –
Financial Liabilities				
Investment in Equity Instruments other than Subsidiaries and Joint Venture (Non-Current)	**9,00.25** –	– –	9,00.25 –	– –

(*) Figures in round brackets ( ) indicate figures as at March 31, 2022

2. During the year ended March 31, 2023 and March 31, 2022, there were no transfers between Level 1, Level 2 and Level 3.

3. The Inputs used in fair valuation measurement are as follows:

   i) Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

   ii) Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

   iii) Unquoted investments in equity shares have been valued based on the amount available to shareholder's as per the latest audited financial statements wherever available. Further, external observable inputs or assumptions have been used in such valuation of equity shares in other cases.

(d) Derivatives financial assets and liabilities:

The Company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(i) The following tables present the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Sl. No.	**Underlying Purpose**	**Category**	**As at March 31, 2023**		As at March 31, 2022		Currency
			No. of deals	**Amount in Foreign Currency**	No. of deals	Amount in Foreign Currency	
1	Export Receivables	Forward	**59**	**4,72,63,487**	44	3,00,10,407	USD/INR
2	Export Receivables	Forward	**14**	**64,23,259**	10	55,75,000	GBP/USD
3	Export Receivables	Forward	**21**	**1,47,08,964**	25	1,84,53,838	EURO/USD
4	Export Receivables	Forward	**14**	**1,40,00,000**	15	1,49,50,000	EURO/INR
5	Export Receivables	Forward	**1**	**5,00,000**	2	13,00,000	SGD/USD
6	Export Receivables	Option	**2**	**25,00,000**	–	–	EURO/USD
7	Suppliers Credit/Imports/Other payables	Forward	**55**	**9,30,30,577**	50	7,14,27,181	USD/INR
8	Suppliers Credit/Imports/Other payables	Option	**13**	**2,48,80,000**	13	2,23,19,000	USD/INR

(ii) Un hedged Foreign Currency exposures are as follows: - (Amount in Foreign Currency)

Nature	**Currency**	**As at March 31, 2023**	As at March 31, 2022
Payables			
Buyer's Credit / Supplier's Credit /PCFC/Acceptances (includes accrued interest)	USD	–	2,87,09,686
Imports & Other payables	USD	–	2,02,63,165
Imports & Other payables	EURO	**5,70,661**	6,59,762
Imports & Other payables	GBP	**86,453**	42,316
Imports & Other payables	KWD	**428**	428
Imports & Other payables	AUD	**26,880**	28,882
Receivable			
Exports & Other receivables	GBP	**5,52,394**	–
Exports & Other receivables	SGD	**10,88,388**	7,52,479
Exports & Other receivables	USD	–	1,18,77,655
Exports & Other receivables	EURO	**17,70,282**	4,03,746

(iii) The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Not later than one month	**(3,01.13)**	(86.10)
Later than one month and not later than three months	**(5,06.91)**	3,20.68
Later than three months and not later than one year	**(92.21)**	4,67.74
Later than one year	–	–

(e) **Sale of Financial Assets**

In the normal course of business, the Company transfers its bill receivables to banks. Under the terms of the agreements, the Company surrenders control over the financial assets and the transfer is with recourse. Under arrangement with recourse, the company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with banks. Accordingly, in such cases the amount transferred are recorded as borrowings in the statement of financial position and cash flows from financing activities. As at March 31, 2023 and March 31, 2022 the maximum amount of recourse obligation in respect of financial assets are Rs 3,79,16.20 lakhs and Rs. 1,44,65.14 lakhs respectively.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(f) **Financial Risk Management**

The Company's activities are exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

1. **Market Risk**

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk, commodity price risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments in fixed deposit/ Mutual Funds/ Bonds and trade and other payables.

i) **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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings, trade receivables and trade or other payables.

In order to mitigate forex losses, the Company has adopted a comprehensive risk management review system wherein it actively hedges its foreign exchange exposures within defined parameters through use of hedging instruments such as forward contracts, options and swaps. The Company periodically reviews its risk management initiatives and also takes experts advice on regular basis on hedging strategy.

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows:

As at March 31, 2023 (Rs. in lakhs)

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other current liabilities	Net Assets/(liabilities)
USD	**1,45,33.81**	**(6,92,02.51)**	**(1,04,69.47)**	**(6,51,38.17)**
EURO	**2,93,70.85**	**–**	**(5,08.22)**	**2,88,62.63**
GBP	**70,68.72**	**–**	**(87.61)**	**69,81.11**
SGD	**9,80.83**	**–**	**–**	**9,80.83**
KWD	**–**	**–**	**(1.15)**	**(1.15)**
AUD	**–**	**–**	**(14.76)**	**(14.76)**
TOTAL	**5,19,54.21**	**(6,92,02.51)**	**(1,10,81.21)**	**(2,83,29.51)**

As at March 31, 2022 (Rs. in lakhs)

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other current liabilities	Net Assets/(liabilities)
USD	97,54.27	(8,26,75.71)	(2,93,99.05)	(10,23,20.49)
EURO	2,83,50.67	–	(5,53.27)	2,77,97.40
GBP	51,65.90	–	(42.12)	51,23.78
SGD	11,48.16	–	–	11,48.16
KWD	–	–	(1.07)	(1.07)
AUD	–	–	(16.37)	(16.37)
TOTAL	4,44,19.00	(8,26,75.71)	(3,00,11.88)	(6,82,68.59)

Derivative financial assets and liabilities dealing with outstanding derivative contracts and unhedged foreign currency exposure has been detailed in earlier parts.

The following table demonstrates the sensitivity in the USD, Euro, GBP and other currencies to the Indian Rupee with all other variables held constant. The impact on the Company's profit/(loss) before tax is as given below:

(Rs. in lakhs)

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2023	For the year ended March 31, 2022
RECEIVABLES (Weakning of INR by 5%)		
USD	–	4,50.09
EURO	**78.83**	16.93
GBP	**27.99**	–
SGD	**33.60**	21.05
PAYABLES (Weakning of INR by 5%)		
USD	–	(18,55.76)
EURO	**(25.41)**	(27.66)
GBP	**(4.38)**	(2.11)
KWD	**(0.06)**	(0.05)
AUD	**(0.74)**	(1.46)

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements.

ii) **Interest rate risk**

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Considering the same, the carrying amount of said borrowing was considered to be at fair value. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. The company maintains a portfolio mix of fixed and floating rate borrowings. As at March 31, 2023, approximately 64.42% (Previous Year 61.47%) of the company's borrowings become fixed rate interest borrowing.

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings.

(Rs. in lakhs)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2023	For the year ended March 31, 2022
Rupee Loan	+0.50	**4,33.36**	5,21.14

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's financial statements.

iii) **Commodity Risk**

The company's revenue is exposed to the market risk of price fluctuation related to sale of products which is generally determined by market forces. These prices may be influenced by factors such as supply and demand, production costs (including cost of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce revenue for the company. The company is subject to fluctuation in prices of iron ore, coking coal, ferro alloys, zinc and other raw material inputs.

The company aims to sell the products at prevailing market prices. Similarly the company procures key raw material based on prevailing market rates. However, contracts with the customers are generally with a delivery period of 90-180 days, results in the mismatch of cost and sales realisation.

iv) **Other price risk**

The Company's equity exposure in Subsidiaries and Joint Ventures are carried at cost or deemed cost and these are subject to impairment testing as per the policy followed in this respect. The company's current investments are fair valued through profit and loss and non current investment at fair value through OCI. The company invest in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact return and value of such investments. However, given the relatively short tenure of underlying portfolio of mutual fund schemes in which the company has invested, such price risk is not significant.

2. **Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Major water infrastructure projects are Government funded or foreign aided and the risk involved in payment default is minimum with respect to these customers. Besides, export receivables are primarily from subsidiaries and sales made by them is covered under Credit Insurance. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly. Further the company obtains necessary security including letter of credits and/or bank guarantee to mitigate its credit risk.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year (other than subsidiaries), there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2023 and March 31, 2022. The company takes collateral or other credit enhancements to secure its credit risk.

The Company extends credit to customers as per the internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. The company computes credit loss allowance based on a matrix based historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounts that are past due at the end of the reporting period, no credit losses there against are expected to arise. The company also takes advance, letter of credit and bank guarantee from its customers, which mitigates the credit risk to that extent.

3. **Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The company relies on borrowings and internal accruals to meet its long term and short term fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

i) **Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date:

Interest rate and currency of borrowings

As at March 31, 2023

(Rs. in lakhs)

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	**17,43,88.31**	**8,66,72.11**	**8,77,16.20**	**8.41%**
USD	**6,92,02.51**	**–**	**6,92,02.51**	**5.97%**
Total	**24,35,90.82**	**8,66,72.11**	**15,69,18.71**	

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

As at March 31, 2022 (Rs. in lakhs)

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	18,78,41.78	10,42,27.63	8,36,14.15	6.70%
USD	8,26,75.71	–	8,26,75.71	1.70%
Total	27,05,17.49	10,42,27.63	16,62,89.86	

Maturity Analysis of Financial Liabilities

As at March 31, 2023 (Rs. in lakhs)

Particulars	**Carrying Amount**	**On Demand**	**Less than 6 months**	**6 to 12 months**	**> 1 year**	**Total**
Interest bearing borrowings* (including current maturities)	**24,35,90.82**	**–**	**15,98,26.91**	**1,31,96.19**	**7,05,67.72**	**24,35,90.82**
Lease Liabilities	**19,97.44**	**–**	**2,55.22**	**2,55.43**	**14,86.79**	**19,97.44**
Other Financial Liabilities	**92,22.25**	**–**	**92,22.25**	**–**	**–**	**92,22.25**
Trade Payables	**5,12,17.27**	**–**	**5,12,17.27**	**–**	**–**	**5,12,17.27**

* Include Rs 17,98.94 lakhs as Prepaid Finance Charges.

As at March 31, 2022

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	27,05,17.49	11,13.77	17,44,88.23	1,10,95.97	8,38,19.52	27,05,17.49
Lease Liabilities	23,57.34	–	2,87.95	2,75.63	17,93.76	23,57.34
Other Financial Liabilities	36,40.71	–	36,40.71	–	–	36,40.71
Trade Payables	5,61,53.76	–	5,61,53.76	–	–	5,61,53.76

* Include Rs 35,70.70 lakhs as Prepaid Finance Charges.

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses. The company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

g) **Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. 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 stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Company.

The gearing ratio are as follows: (Rs. in lakh)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Borrowings	**24,35,90.82**	27,05,17.49
Less: Cash and Cash Equivalents	**2,00,50.98**	1,52,14.34
Less: Surplus fund parked in Fixed deposits and Investments	**2,52,54.74**	4,99,53.48
Net Debt	**19,80,79.02**	20,53,49.67
Equity	**42,70,45.52**	39,87,42.77
Equity and Net Debt	**62,51,24.54**	60,40,92.44
Gearing Ratio	**0.32**	0.34

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

47. Post Retirement Employee Benefits

Disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under: (Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund	**6,01.30**	5,32.08
Employer's Contribution to Pension Fund	**3,74.31**	3,63.28
Employer's Contribution to Superannuation Fund	**34.61**	36.31
Employer's Contribution to NPS Fund	**101.79**	68.51

b) Post Employment Defined Benefit Plans

Post Employment Defined Benefit Plans are managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Details of such funds are as follows:

Gratuity (Funded)

The company's gratuity scheme, a defined plan is as per the Payment of Gratuity Act 1972, covers the eligible employees and is administered through gratuity fund trust. Such gratuity fund, whose investments are managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited an insurer makes payment to vested employees or their nominee upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs on completion of five year of service. The amount of gratuity payable is the last drawn basic salary per month computed proportionately for 15 days of salary multiplied for the number of year service.

The following table set forth the particulars in respect of aforesaid defined plan of the company for the year ended March 31, 2023 and corresponding figure of the previous year:

(Rs. in lakhs)

		Gratuity (Funded)	
		As at March 31, 2023	As at March 31, 2022
i)	**Change in the fair value of the defined benefit obligation:**		
	Liability at the beginning of the year	**55,87.30**	52,51.03
	Interest Cost	**3,96.70**	4,57.65
	Current Service Cost	**3,48.68**	3,35.19
	Remeasurements - Due to Financial Assumptions	**(1,09.35)**	97.25
	Remeasurements - Due to Experience Adjustments	**17.26**	(47.56)
	Benefits paid	**(2,51.53)**	(5,06.26)
	Liability at the end of the year	**59,89.06**	55,87.30
ii)	**Changes in the Fair Value of Plan Asset**		
	Fair value of Plan Assets at the beginning of the year	**44,39.71**	41,72.88
	Expected Return on Plan Assets	**3,20.24**	3,71.63
	Contributions by the Company	**3,92.85**	4,30.38
	Benefits paid	**(2,51.53)**	(5,06.26)
	Remeasurements - Return on Assets (Excluding Interest Income)	**(96.22)**	(28.92)
	Fair value of Plan Assets at the end of the year	**48,05.05**	44,39.71

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

		Gratuity (Funded)	
		As at March 31, 2023	As at March 31, 2022
iii)	**Actual return on Plan Asset**		
	Expected return on Plan assets	**3,20.24**	3,71.63
	Actuarial gain / (loss) on Plan Assets	**(96.22)**	(28.92)
	Actual Return on Plan Assets	**2,24.02**	3,42.71
iv)	**Amount Recognized in Balance Sheet**		
	Liability at the end of the year	**59,89.06**	55,87.30
	Fair value of Plan Assets at the end of the year	**48,05.05**	44,39.71
		11,84.01	11,47.59
v)	**Components of Defined Benefit Cost recognised in Profit and Loss**		
	Current Service Cost	**3,48.68**	3,35.19
	Interest Cost	**3,96.70**	4,57.65
	Expected Return on Plan Assets	**(3,20.24)**	(3,71.63)
		4,25.14	4,21.21
vi)	**Components of Other Comprehensive Income**		
	Remeasurements - Due to Financial Assumptions	**(1,09.35)**	97.25
	Remeasurements - Due to Experience Adjustments	**17.26**	(47.56)
	Remeasurements - Return on Assets (Excluding Interest Income)	**96.22**	28.92
		4.13	78.61
vii)	**Balance Sheet Reconciliation**		
	Opening Net Liability	**11,47.59**	10,78.15
	Defined Benefit Cost		
	Recognised in statement of Profit & Loss	**4,25.14**	4,21.21
	Recognised in statement of Other Comprehensive Income	**4.13**	78.61
	Employers Contribution	**(3,92.85)**	(4,30.38)
	Amount Recognized in Balance Sheet	**11,84.01**	11,47.59

viii) Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Particulars	**As at March 31, 2023**	As at March 31, 2022
G-Sec/ Corporate Securities	**53.77%**	55.13%
Equity	**5.15%**	4.60%
Fixed Deposit and other assets	**6.04%**	6.04%
Life Insurance Corporation of India	**35.05%**	34.23%

The above details have been furnished based on the information shared by the Insurance Company.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

Other long term Employee benefits

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as a part of other comprehensive income. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the company as at March 31, 2023 and March 31, 2022 are given below:

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Privileged Leave	**22,85.91**	22,79.19
Sick Leave	**14,28.24**	14,35.81
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	**7.40%**	7.10%
Expected Return on Plan Assets	**7.40%**	7.10%
Future Salary Increase	**5.50%-6.00%**	5.50%-6.00%
Withdrawal Rate	**1-8 %**	1-8 %
Summary of Demographic Assumption		
(i) Mortality Rate	%ge of IALM (2012-14) (Mod) Mortality Table	
(ii) Disability Table (as percent of above Mortality rate)	5% of Mortality Rate	
(iii) Withdrawal rate	1% to 8%	1% to 8%
(iv) Retirement age	60 to 70 years	60 to 65 years
(v) Average future service	18.56	17.00
(vi) Weighted average deviation	11.75	13.52

Notes : i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

ii) The company expects to contribute Rs. 4,30.00 lakhs (previous year Rs. 3,60.00 lakhs) to Gratuity fund in 2022-23.

Sensitivity Analysis :

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended March 31, 2023		
Discount Rate	**+1%**	**56,38.00**
	-1%	**64,13.74**
Salary Escalation	**+1%**	**64,35.72**
	-1%	**56,13.53**
Withdrawal Rate	**+1%**	**60,39.22**
	-1%	**59,61.95**
For the year ended March 31, 2022		
Discount Rate	+1%	52,24.97
	-1%	59,97.08
Salary Escalation	+1%	60,03.98
	-1%	52,15.15
Withdrawal Rate	+1%	56,16.17
	-1%	55,81.46

The above sensitivity analysis is based on a change in an 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 (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet. The method and type of assumption used in preparing the sensitivity analysis did not change compared to prior period.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

Risk analysis

Through its defined benefit plans, the Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and, management's estimation of the impact of these risks are as follows:

Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited and the company does not have any liberty to manage the fund provided to them. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk / Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	**Gratuity**
April 01, 2023 to March 31, 2024	**13,44.58**
April 01, 2024 to March 31, 2025	**2,77.78**
April 01, 2025 to March 31, 2026	**3,24.55**
April 01, 2026 to March 31, 2027	**3,43.50**
April 01, 2027 Onwards	**26,66.45**

Particulars	**As at March 31, 2023**	As at March 31, 2022
Average no. of people employed	**2910**	2867

48(a). In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Limited (CIL) with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination, compensation of Rs. 83,12.14 lakhs was received. The company also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly and based on the said judgement, the Company has claimed Rs.15,49,44.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the amount of compensation to be paid to the company. Earlier the Nominated Authority had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the said decision. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 1,80.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated November 11, 2019. The company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same is under consideration and a final compensation is yet to be decided. The company had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets. Pending such decision, in the meantime, the Ministry vide notification dated November 03, 2022 had included the

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

said Parbatpur Coal Block in the "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and JSW Steel Limited (JSW) has emerged as successful bidder in the said auction. Accordingly, the claim for compensation in this respect therefore is to be determined on receipt of order for vesting of the said mine to JSW. The company's management however, is pursuing to revise and determine the amount of entire compensation for coal block in terms of the aforesaid judgement passed by the Hon'ble High Court of Delhi.

(i) Rs.12,88,84.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account.

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 95,14.74 lakhs has been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 83,12.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 20,90.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 9,20.00 lakhs (previous year Rs. 9,20.00 lakhs) has been given against the compensation received.

Necessary disclosures in terms of Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

48(b). Various balances pertaining to Coal Block claim and handing over the same as detailed in different heads of accounts includes:

(Rs. in lakhs)

Particulars	**As at March 31, 2023**		As at March 31, 2022	
Inventories		**14,78.76**		14,78.76
Other current assets		**13,99.78**		13,99.78
Capital Work in Progress:				
Plant and Equipment and others assets under Installation	**3,35,42.47**		3,35,42.47	
Mine Development including overburden removal expenses (Net) [(refer note no: 50 (a)]	**8,68,61.17**	**12,04,03.64**	8,68,61.17	12,04,03.64
Other Property, Plant and Equipment		**22,43.99**		22,43.99
Capital Advance		**1,08.94**		1,08.94
Freehold Land		**32,49.00**		32,49.00
Other balances with Banks in Fixed Deposit Escrow Accounts	**5,36.93**		5,36.93	
Less: Provision for mine closure and restoration charges	**5,36.93**	**–**	5,36.93	–
Sub Total		**12,88,84.11**		12,88,84.11
Other Recoverable		**95,14.74**		95,14.74
Less: Compensation received		**(83,12.34)**		(83,12.34)
Less: Cenvat credit utilised/claimed/written off	**(13,99.78)**		(13,99.78)	
Less: Sale of Assets and other realisations	**(6,90.26)**	**(20,90.04)**	(6,90.26)	(20,90.04)
Total		**12,79,96.47**		12,79,96.47

48(c). Due to reasons stated in note no. 48 (a) and pending determination of the amount of the claim, balances under various heads which otherwise would have been measured and disclosed as per the requirements of various Indian Accounting Standard ' have been included under various heads as disclosed under note no. 48 (b) considering the circumstances and objective of the financial statements.

49. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect got expired on January 11, 2017. Pending decision of Hon'ble High Court at Jharkhand on the matter pursuant to the writ petition filed before the said court, the company without prejudice to the decision to pursue the said petition has decided during the year, as a matter of abundant caution to charge off the amounts so paid pertaining to the said mine and carried forward under Capital work in progress and advances and thereby, Rs. 27,56.99 lakhs has been disclosed as sundry balances/advances/cwip written off under other expenses for the year ended March 31, 2023.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

50. (a) The expenses incurred for projects/assets during the construction/mine development period are classified as "Project Development Expenses" and pending capitalization are included under capital work in progress and are allocated to the cost of the assets on completion of the project/assets. Consequently expenses disclosed under the respective heads are net of amount classified as project development expenses by the Company (refer note no. 48 and 49). The details of these expenses are as follows :

(Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balance brought forward	**8,81,59.76**	8,81,59.76
Less:		
Allocated/Transferred during the year to completed assets.	**–**	–
Written-off during the year (refer note no. 49)	**(12,98.59)**	–
Total preoperative expenses	**8,68,61.17**	8,81,59.76
Add: Opening stock 64,502 MT (previous year 64,502 MT)	**14,46.25**	14,46.25
Less: Closing stock 64,502 MT(previous year 64,502 MT)	**(14,46.25)**	(14,46.25)
Total preoperative expenses carried forward pending allocation	**8,68,61.17**	8,81,59.76

50. (b) **Ageing schedule of Capital Work in Progress**

As at March 31, 2023 (Rs. in lakhs)

CWIP	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	**1,74,07.12**	**7,62.30**	**–**	**24.66**	**1,81,94.08**
Coal Mine (refer note no. 48) (net of compensation and other realisation)	**–**	**–**	**–**	**11,20,42.92**	**11,20,42.92**
Iron Ore Mine (refer note no. 49)	**–**	**–**	**–**	**–**	**–**
Total	**1,74,07.12**	**7,62.30**	**–**	**11,20,67.58**	**13,02,37.00**

As at March 31, 2022 (Rs. in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15,30.81	18,39.55	25,75.59	24.06	59,70.01
Coal Mine (refer note no. 48) (net of compensation and other realisation)	–	–	–	11,20,42.92	11,20,42.92
Iron Ore Mine (refer note no. 49)	–	–	–	27,56.99	27,56.99
Total	15,30.81	18,39.55	25,75.59	11,48,23.97	12,07,69.92

50. (c) **Projects overdue and expected completion date:**

(i) As stated in note no. 48, the allotment of Parbatpur coal mine which were under advanced stage of implementation was cancelled vide order dated September 24, 2014. Thereby, as dealt with in note no. 48, the project could not be further progressed and completed. Pending determination of the amount of claim, the balances as were appearing prior to the cancellation, i.e. capital work in progress and other balances pertaining to said coal mine have not been adjusted and carried forward in the financial statement.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(ii) Status with respect to other projects are as follows:

Details of capital-work-in progress completion schedule

As at March 31, 2023 (Rs. in lakhs)

Details of Project	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
DIP Expansion Project	**33,54.33**	–	–	–	**33,54.33**
Additional Power & Water Project	**4,12.85**	–	–	–	**4,12.85**
MBF Expansion	**19,67.66**	–	–	–	**19,67.66**
Others	**15,54.13**	–	–	–	**15,54.13**
Total	**72,88.97**	–	–	–	**72,88.97**

As at March 31, 2022 (Rs. in lakhs)

Details of Project	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
DIP Expansion Project	29,07.98	–	–	–	29,07.98
Additional Power & Water Project	4,12.85	–	–	–	4,12.85
MBF Expansion	17,59.93	–	–	–	17,59.93
Others	5,41.34	–	–	–	5,41.34
Total	56,22.10	–	–	–	56,22.10

51. Calculation of Earning Per Share is as follows: (Rs. in lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	**3,34,76.35**	3,25,60.29
	Net profit for basic and diluted earnings per share	**3,34,76.35**	3,25,60.29
(b)	Weighted average number of equity shares for calculation of basic earnings per share (Face value Re. 1/- per share)		
	Number of equity shares outstanding as on 31st March	**594605247**	594605247
	Number of equity shares considered in calculating basic EPS	**594605247**	594605247
	Weighted average number of equity shares outstanding	**594605247**	594605247
(c)	Weighted average number of equity shares for calculation of diluted earnings per share (Face value Re. 1/- per share)		
	Total weighted average of equity shares considered for basic earnings per share	**594605247**	594605247
	Add: Weighted average of potential equity shares i.e. share warrants (Refer Note no. 51.1)	**–**	–
		594605247	594605247
(d)	Earnings per share (EPS) of Equity Share of Re. 1 each:		
	i) Basic (Rs.)	**5.63**	5.48
	ii) Diluted (Rs.)	**5.63**	5.48

51.1 Holders of share warrants have a right to covert the instrument into equity share at an issue price of Rs. 42.41 per equity share entirely at their discretion in one or more tranche within a maximum period of eighteen months from the date of allotment i.e. December 22, 2022 on payment of balance amount of Rs. 31.81 per warrant. The price of equity share during the period upto March 31, 2023 were below the issue price and hence antidilutive in nature.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

52. Commitments (Rs. in lakhs)

	Particulars	As at March 31, 2023		As at March 31, 2022	
(a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):		**68,54.27**		51,51.68
(b)	Other commitments	**In lakhs**	**Rs. in lakhs**	In lakhs	Rs. in lakhs
	i) Sell Forward contract outstanding				
	In USD	**4,72.63**	**3,88,34.04**	3,00.10	2,27,44.14
	In Euro	**2,87.09**	**2,55,67.81**	3,34.04	2,80,12.08
	In GBP	**64.23**	**65,08.95**	55.75	55,48.89
	In SGD	**5.00**	**3,08.75**	13.00	7,27.22
	ii) Buy Forward contract outstanding				
	In USD	**9,30.31**	**7,64,38.57**	7,14.27	5,41,32.87
	iii) Option contract outstanding				
	In USD	**2,48.80**	**2,04,42.65**	2,23.19	1,69,15.01
	In Euro	**25.00**	**22,26.47**	–	–

53. (i) Contingent Liabilities not provided for in respect of: (Rs. in lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Various show cause notices/demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forum / authorities:		
	i) Sales Tax - incentive certificate not renewed, pending forms, input tax credit, export and other disallowances etc.	**64,14.81**	63,18.90
	ii) Entry Tax	**2,21.66**	2,21.66
	iii) Excise, Custom Duty and Service tax - sale under exemption notification, availment of composite scheme under works contract disallowed	**38,01.10**	48,50.61
	iv) Income Tax - capital subsidy and other disallowances	**5,47.45**	5,86.96
	v) Goods & Service Tax- Transitional credit and other disallowances	**80.69**	80.69
b)	Employees State Insurance Corporation has raised demand for contribution in respect of Gross Job Charges for the year 2001-02, 2003-04 and March'08 to January'10. In the opinion of the management demand is adhoc and arbitrary and is not sustainable legally.	**92.51**	92.51
c)	Demand of Tamil Nadu Electricity Board disputed by the Company.	**8.20**	8.20
d)	During the year 1994 UPSEB had raised demand for electricity charges by revising the power tariff schedule applicable to the Company retrospectively from Feb'86. In the opinion of the management the revised power tariff is not applicable to the Company and accordingly the Company disputed the demand and the matter is pending before Hon'ble High Court at Allahabad.	**2,61.74**	2,61.74
e)	Standby Letter of Credit issued by banks on behalf of the company in favour of Subsidiary Companies	**55,87.63**	64,71.95
f)	Financial Guarantees given by banks on behalf of the Company	**9,22.00**	9,22.00
g)	Demand of differential railway freight for the year 2008-09 to 2010-11 is Rs. 57,33.29 lakhs (previous year Rs. 57,33.29 lakhs) which is contested by the Company and the matter is pending before the Hon'ble High Court at Calcutta.		
h)	Forest Department fee amounting to Rs. 9,28.90 lakhs which has been decided in favour of the Company by the Hon'ble High Court of Karnataka. However, the Government of Karnataka has filed a Special Leave Petition before the Hon'ble Supreme Court and the matter is pending thereof.		

Note : The Company's pending litigations comprises of claim against the company and proceedings pending with Taxation/ Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions and disclosures, where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any, in respect of (a) to (d), (g) and (h) above is dependent upon the outcome of judgments / decisions.

53. (ii) Contingent assets (not recognised for) in respect of : (Rs. in lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Benefits under Industrial Promotion Scheme **	**Amount unascertainable**	Amount unascertainable
b)	Claim for damages pertaining to Wagon Investment scheme (refer note no. 6.1.2)	**2,52,85.27**	–
c)	Insurance claim pending acceptance	**77.07**	–

** Pre Goods & Service Tax (GST), the Company was enjoying certain benefits under Industrial Promotion scheme of state government. Post GST, pending notifications by the state government regime, the company on prudent basis, has not recognised any income under the scheme for the period July 01, 2017 to March 31, 2019.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

54. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

A. Names of related parties and description of relationship

1) Subsidiary Company	Electrosteel Europe SA Electrosteel Algerie SPA Electrosteel Castings (UK) Limited Electrosteel USA LLC WaterFab, LLC (subsidiary of Electrosteel USA, LLC) Electrosteel Trading S.A, Spain Electrosteel Castings Gulf Fze Electrosteel Doha for Trading (LLC) Electrosteel Brasil Ltda. Tubos e Conexoes Duteis Electrosteel Bahrain Holding WLL Electrosteel Bahrain Trading WLL (subsidiary of Electrosteel Bahrain Holding LLP)
2) Joint Venture	North Dhadhu Mining Company Private Limited Domco Private Limited
3) Key Management Personnel (KMP) and close member of their family	Mr. Umang Kejriwal - Managing Director Mr. Mayank Kejriwal - Joint Managing Director Mr. Uddhav Kejriwal - Wholetime Director Mr. Mahendra Kumar Jalan - Wholetime Director (upto December 31, 2021) Mr. Sunil Katial - Chief Executive Officer & Wholetime Director Mr. Ashutosh Agarwal - CFO & Wholetime Director (w.e.f. January 03, 2022) Ms. Priya Manjari Todi - Wholetime Director (w.e.f. February 14, 2022) Ms. Radha Kejriwal Agarwal - Wholetime Director (w.e.f. February 14, 2022) Mr. Madhav Kejriwal - Wholetime Director (w.e.f. February 14, 2022) Ms. Nityangi Kejriwal Jaiswal - Wholetime Director (w.e.f. February 14, 2022) Mr. Pradip Kumar Khaitan - Chairman Mr. Binod Kumar Khaitan - Director Mr. S Y Rajagopalan - Director (upto December 31, 2022) Mr. Vyas Mitre Ralli - Director Mr. Amrendra Prasad Verma - Director Dr. Mohua Banerjee - Director Mr. Rajkumar Khanna - Director Mr. Bal Kishan Choudhury - Director (appointed w.e.f. February 10, 2022) Mrs. Asha Kejriwal - Wife of Mr. Umang Kejriwal - KMP Mrs. Madhu Agarwal - Wife of Mr. Ashutosh Agarwal - KMP Mr. Apurva Agarwal - Son of Mr. Ashutosh Agarwal - KMP Mr. Virendra Sinha - Director (appointed w.e.f. February 14, 2023)
4) Enterprise where KMP and/or Close member of the family have significant influence or control	Gaushree Enterprises Tulsi Highrise Private Limited Sri Gopal Investments Ventures Limited Global Exports Limited Sree Khemisati Constructions Private Limited G K & Sons Private Limited Electrosteel Thermal Coal Limited Badrinath Industries Limited Electrocast Sales India Limited Uttam Commercial Company Limited Wilcox Merchants Private Limited Ellenbarrie Developers Private Limited Quinline Dealcomm Private Limited Mangalam Equity Management Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

B. Related Party Transactions (Rs. in lakhs)

Particulars	Subsidiary	KMP & Close members of Family	KMP have control	Total	Outstanding as at March 31, 2023	Outstanding as at March 31, 2022
Sale						
Electrosteel Europe SA	7,62,12.48	–	–	7,62,12.48	2,94,22.90	
Electrosteel Castings (UK) Ltd	1,30,16.15	–	–	1,30,16.15	70,68.72	
Electrosteel USA, LLC	2,02,02.14	–	–	2,02,02.14	80,50.74	
Electrosteel Castings Gulf FZE	16,88.17	–	–	16,88.17	1,06.17	
Electrosteel Bahrain Trading WLL	82,70.26	–	–	82,70.26	43,12.67	
Electrosteel Doha for Trading LLC	40,15.48	–	–	40,15.48	–	
Total	**12,34,04.68**	**–**	**–**	**12,34,04.68**	**4,89,61.20**	
Previous Year						
Electrosteel Europe SA	5,58,44.52	–	–	5,58,44.52	–	2,83,13.81
Electrosteel Castings (UK) Ltd	96,98.58	–	–	96,98.58	–	51,65.90
Electrosteel USA, LLC	67,94.95	–	–	67,94.95	–	26,51.55
Electrosteel Castings Gulf FZE	47,83.58	–	–	47,83.58	–	12,73.93
Electrosteel Bahrain Trading WLL	89,84.87	–	–	89,84.87	–	19,49.26
Electrosteel Doha for Trading LLC	95,27.86	–	–	95,27.86	–	–
Purchase						
Previous Year						
Electrosteel Castings (UK) Ltd	–	–	–	–	–	1.44
Remuneration						
Mr. Umang Kejriwal	–	5,77.59	–	5,77.59	1,12.65	
Mr. Mayank Kejriwal	–	5,31.12	–	5,31.12	1,14.70	
Mr. Uddhav Kejriwal	–	2,38.34	–	2,38.34	6.98	
Mr. Sunil Katial	–	2,53.26	–	2,53.26	6.38	
Mr. Ashutosh Agarwal	–	1,72.84	–	1,72.84	7.08	
Ms. Priya Manjari Todi	–	1,61.62	–	1,61.62	2.54	
Ms. Radha Kejriwal Agarwal	–	42.09	–	42.09	1.82	
Mr. Madhav Kejriwal	–	1,48.41	–	1,48.41	7.02	
Ms. Nityangi Kejriwal	–	1,55.17	–	1,55.17	6.42	
Dr. Mohua Banerjee	–	12.50	–	12.50	9.00	
Mr. Rajkumar Khanna	–	14.90	–	14.90	9.00	
Mr. Vyas Mitre Ralli	–	14.10	–	14.10	9.00	
Mr. S Y Rajagopalan	–	2.50	–	2.50	0.20	
Mr. Binod Khaitan	–	17.10	–	17.10	9.20	
Mr. Pradeep Kumar Khaitan	–	15.30	–	15.30	9.00	
Mr. Amrendra Prasad Verma	–	14.70	–	14.70	9.00	
Mr. Bal Kishan Choudhury	–	12.70	–	12.70	9.00	
Mr. Virendra Sinha	–	12.70	–	12.70	9.00	
Total	**–**	**23,96.94**	**–**	**23,96.94**	**3,37.99**	
Previous Year						
Mr. Umang Kejriwal	–	4,00.44	–	4,00.44	–	1,09.87
Mr. Mayank Kejriwal	–	7,30.17	–	7,30.17	–	0.18
Mr. Uddhav Kejriwal	–	2,02.18	–	2,02.18	–	11.27
Mr. Mahendra Kumar Jalan	–	1,82.09	–	1,82.09	–	–

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	Subsidiary	KMP & Close members of Family	KMP have control	Total	Outstanding as at March 31, 2023	Outstanding as at March 31, 2022
Mr. Sunil Katial	–	2,47.61	–	2,47.61	–	6.39
Mr. Ashutosh Agarwal	–	1,70.26	–	1,70.26	–	6.65
Ms. Priya Manjari Todi	–	1,53.57	–	1,53.57	–	1,21.76
Ms. Radha Kejriwal Agarwal	–	24.98	–	24.98	–	2.52
Mr. Madhav Kejriwal	–	33.19	–	33.19	–	7.93
Ms. Nityangi Kejriwal	–	1,07.36	–	1,07.36	–	8.37
Dr. Mohua Banerjee	–	21.45	–	21.45	–	9.20
Mr. Rajkumar Khanna	–	29.15	–	29.15	–	9.20
Mr. Vyas Mitre Ralli	–	13.90	–	13.90	–	9.40
Mr. S Y Rajagopalan	–	14.10	–	14.10	–	9.40
Mr. Binod Khaitan	–	18.70	–	18.70	–	9.60
Mr. Pradeep Kumar Khaitan	–	16.50	–	16.50	–	9.00
Mr. Amrendra Prasad Verma	–	15.70	–	15.70	–	9.20
Mr. Bal Kishan Choudhury	–	1.00	–	1.00	–	–
Rent Paid						
Tulsi Highrise Private Limited	–	–	88.22	88.22	0.11	
Wilcox Merchants Pivate Limited	–	–	74.81	74.81	0.11	
Sri Gopal Investments Venturess Limited	–	–	23.10	23.10	–	
Sree Khemisati Constructions Private Limited	–	–	37.20	37.20	–	
Badrinath Industries Limited	–	–	30.00	30.00	–	
Global Exports Limited	–	–	23.91	23.91	4.30	
Total	**–**	**–**	**2,77.24**	**2,77.24**	**4.52**	
Previous Year						
Tulsi Highrise Private Limited	–	–	82.79	82.79	–	–
Sri Gopal Investments Venturess Ltd	–	–	23.10	23.10	–	–
Sree Khemisati Constructions Private Limited	–	–	7.20	7.20	–	–
Badrinath Industries Limited	–	–	30.00	30.00	–	–
Global Exports Limited	–	–	27.65	27.65	–	–
Service Charges Paid						
Sree Khemisati Constructions Private Limited	–	–	3,78.53	3,78.53	4.86	
Global Exports Limited	–	–	90.00	90.00	–	
Sri Gopal Investments Venturess Limited	–	–	5.24	5.24	2.19	
Total	**–**	**–**	**4,73.77**	**4,73.77**	**7.05**	
Previous Year						
Sree Khemisati Constructions Private Limited	–	–	3,86.39	3,86.39	–	5.72
Global Exports Limited	–	–	90.00	90.00	–	–
Sri Gopal Investments Venturess Limited	–	–	2.98	2.98	–	0.09
Service Charges Received						
Electrosteel Europe SA	21.68	–	–	21.68	–	
Electrosteel Castings (UK) Ltd	58.12	–	–	58.12	–	
Electrosteel USA, LLC	55.94	–	–	55.94	–	
Total	**1,35.74**	**–**	**–**	**1,35.74**	**–**	
Previous Year						
Electrosteel Europe SA	37.15	–	–	37.15	–	36.86
Electrosteel Castings (UK) Ltd	58.31	–	–	58.31	–	–

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	Subsidiary	KMP & Close members of Family	KMP have control	Total	Outstanding as at March 31, 2023	Outstanding as at March 31, 2022
Electrosteel USA, LLC	39.74	–	–	39.74	–	39.98
Reimbursements of expenses paid						
Electrosteel USA, LLC	9.54	–	–	9.54	–	
Electrosteel Castings Gulf FZE	27.40	–	–	27.40	–	
Total	**36.94**	**–**	**–**	**36.94**	**–**	
Previous Year						
Electrosteel Bahrain Trading WLL	6.05	–	–	6.05	–	–
Electrosteel USA, LLC	38.69	–	–	38.69	–	38.69
Reimbursements of expenses received						
Previous Year						
Standby Letter of Credit						
Electrosteel Europe SA	–	–	–	–	8,90.59	
Electrosteel Algerie SPA	–	–	–	–	6,16.23	
Electrosteel Castings (UK) Ltd	–	–	–	–	20,26.68	
Electrosteel USA, LLC	–	–	–	–	20,54.12	
Total	**–**	**–**	**–**	**–**	**55,87.62**	
Previous Year						
Electrosteel Europe SA	–	–	–	–	–	16,77.18
Electrosteel Algerie SPA	–	–	–	–	–	9,09.45
Electrosteel Castings (UK) Ltd	–	–	–	–	–	19,90.63
Electrosteel USA, LLC	–	–	–	–	–	18,94.69
Commission						
Electrosteel Castings Gulf Fze	5,04.63	–	–	5,04.63	1,84.66	
Total	**5,04.63**	**–**	**–**	**5,04.63**	**1,84.66**	
Previous Year						
Electrosteel Castings Gulf Fze	1,15.58	–	–	1,15.58	–	52.91
Security Deposits						
Sri Gopal Investments Venturess Limited	–	–	–	–	11.55	
Electrosteel Thermal Coal Limited	–	–	–	–	1,90.68	
Tulsi Highrise Private Limited	–	–	–	–	2,85.00	
Wilcox Merchants Private Limited	–	–	–	–	2,72.50	
Global Exports Limited	–	–	–	–	15.00	
Badrinath Industries Limited	–	–	–	–	0.30	
Total	**–**	**–**	**–**	**–**	**7,75.03**	
Previous Year						
Sri Gopal Investments Venturess Limited	–	–	–	–	–	11.55
Electrosteel Thermal Coal Limited	–	–	–	–	–	1,90.68
Tulsi Highrise Private Limited	–	–	–	–	–	2,85.00
Global Exports Limited		–	–	–	–	15.00
Dividend Received						
Electrosteel Doha for Trading LLC	27,06.46	–	–	27,06.46	–	
Electrosteel Castings Gulf FZE	4,95.33	–	–	4,95.33	–	
Total	**32,01.79**	**–**	**–**	**32,01.79**	**–**	
Previous Year						
Electrosteel Doha for Trading LLC	1,453.49	–	–	14,53.49	–	–
Electrosteel Castings Gulf FZE	1,111.75	–	–	11,11.75	–	–

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	Subsidiary	KMP & Close members of Family	KMP have control	Total	Outstanding as at March 31, 2023	Outstanding as at March 31, 2022
Advances Given						
Domco Private Limited	–	–	–	–	7,00.00	–
Previous Year						
Domco Private Limited	–	–	–	–	–	7,00.00
Advances Taken						
Electrosteel Doha for Trading LLC	15,14.57	–	–	15,14.57	13,33.27	
Electrosteel USA, LLC	79.66			79.66	10.16	
Total	**15,94.23**	**–**	**–**	**15,94.23**	**13,43.43**	
Previous Year						
Electrosteel Doha for Trading LLC	75,78.94	–	–	75,78.94	–	15,31.61
Electrosteel Castings (UK) Ltd	4,17.05	–	–	4,17.05	–	–
Electrosteel Bahrain Trading WLL	8,60.18	–	–	8,60.18	–	–
Interest Paid						
Previous Year						
Money received against Share Warrants						
Ellenbarrie Developers Private Limited			1,12.47	1,12.47	–	
Wilcox Merchants Private Limited			3,37.42	3,37.42	–	
Quinline Dealcomm Private Limited			25.00	25.00	–	
Tulsi Highrise Private Limited			4,62.39	4,62.39	–	
Mr. Mayank Kejriwal			4,12.40	4,12.40	–	
Sree Khemisati Constructions Private Limited			74.98	74.98	–	
Mangalam Equity Management Private Limited			10,74.75	10,74.75	–	
Total			**24,99.41**	**24,99.41**	**–**	
Previous Year	**–**	**–**	**–**	**–**	**–**	**–**
Professional Charges						
Mr Rajkumar Khanna	–	36.00	–	36.00	–	
Total	**–**	**36.00**	**–**	**36.00**	**–**	
Previous Year						
Mr Rajkumar Khanna	–	42.48	–	42.48	–	–
Mrs. Madhu Agarwal	–	12.75	–	12.75	–	–
Mr. Apurva Agarwal	–	12.75	–	12.75	–	–

1. The above related party information is as identified by the management and relied upon by the auditor.
2. There are no loans or advances in the nature of loans granted to Promoters, Directors, Key Managerial Personal or any other related party (as per Companies Act 2013) either severally or jointly with any other persons, during the year/previous year.
3. In respect of the above parties, there is no provision for doubtful debt as on March 31, 2023 except as disclosed above and no amount has been written off or written back during the year in respect of debt due from/ to them.

C. Details of compensation paid to KMP during the year are as follows: (Rs. in lakhs)

Particulars	**For the Year ended March 31, 2023**	For the Year ended March 31, 2022
Short-term employee benefits	**22,21.82**	22,68.81
Post-employment benefits *	**1,31.69**	1,13.54
Other long-term benefits *	**43.43**	–

* Post-employment benefits and other long-term benefits is being disclosed based on actual payment made including those on retirement / resignation of services, but does not includes provision made on actuarial basis as the same is available for all employees together.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

D. Terms and conditions of transactions with related parties

a. The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms. For the year ended March 31, 2023, the company has not recorded impairment of receivable relating to amount owned by the parties. The measurement is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b. The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.

c. The remuneration of directors is determined by the Nominations & Remuneration Committee having regard to the performance of individuals and market trends.

54.1 Details of Loans, Investments and Guarantees covered u/s 186(4) of the Companies Act, 2013:

a) Details of Loans and Investments are given under the respective heads (refer note no. 8, 9, 14 and 18).

b) Details of Standby Letter of Credit given by the Company are as follows:

(Rs. in lakhs)

Name of the Company	Purpose	As at March 31, 2023	As at March 31, 2022
Electrosteel Europe SA	Fund based facility from bank	**8,90.59**	16,77.18
Electrosteel Algerie SPA	Fund based facility from bank	**6,16.23**	9,09.45
Electrosteel Castings (UK) Ltd.	Fund based facility from bank	**20,26.68**	19,90.63
Electrosteel USA LLC	Fund based facility from bank	**20,54.12**	18,94.69

55. Accounting Ratios

Sl. No.	Name of the Ratio	Numerator	Denominator	As at/ For the year ended March 31, 2023	As at/ For the year ended March 31, 2022	Variance in %	Reason for variance
1	Current Ratio (in times)	Current assets	Current liabilities	1.48	1.42	4%	–
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.57	0.69	-16%	–
3	Debt Service coverage ratio (in times)	Earnings available for debt service	Total debt service	1.31	1.22	8%	–
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	8.11%	8.54%	-5%	–
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	3.90	3.57	9%	–
6	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	5.86	5.64	4%	–
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	8.02	7.85	2%	–
8	Net capital turnover ratio (in times)	Net sales	Working Capital	5.44	4.11	33%	Due to improved realisation and increase in sale volume.
9	Net profit ratio (in %)	Net profit	Net sales	4.86%	6.51%	-25%	Due to increase in finance cost and major raw material cost although there was increase in realisation and sales volume.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

Sl. No.	Name of the Ratio	Numerator	Denominator	As at/ For the year ended March 31, 2023	As at/ For the year ended March 31, 2022	Variance in %	Reason for variance
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	9.98%	8.53%	17%	–
11	Return on investment	{MV(T1)-MV(T0)-Sum[C(t)]}	{MV(T0)+Sum [W(t)*C(t)]}	13.29%	14.76%	-10%	–

Definitions:

(a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.

(b) Debt service = Interest & Lease Payments + Principal Repayments (including prepayments)

(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2

(d) Net credit sales = Net credit sales consist of gross credit sales minus sales return

(e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2

(f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return

(g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2

(h) Working capital = Current assets - Current liabilities.

(i) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income

(j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(k) Return on Investment (MV(T1) – MV(T0) – Sum [C(t)]) (MV(T0) + Sum [W(t) * C(t)]) where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1

56. Disclosure Of Transactions With Struck Off Companies

Based on the information available with the company from the website of Ministry of Corporate Affairs and on certification from an independent professional hired for identification of such companies, the details of transactions are as follows:

(Rs. in lakhs)

Name of the struck off company	Nature of transactions with struck off company	**As at March 31, 2023**	Relationship with the struck off company, if any, to be disclosed	As at March 31, 2022	Relationship with the struck off company, if any, to be disclosed
Deccan Articulations Private Limited	Payables	**–**	–	–	–
Dhona Instruments Private Limited	Payables	**–**	–	–	–
Elbi Consultancy India Private Limited	Payables	**–**	–	–	–
Holiday Inn Kolkata Airport	Payables	**–**	–	–	–
Msc Mediterranean Shipping Company	Payables	**–**	–	–	–
RBC Bearings Private Limited	Payables	**0.14**	–	–	–
RCL Feeder Pte Limited	Payables	**(0.14)**	–	–	–
Safety Perfect Private Limited	Payables	**4.77**	–	–	–

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

Name of the struck off company	Nature of transactions with struck off company	**As at March 31, 2023**	Relationship with the struck off company, if any, to be disclosed	As at March 31, 2022	Relationship with the struck off company, if any, to be disclosed
SVRS Exports Private Limited	Payables	**1.47**	–	–	–
Borewell Equipment Company Private Limited	Receivables	**2.51**	–	–	–
Geo Miller & Company Private Limited	Payables	**0.08**	–	–	–
M D Trade Links Private Limited	Payables			2.20	–
Kolaghat Thermal Power Station,WBPDCL	Receivables	**–**	–	0.27	–
Sew Eurodrive India Private Limited	Payables	**–**	–	–	–
Skylark Express Private Limited	Receivables	**–**	–	–	–
National Refractories	Payables	**–**	–	–	–
Shubhrajyoti Logistics Private Limited	Payables	**–**	–	–	–
Igus (India) Private Limited	Payables	**–**	–	–	–
RBC Bearings Private Limited	Payables	**–**	–	–	–

57. Additional Information pursuant to amendments made in Schedule III to the extent applicable to the company (Other than those that have been disclosed under the respective Notes to the financial statements:

(A) **Utilisation of borrowed funds and share premium**

(i) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(B) **Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(C) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(D) **Compliance with number of layers of companies**

The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

Notes to Standalone Financial Statements for the year ended March 31, 2023 *(Contd.)*

58. The company operates mainly in one business segment viz Pipes & Fittings being primary segment and all other activities revolve around the main activity. The secondary segment is geographical, information related to which is given as under:

(Rs. in lakhs)

Particulars	**2022-23**			2021-22		
	Within India	**Outside India**	**Total**	Within India	Outside India	Total
Sales (gross)	**53,82,91.85**	**15,04,03.74**	**68,86,95.59**	38,30,67.05	11,67,97.38	49,98,64.43
Non-Current Assets other than financial instruments	**39,74,56.46**	**–**	**39,74,56.46**	39,04,85.70	–	39,04,85.70

59. The company has opted for continuing accounting policy in respect of exchange difference arising on reporting of long term foreign currency monetary items in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". The unamortised balance in the carrying amount of Property, Plant and Equipments / capital work in progress is Rs 2,80,06.55 lakhs (previous year Rs 2,83,40.19 lakhs).

60. These financial statements have been approved by the Board of Directors of the Company on May 17, 2023 for issue to the shareholders for the adoption.

61. The previous year figures have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

As per our report of even date
For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
Membership No. A20387

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

Form AOC 1

(Pursuant to first proviso to sub-section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules,2014)

Statement containing salient features of the Financial Statement Of Subsidiaries/ Associate Companies/Joint Ventures of Electrosteel Castings Limited as on 31st March, 2023

PART ' A' : Subsidiaries

(Amount Rs. in lakhs)

Sl. No.	Name of the Subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Year	Exchange Rate	Equity Share Capital	Other Equity	Total Assets	Total Liabilities	Investment	Revenue from operation/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Other Comprehensive Income	Total Comprehensive Income	Proposed dividend *	%age of share holding	Country
1	Electrosteel Algerie SPA**	January 21, 2004	N.A.	DZD	2022–23	0.61	8,20.36	(9,95.89)	3,21.28	4,96.81	–	4,53.65	314.38	–	314.38	–	314.38	–	100%	Algeria
2	Electrosteel Castings (UK) Limited	January 17, 2005	N.A.	GBP	2022–23	101.33	11,14.68	17,26.75	1,91,46.67	1,63,05.24	–	2,07,61.91	985.29	193.55	791.74	–	791.74	–	100%	United Kingdom
3	Electrosteel Europe S.A.	December 24, 2001	N.A.	EURO	2022–23	89.06	33,84.23	67,45.42	5,96,69.31	4,95,39.66	0.50	10,13,59.99	27,90.77	8,73.85	19,16.92	–	19,16.92	–	100%	France
4	Electrosteel USA, LLC#	September 30, 2008	N.A.	USD	2022–23	82.17	24,64.95	2699.49	1,77,88.93	1,26,24.49	–	3,01,26.13	31,62.22	708.91	24,53.31	–	24,53.31	–	100%	USA
5	Electrosteel Trading, S.A.	December 13, 2011	N.A.	EURO	2022–23	89.06	57.89	100.35	17,10.41	15,52.17	–	45,11.25	36.49	9.12	27.37	–	27.37	–	100%	Spain
6	Electrosteel Doha for Trading LLC	September 30, 2012	N.A.	QAR	2022–23	22.57	45.15	29,92.66	44,12.55	13,74.74	–	70,80.69	16,04.70	132.88	14,71.82	–	14,71.82	2,859.93	49%	Qatar
7	Electrosteel Castings Gulf FZE	August 2, 2012	N.A.	AED	2022–23	22.37	2,23.74	16,39.74	28,91.87	10,28.39	–	22,04.73	1,08.07	–	1,08.07	–	108.07	492.67	100%	UAE
8	Electrosteel Brasil LTDA. Tubos e Conexoes Duteis	January 22, 2013	N.A.	BRL	2022–23	16.23	24.34	(79.13)	–	54.79	–	–	–	–	–	–	–	–	100%	Brazil
9	Electrosteel Bahrain Holding W.L.L ##	March 17, 2015	N.A.	BHD	2022–23	2,18.09	5,45.24	26,27.56	92,83.71	61,10.91	–	92,40.52	–148.61	–	–148.61	–	–148.61	–	100%	Bahrain

Notes :

Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2023.

* includes dividend paid during the year.

** The financial year of the company is calander year as per host country law. However, for the purpose of consolidation, financial statement has been drawn as at March end.

Consolidated Financial Statement includes its wholly owned subsidiary WaterFab LLC.

Consolidated Financial Statement includes its subsidiary Electrosteel Bahrain Trading WLL.

PART 'B' : Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of the Associates/Joint Ventures	Latest Audited Balance Sheet Date	Date on which Associate or Joint Venture was acquired	Shares of Associate or Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/Joint Venture is not consolidated	Net Worth attributable to shareholding as per latest audited Balance Sheet (Rs in lakhs)	Total Comprehensive Income	
				No. of Shares held by the Company as on March 31, 2023	Amount of investment (Rs. in lakhs)	Extent of holding%				Considered in consolidation (Rs. in lakhs)	Not considered in consolidation (Rs. in lakhs)
1	Domco Private Limited	Ref Note No 8.1	August 24,2005	30,000	30.00	50.00%	Extent of holding more than 20%	Ref Note No 8.1	–	–	–
2	North Dhadhu Mining Company Private Limited	Ref Note No 8.2	October 22,2008	82,28,053	8,22.81	48.98%	Extent of holding more than 20%	Ref Note No 8.2	–	–	–

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
Membership No. A20387

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

Kolkata
May 17, 2023

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Standalone Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in lakhs)

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	701252.62	Not Ascertainable
2.	Total Expenditure	657974.47	
3.	Net Profit/(Loss) (including other comprehensive income)	30560.18	
4.	Earnings Per Share	5.63	
5.	Total Assets	809205.58	
6.	Total Liabilities	809205.58	
7.	Net Worth (Equity Share Capital plus Other Equity)	427045.52	
8.	Any other financial item(s) (as felt appropriate by the management)	–	–

II. **Audit Qualification (each audit qualification separately):**

a. **Details of Audit Qualification:**

Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31st March 2023 –

Sub Para (a): Note no. 4 regarding cancellation of coal block allotted to the company in earlier year and adjustments required to be carried out in respect of the claim received so far and carrying value of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account for the reasons stated therein. Impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

Sub Para (b): Note No. 5 in respect of company's investment in ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Calcutta and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land had been taken by the said party. The matter has been disputed by the company and is currently pending before DRAT and Hon'ble High Court at Madras. Impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

b. **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~.

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 4 since financial year 2014-15 and Note no. 5 since financial year 2017-18.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** N.A

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:** N.A

(ii) **If management is unable to estimate the impact, reasons for the same:**

Sub Para (a) – In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination, compensation of Rs. 8312.14 lakhs was received. The company also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly and based on the said judgement, the Company has claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the amount of compensation to be paid to the company. Earlier the Nominated Authority had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the said decision. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated November 11, 2019. The company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same is under consideration and a final compensation is yet to be decided. The company had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets. Pending such decision, in the meantime, the Ministry vide notification dated November 03, 2022 had included the said Parbatpur Coal Block in the "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and JSW Steel Limited (JSW) has emerged as successful bidder in the said auction. Accordingly, the claim for compensation in this respect therefore is to be determined on receipt of order for vesting of the said mine to JSW. The company's management however, is pursuing to revise and determine the amount of entire compensation for coal block in terms of the aforesaid judgement passed by the Hon'ble High Court of Delhi.

Pending finalisation of the matter as above;

(i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2090.04 lakhs have been adjusted.

Necessary disclosures and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

Sub Para (b) - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by ESL Steel Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the Company had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.

The Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. During the year, the company has fair valued the equity share of ESL and a loss of Rs. 2915.95 lakhs has been accounted for in other comprehensive income.

Investment in ESL include 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 5744.81 lakhs as on March 31, 2023 have been pledged with the consortium of lenders of ESL (lenders). The notices issued by the lenders for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the company's plea for release of such pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs of the company, situated at Elavur, Tamil Naidu, were mortgaged to another lender SREI Infrastructure Finance Limited (SREI) of ESL and SREI had subsequently assigned the right of the said property to an Asset Reconstruction Company (ARC) although the claims of the said lender were fully discharged by the ESL as per the Resolution Plan approved by NCLT, Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land against alleged claim in SARAFESI Notice in an earlier year. The Company had disputed the alleged assignment of the loan by the lender at Hon'ble Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, the Company had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARAFESI actions and release of the title deeds of such land. The DRT vide its order dated April 08, 2022 uploaded on April 27, 2022 had dismissed the application of the Company. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs and was of the view that at admission stage it cannot go in to the merits of the case hence, cannot give any relief on the pre-deposit. The Company then has filed revision application at Hon'ble Madras High Court under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution challenging provisions of pre-deposit under SARAFESI Act. The matter is now pending before Hon'ble Madras High Court.

Earlier, the ARC had also filed an application before the National Company Law Tribunal, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) process against the Company which has been decided in the favour of the Company vide NCLT order dated June 24, 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack and the matter is pending before National Company Law Appellate Tribunal (NCLAT), New Delhi.

Pending finalization of the matter, these assets have been carried forward at their book value.

(iii) Auditors' Comments on (i) or (ii) above:

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by us.

III. <u>Signatories :</u>

CEO / Managing Director	Sunil Katial *(Chief Executive Officer & Whole-time Director)*
CFO	Ashutosh Agarwal *(Whole-time Director and Chief Financial Officer)*
Audit Committee Chairman	Binod Kumar Khaitan (Audit Committee Chairman)
Statutory Auditor	For Lodha & Co. *Chartered Accountants* Firm's Registration No: 301051E R. P. Singh *(Partner)* Membership No: 052438

Place : Kolkata
Date : May 17, 2023

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Electrosteel Castings Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Electrosteel Castings Limited** (hereinafter referred to as the "Company" or "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its Joint Ventures, which comprise the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and Loss including the statement of other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matter paragraph below, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, and their consolidated profit (including other comprehensive income), its consolidated statement of cash flows and consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

Attention is invited to the following notes to the accompanying Consolidated financial statements:

a) Note no. 50 regarding cancellation of coal block allotted to the Parent in earlier year and adjustment required to be carried out in respect of the claim received so far and carrying value of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account for the reasons stated therein; and

b) Note No. 9.1 in respect of Parent's investment in ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Calcutta and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land had been taken by the said party. The matter has been disputed by the parent and is currently pending before DRAT and Hon'ble High Court at Madras.

c) Pending finalization of the matters dealt with in (a) and (b), the impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirement prescribed under the provisions of the Companies Act, 2013 that are relevant to our audit of the consolidated financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies act, 2013. We believe that the audit evidence obtained by us along with the consideration of auditors' report referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion paragraph of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statement section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedure designed to respond to our assessment of the risk of material misstatement of the consolidated financial statement. The result of audit procedures performed by us and by other auditors of component not audited by us, as reported by them in their Auditors' Report furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements. However, the below mentioned key audit matters pertains to Parent as the other auditors of the component have not given any key audit matters in their reports.

Independent Auditors' Report *(Contd.)*

Key Audit Matters	Addressing the key audit matters
Claims, Litigations and disclosure of contingent liabilities (as described in note 30, 50, 51 and 55(i) of the Consolidated financial statements)	
The Parent is exposed to a number of significant claims and litigations including taxation and related provisions of relevant laws and regulations and interpretations. This includes an income tax refund of Rs. 62,10.24 lakhs carried forward as liabilities as on March 31, 2023, as dealt with in Note no. 30 and contingent liabilities as disclosed in Note no. 55(i). The assessment of the likelihood and quantum of any liability with respect to these matters are matter of judgmental due to the uncertainty. We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amount involved are or can be material to the consolidated financial statements.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of provision/ disclosures made include the following: • Understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations. • Understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of tax litigations relating to the relevant laws and regulations and the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigations and contingent liabilities; • Testing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigations and contingent liabilities; • Analysed significant changes/ updates from previous periods and obtained a detailed understanding of such items. Assessed recent judgements passed by the court authorities affecting such change; • Discussed the status of significant known actual and potential litigations with the management and noted material information placed before the board for such cases; • Evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; • Reliance has been placed on such legal interpretation and opinion provided on the matter; • Assessment of the adequacy of management's assumptions and estimates related to the recognized provision for disputes and disclosure of contingent liabilities in the financial statements or otherwise references made in the audit report wherever relevant and appropriate; and • Examined external legal opinions and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.
Verification of Inventory and Valuation thereof (as described in note 14 and 3.8 of the consolidated financial statements)	
The total inventory of the Group amounting to Rs. 22,69,20.82 lakhs (as on March 31, 2023) forms about 26.64% of the total assets of the Group. This includes Parent's bulk materials such as coal, coke, iron ore etc., which are susceptible to handling loss, moisture loss/gain, spillage etc. and determination of the same requires estimation based on experience and technical expertise. Further, judgment is required for the ascertainment of unrealised profit on finished stock considering the different economy and jurisdiction under which the subsidiary operates. We determined this to be a matter of significance to our audit due to the quantum of the amount and estimation involved.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of determination of year-end inventory and valuation thereof include the following: • The Parent has deployed an Independent agency for verification of Bulk Materials during which we were present to oversee the process of the verification; • We reviewed the report submitted by external agency and obtained reasons/explanation for variations observed by then with respect to book stock; • The materiality for variations after considering the reasonable allowance for volumetric measurement were duly considered; • We examined the conversion rates used for conversion of stock including computation of unrealised profit in compliance with the Indian Accounting standard and • We examined the whole valuation process/ methodology and checks being performed at multiple levels to ensure that the valuation is consistent as per the policy followed in this respect.

Independent Auditors' Report *(Contd.)*

Key Audit Matters	Addressing the key audit matters
Recoverability of Government Grant (as described in note no. 20.4 of the consolidated financial statements)	
The Parent has been entitled for various sales tax incentives under industrial promotion scheme issued by the State Government. The parent had complied with the condition of the Scheme and incentives were accounted for in the books in earlier years. A sum of Rs. 58,83.07 lakhs are outstanding as on March 31, 2023. Further such incentive for the period July 01, 2017 to March 31, 2019 for reasons stated in Note no. 55(ii)(a) has not been recognised. We determined this to be a matter of significance to our audit due to quantum of the government grant outstanding, compliance requirement of the scheme and also because of recovery pattern of the same.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of accounting and disclosure include the following: • Evaluating eligibility requirement of the schemes and compliances by the Parent; • Understanding and testing the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the grant; and • Considering the relevant notification to ascertain the basis for determination, completion of performance obligation and assessing the appropriateness of the government grant and timing of recognition and past receipts of the grants.

Information Other than the Financial Statements and Auditors' Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the annexures thereto (namely Management Discussion and Analysis, Report on performance and financial position of the subsidiaries and joint ventures, Report on Corporate Governance, Annual Report on CSR Activities, Business Responsibility and Sustainability Report, Conservation of energy, technology absorption, foreign exchange earnings and outgo and remuneration and other specified particulars of employees) but does not include the Consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with financial information of the subsidiaries audited by other auditors, to the extent it relates to those entities and, in doing so, place reliance on the work of other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information as it relates to subsidiaries is traced from other financial information audited by other auditors. If based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

The Parent's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance comprising of consolidated profit or loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Joint Venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

The respective Management and the Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these

Independent Auditors' Report *(Contd.)*

consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements of which we are the Independent Auditors. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the consolidated/ standalone financial statements of the following subsidiary companies, whose financial statements reflect total assets as at March 31, 2023, total revenue, net profit after tax, total comprehensive income and net cash flow/(outflow) for the year ended as on that date, considered as under in the consolidated financial statements based on financial statements audited by other auditors:

Independent Auditors' Report *(Contd.)*

(Rs. In Lakhs)

Name of the Subsidiary	Total Assets as at March 31, 2023	For the year ended March 31, 2023			
		Total Income	Net Profit/ (Loss) after tax	Total Comprehensive Income	Net Cash Inflow/(Outflow)
Electrosteel Trading S.A, Spain	1,710.41	4,239.34	25.71	35.01	(257.49)
Electrosteel Casting Gulf FZE	2,899.61	2,212.97	100.44	293.94	31.25
Electrosteel Doha for Trading LLC	4,412.59	6,934.86	1,289.18	1,583.72	220.05
Electrosteel Castings (UK) Limited	19,146.67	19,832.59	756.27	829.16	441.74
Electrosteel Europe S.A.	58,993.38	95,224.76	1,800.93	2,311.85	(3,362.12)
Electrosteel Bahrain Holding Company S.P.C (including Stepdown subsidiary Electrosteel Bahrain Holding Company S.P.C)	9,284.75	9,037.59	(145.35)	109.97	(100.87)
Electrosteel Algeria SPA	321.28	436.71	300.03	253.50	2.77
Electrosteel USA LLC (including Stepdown subsidiary WaterFab LLC)	17,788.93	29,481.26	2,399.20	2,663.74	(134.17)

These consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Parent's Management and our opinion on the consolidated financial statements of the Parent, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report on other legal and regulatory requirements, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraphs above.

The above-mentioned subsidiaries are located outside India whose annual financial results have been prepared in accordance with the accounting principles generally accepted in their respective countries and have been audited by their auditors under generally accepted standards and practices applicable in the respective countries. The financial statements of aforesaid subsidiaries have been converted to Indian rupees (INR) and compiled as per the accounting principles generally accepted in India and adjustments ('the subsidiary statements') have been carried out by the management of parent as required for the purpose of incorporating these in the consolidated financial statement of the Group. These subsidiary statements as converted and compiled by the Parent's management, while placing reliance on the same have been reviewed by us. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments and additional disclosures as prepared and certified by the management of the Parent.

b) The accompanying consolidated financial statements also include the unaudited financial statement and other financial information of one subsidiary whose financial results reflects total Assets of Rs. 0.00 lakhs as at March 31, 2023 and total income Nil, Net profit after tax Nil, total comprehensive income of (Rs. 5.34 lakhs) and Net Cashflow of Rs. 0.00 for the year ended March 31, 2023 as considered in the consolidated financial results have not been audited by their auditors and have been certified by the management of the said subsidiary.

This unaudited financial statement have been approved and furnished to us by the parent management and our opinion on the statement, in so far as it relates to the amounts and disclosure included in respect of this subsidiary is based solely on such unaudited financial statement. In our opinion and according to the information and explanation given to us by the parent's management, these financial statements are not material to the group.

c) Our Opinion on the Consolidated Financial Statement and our report on Other Legal and Regulatory Requirements below is not modified in respect of the matters stated in (a) and (b) above with respect to reliance on the work done by and the reports of other auditors and the financial statements certified by the parent's management.

d) As stated in Note no. 8.2 of the consolidated financial statement, the Investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Parent have been impaired and fully provided for in the financial statement and therefore, the financial results of said company have not been incorporated in these consolidated results.

e) As stated in Note no. 8.1 of the consolidated financial statements, Investments in Domco Private Limited, a joint venture have been impaired and fully provided for in the financial statement and also the financial statement of the said company due to reason stated in the said note are not available and have therefore not been consolidated in these consolidated statements as required in terms of Ind AS 28 on "Investment in Associates and Joint Ventures".

f) The other Auditors of the aforesaid components have not reported Key Audit Matters in their Auditors' Report. In absence of which we are unable to incorporate the matters for the Group and accordingly these matters have been reported for the Parent Company only.

g) The comparative financial information of the Group and it's Joint Ventures for the year ended March 31, 2022 have been taken from the consolidated financial statements for the year ended on that date which were audited by the predecessor auditor who expressed a qualified opinion on these consolidated financial statements. We

Independent Auditors' Report *(Contd.)*

have placed reliance on the report dated May 10, 2022 given by the predecessor auditor for the purpose of these consolidated financial statement and our report thereupon.

Report on Other Legal and Regulatory Requirements

1. With respect to matters specified in Paragraph 3(xxi) of the Companies (Auditors' Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanation given to us and based on our examination, we report that there are no companies in the group other than the parent included in the consolidated financial statement which are companies incorporated in India to whom the order are applicable thereby reporting under Clause 3(xxi) of the Order is not applicable.
2. As required by Section 143(3) of the Act, based on our we report, to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Parent so far as it appears from our examination of those books, returns and the reports of the other auditors;
   c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
   d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the requirement and provisions of Indian Accounting Standards specified under Section 133 of the Act read with Companies (India Accounting Standards) Rules, 2015 as amended;
   e) The matters described in the Basis for Qualified Opinion paragraph above in the event of being decided unfavorably, in our opinion, may have an adverse effect on the functioning of the Parent included in the Group;
   f) On the basis of the written representations received from the directors of the parent being the company incorporated in India as on March 31, 2023 taken on record by the Board of Directors of the Parent, none of the directors of the Parent are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
   g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above; and
   h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' report of the Parent company since the subsidiaries considered for consolidation are incorporated outside India. This does not include the report on two joint ventures companies for the reasons stated in Note no 8.1 and 8.2 of the consolidated financial statements. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of the Parent's internal financial controls with reference to consolidated financial statements.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   i. Except for the matters dealt with in the basis for Qualified Opinion paragraph impact whereof are presently not ascertainable, impact of pending litigations (other than those already recognized in the consolidated financial statements) on the consolidated financial position of the group have been disclosed in the consolidated financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013- Refer Note no. 55(i) of the consolidated financial statements;
   ii. The Group have made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note no. 48 of the consolidated financial statements;
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.
   iv. (a) The Management of the parent being the company incorporated in India whose financial statement have been audited under the Act has represented that, to the best of its knowledge and belief no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Independent Auditors' Report *(Contd.)*

(b) The Management of the parent being the company incorporated in India whose financial statement have been audited under the Act has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures and generally accepted auditing practices followed in terms of SAs that have been considered reasonable and appropriate in the circumstances in respect of transactions undertaken during the year, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and

v. The dividend declared or paid during the year by the parent is in compliance with Section 123 of the Companies Act, 2013.

vi. As stated in Note no. 23.8 of the consolidated financial statements, the Board of Directors of the parent has proposed dividend for the year which is subject to the approval of the members at the ensuring Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Companies Act, 2013, as applicable.

vii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the parent being the company incorporated in India with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, In our opinion and according to the information and explanations given to us, the remuneration (including sitting fees) paid by the parent being the company incorporated in India to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

For Lodha & Co,
Chartered Accountants
Firm's ICAI Registration No.:301051E

R. P. Singh
Partner
Membership No. : 52438
UDIN: 23052438BGXSCE6172

Place : Kolkata
Date : May 17, 2023

Annexure "A" to the Independent Auditors' Report
TO THE MEMBERS OF ELECTROSTEEL CASTINGS LIMITED

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group and it's joint ventures as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Electrosteel Castings Limited (hereinafter referred to as "the Parent") being the company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent has maintained, in all material respects, adequate and effective internal financial controls with reference to the consolidated financial statements as of March 31, 2023, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India'.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Control with reference to consolidated financial statement doesn't include our opinion with respect to two joint ventures as stated in Para(h) of Report on other legal and regulatory requirements for reasons stated in Note no. 8.1 and 8.2 of the consolidated financial statements.

For Lodha & Co,
Chartered Accountants
Firm's ICAI Registration No.:301051E

R. P. Singh
Partner
Membership No. : 52438
UDIN: 23052438BGXSCE6172

Place : Kolkata
Date : May 17, 2023

Consolidated Balance Sheet as at March 31, 2023

(Rs. in lakhs)

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non–current assets			
(a) Property, Plant and Equipment	5	**26,68,48.62**	27,03,11.99
(b) Capital work-in-progress	52	**13,02,45.03**	12,07,76.97
(c) Goodwill on consolidation		**2,16.03**	2,16.03
(d) Other Intangible assets	6	**5,66.75**	4,08.88
(e) Right-of-use assets	7	**54,52.68**	53,84.64
(f) Investments in Joint ventures	8	**–**	–
(g) Financial Assets			
(i) Investments	9	**65,94.57**	95,06.87
(ii) Loans	10	**23.34**	21.53
(iii) Other financial assets	11	**55,36.77**	42,56.02
(h) Non-current tax assets (Net)	12	**22,40.51**	14,43.89
(i) Other non-current assets	13	**27,56.25**	9,40.98
		42,04,80.55	41,32,67.80
Current assets			
(a) Inventories	14	**22,69,20.82**	22,45,45.93
(b) Financial Assets			
(i) Investments	15	**95,42.04**	3,61,72.87
(ii) Trade receivables	16	**10,56,43.35**	9,41,86.42
(iii) Cash and cash equivalents	17	**2,30,49.45**	2,13,73.21
(iv) Bank balances other than (iii) above	18	**1,81,52.74**	3,05,04.10
(v) Loans	19	**1,09,35.00**	53,08.00
(vi) Other financial assets	20	**2,15,68.91**	2,02,40.45
(c) Other current assets	21	**1,55,68.02**	1,67,83.39
		43,13,80.33	44,91,14.37
Total Assets		**85,18,60.88**	86,23,82.17
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	22	**59,46.05**	59,46.05
(b) Other Equity	23	**43,23,17.55**	40,43,61.81
(c) Non-Controlling Interest	24	**1,09.52**	1,40.08
		43,83,73.12	41,04,47.94
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**7,36,56.96**	8,77,17.83
(ii) Lease Liabilities	26	**30,25.96**	29,57.54
(b) Provisions	27	**40,35.14**	41,82.01
(c) Deferred tax liabilities (Net)	28	**3,19,54.53**	3,45,43.36
(d) Other non-current liabilities	29	**4,18.60**	34,60.75
(e) Non-current tax liabilities (Net)	30	**62,10.24**	62,15.64
		11,93,01.43	13,90,77.13
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	31	**18,91,56.87**	20,52,68.97
(ii) Lease Liabilities	26	**8,99.58**	7,52.64
(iii) Trade payables	32		
(a) Total Outstanding dues of micro and small enterprises: and		**15,95.15**	26,63.11
(b) Total Outstanding dues other than micro and small enterprises		**5,71,06.79**	6,01,58.23
(iv) Other financial liabilities	33	**1,06,81.16**	40,68.09
(b) Other current liabilities	34	**3,00,97.04**	3,76,83.89
(c) Provisions	35	**35,11.30**	16,00.51
(d) Current Tax liabilities (Net)	36	**11,38.44**	6,61.66
		29,41,86.33	31,28,57.10
Total Equity and Liabilities		**85,18,60.88**	86,23,82.17

Significant accounting policies and other accompanying notes (1 to 64) form an integral part of the consolidated financial statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
(Membership No. A20387)

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

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

(Rs. in lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations	37	**72,75,50.76**	52,80,95.22
Other Income	38	**84,92.00**	55,75.66
Total income		**73,60,42.76**	53,36,70.88
EXPENSES			
Cost of materials consumed	39	**39,90,87.45**	27,52,94.37
Purchases of Stock-in-Trade	40	**1,57,92.00**	1,12,08.34
Changes in inventories of finished goods , Stock-in-Trade and work-in-progress	41	**(1,60,02.03)**	(3,86,79.33)
Employee benefits expense	42	**4,30,40.99**	3,97,69.36
Finance costs	43	**2,85,88.92**	1,94,67.99
Depreciation and amortisation expense	44	**1,21,19.76**	1,14,68.03
Other expenses	45	**21,18,75.41**	17,07,13.36
Total expenses		**69,45,02.50**	48,92,42.12
Profit /(Loss) before tax		**4,15,40.26**	4,44,28.76
Tax expense:	46		
Current tax		**1,25,05.57**	1,09,52.62
Deferred tax		**(25,88.64)**	(11,49.49)
Related to earlier year		**–**	(1,31.36)
Profit /(Loss) after tax		**3,16,23.33**	3,47,56.99
Add: Share of Profit/(Loss) in Joint Venture (Net)		**–**	–
Profit /(Loss) for the year		**3,16,23.33**	3,47,56.99
Profit /(Loss) for the year attributable to:			
- Owners of the Company		**3,15,80.22**	3,47,27.73
- Non-Controlling Interest		**43.11**	29.26
Other Comprehensive Income	47		
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		**(4.13)**	(1,74.28)
b) Equity instruments through other comprehensive income		**(29,12.30)**	53,50.86
(ii) Income tax relating to items that will not be reclassified to profit or loss	46.2	**0.19**	43.88
B (i) Items that will be reclassified to profit or loss			
- Foreign currency translation differences		**15,49.19**	4,83.08
(ii) Income tax relating to items that will be reclassified to profit or loss		**–**	–
Other Comprehensive Income for the year (net of tax)		**(13,67.05)**	57,03.54
Other Comprehensive Income for the year attributable to:			
- Owners of the Company		**(13,67.05)**	57,03.54
- Non-Controlling Interest		**–**	–
Total Comprehensive Income for the year (comprising of profit/(loss) and other comprehensive income for the year)		**3,02,56.28**	4,04,60.53
Total Comprehensive Income for the year attributable to:			
- Owners of the Company		**3,02,13.17**	4,04,31.27
- Non-Controlling Interest		**43.11**	29.26
Earnings per equity share of par value of Re. 1 each.	53		
(1) Basic (Rs.)		**5.31**	5.84
(2) Diluted (Rs.)		**5.31**	5.84

Significant accounting policies and other accompanying notes (1 to 64) form an integral part of the consolidated financial statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
(Membership No. A20387)

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

Consolidated Statement of changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

(Rs. in lakhs)

As at April 01,2022	Changes in equity share capital during the current year	As at March 31, 2023
59,46.05	–	59,46.05

As at April 01,2021	Changes in equity share capital during the current year	As at March 31, 2022
43,29.55	16,16.50	59,46.05

Note : During the previous year, 161650538 equity shares of Re.1 each has been issued to shareholders of erstwhile Srikalahasthi Pipes Limited on amalgamation of the said company with the Parent, pursuant to the scheme of amalgamation approved by Hon'ble National Company Law Tribunal, Cuttack Bench vide its order dated December 09, 2021.

B. Other Equity

As at March 31, 2023

(Rs. in lakhs)

Particulars	Reserves & Surplus					Items of other comprehensive income			Money received against share warrants	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Retained Earnings	Re-measurement of defined benefit plans	Equity Instrument through other Comprehensive Income	Exchange difference on translating the financial statements of foreign operations		
Balance as at April 01, 2022	(4,01,53.07)	10,77,71.06	14,80,65.95	5,41.76	17,73,28.19	(2,26.34)	70,03.12	40,31.14	–	40,43,61.81
Total Comprehensive Income for the year	–	–	–	–	3,15,80.22	(3.09)	(29,13.15)	15,49.19	–	3,02,13.17
Transferred to Retained Earnings	–	–	–	–	(2,29.43)	2,29.43	–	–	–	–
Received during the year	–	–	–	–	–	–	–	–	24,99.41	24,99.41
Dividend on Equity shares	–	–	–	–	(47,56.84)	–	–	–	–	(47,56.84)
Exchange difference on translation of foreign operations	–	–	–	37.61	–	–	–	(37.61)	–	–
Transfer from Retained Earnings	–	–	–	24.07	(24.07)	–	–	–	–	–
Transferred to Retained Earnings on disposal of Equity shares through OCI	–	–	–	–	–	–	–	–	–	–
As at March 31, 2023	**(4,01,53.07)**	**10,77,71.06**	**14,80,65.95**	**6,03.44**	**20,38,98.07**	**–**	**40,89.97**	**55,42.72**	**24,99.41**	**43,23,17.55**

Consolidated Statement of changes in Equity for the year ended March 31, 2023 (Contd.)

B. Other Equity (Contd.)

As at March 31, 2022

(Rs. in lakhs)

Particulars	Reserves & Surplus					Items of other comprehensive income			Money received against share warrants	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Retained Earnings	Re-measurement of defined benefit plans	Equity Instrument through other Comprehensive Income	Exchange difference on translating the financial statements of foreign operations		
As at April 01, 2021	(4,01,53.07)	10,77,71.06	14,80,65.95	4,25.72	14,52,80.30	(95.93)	18,19.11	35,43.50	–	36,66,56.64
Total Comprehensive Income for the year	–	–	–	–	3,47,27.73	(1,30.41)	53,50.87	4,83.08	–	4,04,31.27
Transferred to Retained Earnings	–	–	–	–	–	–	–	–	–	–
Received during the year	–	–	–	–	–	–	–	–	–	–
Dividend on Equity shares	–	–	–	–	(27,26.10)	–	–	–	–	(27,26.10)
Exchange difference on translation of foreign operations	–	–	–	(4.56)	–	–	–	4.56	–	–
Transfer from Retained Earnings	–	–	–	1,20.60	(1,20.60)	–	–	–	–	–
Transferred to Retained Earnings on disposal of Equity shares through OCI	–	–	–	–	1,66.86	–	(1,66.86)	–	–	–
As at March 31, 2022	(4,01,53.07)	10,77,71.06	14,80,65.95	5,41.76	17,73,28.19	(2,26.34)	70,03.12	40,31.14	–	40,43,61.81

Refer Note no. 23 for nature and purpose of reserves.

Significant accounting policies and other accompanying notes (1 to 64) form an integral part of the consolidated financial statements.

As per our report of even date
For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
(Membership No. A20387)

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

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

(Rs. in lakhs)

	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		**4,15,40.26**		4,44,28.76
Adjustment to reconcile profit before tax to net cash generated from operating activities				
Add : Depreciation and amortisation expenses	**1,21,19.76**		1,14,68.03	
Sundry balances/Advances/CWIP written off	**28,74.60**		17,88.36	
Bad Debts	**–**		4,03.05	
Credit loss allowances on trade receivables/advances/others	**4,24.20**		1,97.42	
Provision for obsolescence of Inventories	**24,28.99**		2,42.40	
Provision for inflationary and other risks	**18,37.90**		–	
Loss on sale / discard of Fixed Assets (net)	**8,30.73**		4,04.07	
Fair Valuation of derivative instruments through Profit and Loss	**900.25**		(7,02.31)	
Net gain /(loss) on Fair valuation of Current Investments	**85.56**		(94.54)	
Finance costs	**2,85,88.92**	**5,00,90.91**	1,94,67.99	3,31,74.47
		9,16,31.17		7,76,03.23
Less : Interest Income	**49,24.07**		32,31.63	
Dividend Income from Investments	**0.50**		–	
Deferred Income	**25.64**		25.64	
Net gain on derecognition of financial assets at amortised cost	**25.94**		1.25	
Unrealised Foreign Exchange Fluctuation and translation	**16,90.89**		746.95	
Profit on sale of Current Investment	**3,94.46**		1,66.07	
Profit on sale of Non Current Investment	**–**		7,84.52	
Provisions / Liabilities no longer required written back	**7,88.57**	**78,50.07**	9,49.32	59,05.38
Operating Profit before Working Capital changes		**8,37,81.10**		7,16,97.85
Movement in working capital				
Less : Increase/(Decrease) in Inventories	**48,03.88**		10,11,28.01	
Increase/(Decrease) in Trade Receivables	**99,73.33**		1,70,72.00	
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	**(17,71.51)**		25,87.03	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	**1,27,30.13**	**2,57,35.83**	(3,27,61.56)	8,80,25.48
Cash generated from Operations		**5,80,45.27**		(1,63,27.63)
Less : Direct Taxes paid (Net)		**1,28,25.63**		1,15,81.76
Net cash flow from Operating activities (A)		**4,52,19.64**		(2,79,09.39)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment against Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	**(1,87,53.62)**		(1,94,88.96)	
Realisation against Property, Plant and Equipment, Intangible Assets	**3,71.18**		16,08.03	
Purchase of Current Investment (net)	**(35,88,71.17)**		(18,83,73.12)	
Sale of Current Investment	**38,58,10.90**		16,81,21.45	
Sale of Non Current Investment	**–**		12,01.32	
Inter Corporate Loan given	**(1,75,00.00)**		(2,00,00.00)	
Inter Corporate Loan repaid	**1,18,73.00**		1,64,22.00	
Interest received	**43,94.63**		32,95.88	
Dividend received	**0.50**		–	
Movement in bank balances other than cash and cash equivalents	**95,04.29**	**1,68,29.71**	43,34.28	(3,28,79.12)
Net Cash flow from Investing activities (B)		**1,68,29.71**		(3,28,79.12)

Consolidated Statement of Cash Flow for the year ended March 31, 2023 (Contd.)

(Rs. in lakhs)

	For the year ended March 31, 2023		For the year ended March 31, 2022	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from application towards share warrants	**24,99.41**		–	
Payment to Non-Controlling Interest	**(85.53)**		(44.57)	
Proceeds/(Repayments) from short term borrowings (net)	**(1,25,34.31)**		7,74,03.54	
Repayment of Long Term borrowings	**(3,30,51.43)**		(3,68,26.04)	
Proceeds from Long Term borrowings	**1,37,70.81**		4,16,80.00	
Interest and other borrowing cost paid	**(2,55,49.96)**		(1,78,79.62)	
Repayment of Lease Liability	**(6,65.26)**		(7,44.49)	
Dividend paid	**(47,56.84)**	**(6,03,73.11)**	(27,26.11)	6,08,62.71
Net cash flow from Financing activities (C)		**(6,03,73.11)**		6,08,62.71
Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)		**16,76.24**		74.20
Cash and Cash equivalents at the beginning of the year		**2,13,73.21**		2,12,99.01
Cash and Cash equivalents at the end of the year (Refer Note no. 17)		**2,30,49.45**		2,13,73.21

Note :

(a) The above Statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.

(b) Ind AS 7 Cash flow statements requires the entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes, opening and closing balances in liabilities arising from financing activities and change in this respect are as follows:

Particulars	As at March 31, 2022	Inflow/ (outflow) of Cash Flows (net)	Non Cash Changes		As at March 31, 2023
			Foreign Exchange movement, Amortised cost & Other Adjustments	Current/ Non Current classification	
Borrowings-Non Current (Refer Note No. 25)	8,77,17.83	14,98.89	17,71.76	(1,73,31.52)	7,36,56.96
Borrowings-Current (Refer Note No. 31)	20,52,68.97	(3,33,13.82)	(1,29.80)	1,73,31.52	18,91,56.87
Lease Liabilities (Refer Note no. 26)	37,10.18	(6,65.26)	8,80.62	–	39,25.54

(c) Components of Cash and Cash Equivalent have been disclosed in Note no. 17 of the Consolidated financial statements.

Significant accounting policies and other accompanying notes (1 to 64) form an integral part of the consolidated financial statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
(Membership No. A20387)

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

Notes to Consolidated Financial Statements for the year ended March 31, 2023

1. Group Information

Electrosteel Castings Limited ('the Company' or 'Parent') is a public limited company in India having its corporate office in Kolkata in the State of West Bengal and registered office at Rajgangpur, District: Sundergarh in the State of Odisha. The Parent along with its subsidiaries (collectively referred to as 'the group') is engaged in the manufacture, trading and supply of Ductile Iron (DI) Pipes, Ductile Iron Fittings (DIF) and Cast Iron (CI) Pipes as its core business. The Parent also produces Pig Iron, Metallurgical Coke, Sponge Iron, Sinter, Cement, Ferro products, Paint and Power mainly for captive consumption. The manufacturing activities of the Parent are spread over five different locations situated at Khardah, Haldia, Bansberia, Srikalahasthi and Elavur. The group caters to the needs of Water Infrastructure Development and its operations spread over 35 countries across the Indian sub- continent, South East Asia, and the Middle East Europe, USA, South America and Africa by setting up subsidiaries and developing strong relations with customers abroad.

Hon'ble National Company Law Tribunal, Cuttack Bench (NCLT) vide their order dated December 09, 2021 had sanctioned the scheme of amalgamation ("the scheme") between the Electrosteel Castings Limited (“Parent" or "the transferee Company”) and Srikalahasthi Pipes Limited (“Transferor Company ” or the "SPL") and their respective shareholders and creditors for the amalgamation of SPL with the Parent with effect from the appointed date i.e. October 1, 2020. The Parent shares are listed on National Stock Exchange of India Limited and BSE Limited. The Board of Directors of the Parent have approved the consolidated financial statements for the year ended March 31, 2023 on May 17, 2023.

The Consolidated Financial Statements relates to Electrosteel Castings Limited (or Parent) and its subsidiaries and its joint ventures as detailed below:

Investment in Subsidiaries

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2023	% of holding as at March 31, 2022
Electrosteel Europe SA	Trading of DI Pipes and Fittings	France	**100%**	100%
Electrosteel Algerie SPA	Trading of DI Pipes and Fittings	Algeria	**100%**	100%
Electrosteel Castings (UK) Limited	Trading of DI Pipes and Fittings	United Kingdom	**100%**	100%
Electrosteel USA LLC	Trading of DI Pipes and Fittings	United States of America	**100%**	100%
WaterFab LLC (subsidiary of Electrosteel USA, LLC)	Trading of DI Pipes and Fittings	United States of America	**100%**	100%
Electrosteel Trading, S.A.	Trading of DI Pipes and Fittings	Spain	**100%**	100%
Electrosteel Castings Gulf FZE	Trading of DI Pipes and Fittings	United Arab Emirates	**100%**	100%
Electrosteel Doha for Trading LLC	Trading of DI Pipes and Fittings	Qatar	**97%**	97%
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	Trading of DI Pipes and Fittings	Brazil	**100%**	100%
Electrosteel Bahrain Holding W.L.L (formerly known as Electrosteel Bahrain Holding SPC Company)	Commercial and Other Activity	Bahrain	**100%**	100%
Electrosteel Bahrain Trading W.L.L (subsidiary of Electrosteel Bahrain Holding W.L.L) includes 5% shares held through beneficial trust	Trading of DI Pipes and Fittings	Bahrain	**100%**	100%

Investment in Joint Ventures

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2023	% of holding as at March 31, 2022
North Dhadhu Mining Company Private Limited (refer note no. 8.2 and 8.5)	Mining and agglomeration of Hard Coal	India	**48.98%**	48.98%
Domco Private Limited (refer note no. 8.1 and 8.4)	Manufacturing of Coke Oven products	India	**50.00%**	50.00%

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

2A. Recent Accounting Developments

2A.1 Application of new and revised standards:

Effective April 01, 2022, the group has adopted the amendments vide Companies (Indian Accounting Standard) Amendment Rules, 2022 notifying amendment to existing Ind AS. These amendments to the extent relevant to the Group's operation were relating to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There were other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are not relevant to the Group.

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

2A.2 Recent accounting pronouncements:

On March 31, 2023, Ministry of Corporate Affairs (MCA) has made certain amendments to existing Ind AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the Group's operation include amendment to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and include amendments to help entities distinguish changes in accounting policies from changes in accounting estimates. Further consequential amendments with respect to the concept of material accounting policies have also been made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There are other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations, Ind AS 109 "Financial Instruments " Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these are not relevant to the Group.

Even though the Group will evaluate the impact of above, none of these amendments as such are vital in nature and are not likely to have material impact on consolidated the financial statements of the group.

2B Basis for preparation of consolidated financial statements

Consolidation Procedure

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements", Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures" as notified vide Companies (Accounting Standards) Rules, 2015 (as amended).

Consolidated financial statements are prepared using uniform accounting policies like transaction and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to Group Member's financial statements in preparing the consolidated financial statements to ensure confirmity within Group's accounting policies.

Subsidiaries

Subsidiaries are entities over which the Group has control and the Control is achieved when the group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its:

(a) Power over the investee or holding more than 51% of investee's paid-up share capital.

(b) Exposure or rights to variable returns from its involvement with the investee

(c) The ability to use its power over the investee to affect its returns

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

The Group reassess whether or not it controls an investee, considering the facts and circumstances indicating that there are changes to one or more of the elements of control given herein above.

Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control. The acquisition method of accounting is used to account for business consolidation by the Group.

The Group combines the financial statements of the Parent and its subsidiaries based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.

The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.

The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.

Shares of Non-controlling interest's in the net profit/ (loss) of subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Parent. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.

3. Statement of compliance and Significant Accounting Policies

3.1 Statement of Compliance

These consolidated financial statements, excepting as stated in note no. 50, have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"). The group has complied with Ind AS issued, notified and made effective till the date of authorisation of the consolidated financial statements.

Accounting Policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Basis of Preparation

The consolidated Financial Statements have been prepared under the historical cost convention on accrual basis except for.

a) certain financial instruments that are measured in terms of relevant Ind AS at fair value/ amortized cost at the end of each reporting period;

b) certain class of Property, Plant and Equipment which on the date of transition have been fair valued to be considered as deemed costs; and

c) Defined benefit plans - Plan Assets measured at fair value

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All the assets and liabilities have been classified as current or non-current as per the entities in the Group normal operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Group, the Group has determined its operating cycle as twelve months for the purpose of current and non-current classification.

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates. (the "functional currency")

The Group's functional and presentation currency is determined as the currency of the primary economic environment in which it operates. The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

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 under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair value. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

Non-controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Parent's owners.

Non-controlling interests are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent changes in equity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit and Loss, consolidated Statement of changes in equity, Consolidated Balance Sheet. Share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Parent's shareholders.

Investment in Associates and Joint Ventures

Associate is an entity over which the group has significant influence but no control or joint control. Joint venture is an arrangement whereby the parties have joint control of the arrangement and having right to the net assets of the arrangement. Such investments in its associates and joint venture are accounted for using the equity method in accordance with Ind AS 28 "Accounting for Investments in Associates and Joint Venture". Under the equity method, the investment in an associate and joint ventures is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate and joint venture since the acquisition date. If the Group's share of the net fair value of the investee's identifiable assets and liabilities exceeds the cost of the investment, any excess is recognised directly in Equity as capital reserve in the period in which the investment is acquired. Goodwill, if any, relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate or joint ventures. Any change in OCI of investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the said associate or joint venture.

If the Group's share of losses of associates or joint ventures equals or exceeds its interest in the associates or joint ventures (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint ventures), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates/ joint ventures. If the associate or joint ventures subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of associates and joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each balance sheet date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group estimates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognises the loss as 'Share of profit/loss of associates and Joint Venture' in the Consolidated Statement of Profit and Loss.

Business Combination and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The said exemption has also been availed in respect of joint ventures.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the combination date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The Group except for combination of group entities which are under common control applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

In case of combination of entities under control, business combination are accounted for under pooling of interest method whereby the assets and liabilities are combined at the carrying amount and no adjustments are made to reflect their fair values or recognise any new assets or liabilities.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition i.e. PPE which have been fair valued on transition to be considered as deemed cost and comprises purchase price of assets or its construction cost including duties and taxes (net of input tax credit availed), inward freight and other expenses incidental to acquisition or installation, adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. In addition interest on borrowing to finance the construction of qualifying assets is capitalised as a part of the assets cost until such time the asset is ready for it's intended use. Expenditure on Blast Furnace/Coke Oven Battery Relining is capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Capital Work-in-progress includes project development expenses, equipments to be installed, construction and erection materials etc. Such costs are added to the related items and are classified to the appropriate categories of PPE when completed and ready for intended use.

The Group had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on March 31, 2009 (as amended on December 29, 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at March 31, 2016. Accordingly, exchange differences relating to long term monetary items, in so far as they relate to the acquisition of PPE, were adjusted in the carrying amount of such assets.

Depreciation and Amortization

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method. In the following cases depreciation has been provided on written down value method using the rates arrived at based on the useful life as specified in Schedule II of the Companies Act 2013:

- Entire PPE at Elavur unit and
- Entire PPE at Khardah, Haldia and Bansberia unit excluding plant & equipment and office equipment

Certain plant and equipments have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

upgradation of Property, Plant and Equipment is provided over the remaining useful life of the entire component/ PPE.

Assets costing rupees five thousand or less are being depreciated fully in the year of addition/acquisition.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components.

Railway siding constructed on Government land is amortised over the period of 10 years in terms of agreement.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the useful lives as estimated by the Parent for other assets considered for depreciation are as follows:

Category	Useful life
Buildings	
Non-Factory Building (RCC Frame Structure)	60 Years
Factory Building	30 Years
Roads	
Carpeted Roads-RCC	10 Years
Carpeted Roads-other than RCC	5 Years
Non-Carpeted Roads	3 Years
Plant and machinery	
Other than Continuous Process Plant	15 Years
Sinter Plant, Blast Furnace, Coke Oven	20 Years
Coke Oven Battery Relining	5 Years
Blast Furnace Relining	2 to 6 Years
Pipe Moulds (specified size)	3 to 15 Years
Power Plant	40 Years
Computer equipment	
Servers and networks	6 Years
Others	3 Years
Furniture and fixtures, Electrical Installation and Laboratory Equipment's	10 Years
Office equipment	5 Years
Vehicles	
Motor cycles, scooters and other mopeds	10 Years
Others	8 Years

In case of the subsidiaries, depreciation is provided on straight line method on the basis of estimated useful life of the assets applying the depreciation rates ranging from 1.5% to 35% per annum.

Right to use wagons acquired under "Wagon Investment Scheme", cost of computer software packages (ERP and others) and mining rights are allocated / amortized over a period of 10 years, 5 years and available period of mining lease respectively.

Depreciation / Amortisation methods, useful lives and residual values are reviewed and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost of acquisition/ deemed cost on transition date comprising of purchase price inclusive of duties and taxes (net of input tax credit) less accumulated amortization and impairment losses.

Expenditure incurred on research and development are not capitalized but are charged as expense in the statement of profit and loss in the period in which such expenditure is incurred.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

3.4 Leases

(i) Group as a lessee

The Group lease asset classes primarily consist of leases for Land, Buildings and Plant and Equipment. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

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

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considered for arriving at ROU and lease liabilities when it is reasonably certain that they will be exercised.

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

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

(ii) Group as a lessor

a. Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

b. Operating Lease

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Group with expected inflationary costs.

3.5 Derecognition of Tangible and Intangible assets

An item of PPE/ ROU/ Intangible Asset is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE/ Intangible Assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

3.6 Impairment of Tangible/ Intangible and ROU Assets

Tangible/ Intangible and ROU assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years that reflects current market assessments of the time value of money and the risk specific to the asset.

3.7 Financial Instruments

Financial assets and financial liabilities (financial instruments) are recognised when the Group becomes a party to the contractual provisions of the instruments. The Group determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

The Group categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

A Financial Assets

(i) Initial Recognition and measurement

The financial assets include investments, trade receivable, loans and advances, cash and cash equivalents, bank balances other than cash and cash equivalents, derivative financial instruments and other financial assets.

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate in initial recognition. However, trade receivable that do not contain a significant financing component are measured at transaction price.

(ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

(i) at amortised cost,

(ii) at fair value through other comprehensive income (FVTOCI), and

(iii) at fair value through profit or loss (FVTPL).

Financial Assets at amortised cost

A 'financial Asset' is measured at the amortised cost if the following two conditions are met:

(i) The asset is held within a business whose objective is to hold these assets in order to collect contractual cash flows and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised Cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial asset give rise to cash flows representing solely payments of principal and interest.

Financial Assets at Fair value through profit or loss (FVTPL)

Financial Assets which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

Equity Instruments

Equity instruments in the Scope of Ind AS 109 are measured at FVTPL except for investments in Subsidiaries and Joint Ventures.

The Group makes an election to present changes in fair value through other comprehensive income or through profit or loss on instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

In case the Group decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. In addition, profit or loss arising on sale is taken to other comprehensive income. The amount accumulated in this respect is transferred within the Equity on derecognition.

(iii) Derecognition

The Group derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

B Financial Liabilities

(i) Initial Recognition and measurement

The financial liabilities include trade and other payables, loan and borrowings including book overdraft, derivative financial instruments and other financial liabilities.

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or are deducted from the fair value of the financial liabilities as appropriate in initial recognition.

(ii) Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified in the following categories:

(i) at amortised cost, and

(ii) at fair value through profit or loss (FVTPL).

Financial Liabilities at amortised cost

After initial recognition, financial liabilities are measured at amortized cost using Effective Interest Rate (EIR) method. When the financial liabilities are derecognised, gain or losses are recognised in profit or loss. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

Financial Liabilities at Fair value through profit or loss (FVTPL)

Financial Liabilities which does not meet the criteria of amortised cost are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

C Derivative and Hedge Accounting

Initial Recognition and Subsequent measurement

The Group enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

currencies. The Group uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Group. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/ financial liability, at fair value through profit or loss. Transaction costs attributable are also recognized in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Consolidated Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Consolidated Statement of profit and loss.

D Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

E Offsetting financial instruments

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

F Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The Group recognises loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost.

The Group recognises lifetime expected credit losses for trade receivables. Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods and process stock represents direct and indirect cost for bringing the inventory to present situation and condition including cost of material plus costs of conversion, comprising of labor costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete under the Turnkey Contracts undertaken by the Group.

By Products are valued at net realizable value.

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

3.9 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency at the exchanges rate prevailing on the dates of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the reporting date exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

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

The Group had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on March 31, 2009 (as amended on December 29, 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at March 31, 2016. Accordingly, exchange differences relating to long term monetary items, were in so far as they relate to the acquisition of fixed assets, were adjusted in the carrying amount of such assets.

Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

a) Assets and liabilities are translated at the closing rate at the date of that balance sheet.

b) Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

c) All resulting exchange differences are recognised in other comprehensive income.

3.10 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the consolidated financial statements when there is a possible obligation arising from 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 Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent assets are not recognised but disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

3.12 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employee.

Short Term Benefits

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

Other Long Term Employee Benefits

The cost of providing long term employee benefits consisting of leave encashment that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Actuarial gains and losses and past service cost are recognised immediately in the Consolidated Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Consolidated Balance Sheet represents the present value of related obligation.

Post Employment Benefits

The Group operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

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

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

- Defined Contribution Plan

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

3.13 Operating and Other Income

i. Revenue from Sale of Products

Revenue from contracts with customers is accounted for only when it has commercial substance, and all the following criteria are met:

(i) parties to the contract have approved the contract and are committed to perform their respective obligations;

(ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;

(iii) consideration in exchange for the goods or service to be transferred is collectible and determinable.

Revenue from contract with customers is recognized on satisfaction of performance obligation, when control over the goods or services has been transferred and/or goods/ services are delivered/ provided to the customer. Delivery occurs when the goods have been shipped or delivered to a specific location, and the customer has either accepted the goods under the contract or the Group has sufficient evidence that all the criteria for acceptance have been satisfied.

Revenue is measured at the amount of transaction price (consideration specified with the customers) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of rebates, claims and discounts, returns and value added tax. Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the Group are excluded from revenue. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognized for expected returns in relation to sales made corresponding assets are recognized for the products expected to be returned.

The Group recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Group expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

ii. Interest, Dividend And Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

iii. Export Benefits

Export incentives are accounted for in the year of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to such benefit is fulfilled.

3.14 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs general or specific are recognized in the Consolidated Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.15 Non-current assets (or disposal groups) held for sale

Non-current assets held for sale are presented separately in the balance sheet when the following criteria are met:

- the Group is committed to selling the asset;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- Sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

Non-current asset classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a Non-current asset classified as held for sale are presented separately from other liabilities in the balance sheet.

3.16 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Consolidated Statement of Profit and Loss Account under "Other Operating Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Consolidated Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Consolidated Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the end of the reporting period.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit/(loss) attributable to the equity holders of the parent by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the parent by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Segment Reporting

Operating segments are identified and reported taking into account the in the different risk and return, organisation structure and in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The chief operating decision maker of is responsible for allocating resources and assessing performance of the operating segments, financial results, forecasts or plan for the segment and accordingly is identified as the chief operating decision maker.

The Group has identified one reportable segment "Pipes and all other activities revolve around the main business" based on the information reviewed by the CODM.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the Consolidated financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the Consolidated financial statements have been disclosed below. The notes provide an overview of the areas that involved a high degree of judgement or complexity and of items which are 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 estimates and judgements is included in relevant note together with information about basis of calculation of each affected line item in the Consolidated financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Depreciation / amortization and impairment on Property, Plant and Equipment / intangible assets/ ROU.

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

The Group reviews its carrying value of its Tangible/ Intangible and ROU Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher an asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in variation in the amount of depreciation and amortisation in future periods.

4.2 Right-of-use assets and lease liability

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account among other thing, the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.3 Claims and Compensation

Claims including insurance claims / arbitration claim are accounted for on determination of certainty of realisation thereof. Compensation receivable against coal mine (refer note no. 50) pending final acceptance or settlement thereof even though has not been given effect to, as amount expected to be realised in this respect has been considered to be covering the carrying amount of the relevant assets and other recoverable.

4.4 Impairment allowances for on trade receivables

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. In case of variation in financial condition the amount of impairment as recognised may vary having a significant impact on the Consolidated Financial Statement.

4.5 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Also there are many transactions and assumptions during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

4.6 Defined benefit obligation (DBO)

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. An actuarial valuation critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.7 Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

4.8 Uniform Accounting Policies

The audited/unaudited financial statements of foreign subsidiaries have been prepared in accordance with Generally Accepted Accounting Principles of its Country of Incorporation or International Financial Reporting Standards. Impact on account of differences if any, in accounting policies of the Parent and those followed by its subsidiaries are not material to the Group.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

5. Property, Plant and Equipment :

As at March 31, 2023 (Rs. in lakhs)

Particulars	**Freehold land**	**Buildings**	**Plant and Equipments**	**Furniture and Fixtures**	**Vehicles**	**Office Equipments**	**Railway Siding**	**Live Stock**	**Total**
Gross Block									
As at April 1, 2022	**15,68,44.30**	**2,86,67.89**	**13,79,93.18**	**7,43.00**	**18,55.86**	**14,10.00**	**33,63.20**	**1.11**	**33,08,78.54**
Additions	71.06	4,85.30	73,65.44	2,44.25	2,27.44	2,80.73	–	–	86,74.22
Disposal	(11.24)	–	(21,85.77)	–	(1,67.86)	(3.34)	–	–	(23,68.21)
Other Adjustments	1,07.31	2,20.86	1,15.74	82.01	14.96	(26.15)	–	–	5,14.73
As at March 31, 2023	**15,70,11.43**	**2,93,74.05**	**14,32,88.59**	**10,69.26**	**19,30.40**	**16,61.24**	**33,63.20**	**1.11**	**33,76,99.28**
Accumulated Depreciation									
As at April 1, 2022	**–**	**1,01,57.81**	**4,46,29.81**	**4,85.83**	**11,30.18**	**8,17.59**	**33,45.33**	**–**	**6,05,66.55**
Charge for the period	–	12,87.48	95,62.19	76.98	2,08.91	1,74.30	3.45	–	1,13,13.31
Disposal	–	–	(10,21.84)	–	(1,41.53)	(2.93)	–	–	(11,66.30)
Other Adjustments	–	29.68	65.24	17.56	11.57	13.05	–	–	1,37.10
As at March 31, 2023	**–**	**1,14,74.97**	**5,32,35.40**	**5,80.37**	**12,09.13**	**10,02.01**	**33,48.78**	**–**	**7,08,50.66**
Net carrying amount									
As at March 31, 2023	**15,70,11.43**	**1,78,99.08**	**9,00,53.19**	**4,88.89**	**7,21.27**	**6,59.23**	**14.42**	**1.11**	**26,68,48.62**

As at March 31, 2022 (Rs. in lakhs)

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Live Stock	Total
Gross Block									
As at April 1, 2021	15,74,98.54	2,67,37.69	12,04,41.66	6,74.62	17,19.25	12,49.58	33,63.20	1.11	31,16,85.65
Additions	–	19,83.09	2,39,33.24	74.88	3,34.57	1,68.92	–	–	2,64,94.70
Disposal	(6,21.18)	–	(63,88.45)	(0.03)	(1,93.76)	(2.28)	–	–	(72,05.70)
Other Adjustments	(33.06)	(52.89)	6.73	(6.47)	(4.20)	(6.22)	–	–	(96.11)
As at March 31, 2022	15,68,44.30	2,86,67.89	13,79,93.18	7,43.00	18,55.86	14,10.00	33,63.20	1.11	33,08,78.54
Accumulated Depreciation									
As at April 1, 2021	–	88,93.05	4,07,24.36	4,21.64	11,12.43	6,76.48	29,07.97	–	5,47,35.93
Charge for the period	–	12,74.35	86,03.17	68.85	1,96.71	1,47.12	4,37.36	–	1,07,27.56
Disposal	–	–	(50,35.66)	(0.02)	(1,75.15)	(1.72)	–	–	(52,12.55)
Other Adjustments	–	(9.59)	3,37.94	(4.64)	(3.81)	(4.29)	–	–	3,15.61
As at March 31, 2022	–	1,01,57.81	4,46,29.81	4,85.83	11,30.18	8,17.59	33,45.33	–	6,05,66.55
Net carrying amount									
As at March 31, 2022	15,68,44.30	1,85,10.08	9,33,63.37	2,57.17	7,25.68	5,92.41	17.87	1.11	27,03,11.99

Notes :

5.1 Net Block of Plant and Equipments includes Rs. 4,07.72 lakhs (previous year Rs.4,08.22 lakhs) being contribution for laying the power line, the ownership of which does not vest with the Group.

5.2 Railway Siding represents the cost of construction of the assets for Parent's use over the specified period as per the terms of the agreement.

5.3 Freehold land includes Rs.3,35.81 lakhs (previous year Rs.3,35.81 lakhs) pertaining to the Parbatpur Coal Mine in respect of which the execution of conveyance deeds are pending execution (refer note no. 50). Freehold land also includes Rs. 2,75.27 lakhs (previous year Rs. 2,75.27 lakhs) towards contribution in relation of Joint Venture Company "North Dhadhu Mining Company Private Limited" (refer note no. 8.2).

5.4 Other adjustments includes Rs. 5,14.73 lakhs (previous year Rs. (96.11) lakhs) under Gross Block and Rs. 1,37.10 lakhs (previous year Rs. 3,15.61 lakhs) under Accumulated Depreciation related to realignment of PPE at closing rate as required in terms of Ind AS.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

5.5 Freehold land includes Rs. 18,89.04 lakhs (previous year Rs.18,89.04 lakhs), acquired on merger of erstwhile Mahadev Vyapar Private Limited and Rs.3,51,50.37 lakhs (previous year Rs.3,51,50.37 lakhs) on merger of erstwhile Srikalahasthi Pipes Limited (SPL) where title deeds in favour of the Parent are in process of being registered.

5.6 Freehold land includes, land amounting to Rs.2,94,93.58 lakhs (previous year Rs.2,94,93.58 lakhs) situated at Elavur plant of the Parent which are mortgaged in the favour of lender of ESL Steels Limited, an erstwhile associate of the Group. (Also refer note no.9.1).

5.7 During the year 1942.56 sq. mtr. of land was acquired by Union of India under the provisions of National Highways Act, 1956 and a compensation amounting to Rs. 16.24 lakhs was determined and received by the Parent in the month of March 2023. The Parent being aggrieved of the compensation granted has accepted the amount under protest and filed a petition on April 06, 2023 demanding higher compensation.

5.8 Refer note no. 25 to consolidated financial statements in respect of charge created against borrowings.

5.9 The above includes assets pertaining to Parbatpur Coal Block, consequential adjustment whereof will be given effect to as dealt with in note no. 50 of the Consolidated Financial Statement. Also refer note no. 51 in respect of Iron-ore and manganese ore mine.

6. Other Intangible Assets

As at March 31, 2023 (Rs. in lakhs)

Particulars	**Computer Softwares**	**Mining Rights**	**Right to use under Wagon Investment Scheme**	**Total**
Gross Block				
As at April 1, 2022	**10,14.13**	**8.13**	**8,65.14**	**18,87.40**
Additions	2,77.91	–	–	2,77.91
Disposal	–	–	–	–
Other Adjustments	17.61	–	–	17.61
As at March 31, 2023	**13,09.65**	**8.13**	**8,65.14**	**21,82.92**
Accumulated Depreciation				
As at April 1, 2022	**6,05.25**	**8.13**	**8,65.14**	**14,78.52**
Charge for the period	1,25.58	–	–	1,25.58
Disposal	–	–	–	–
Other Adjustments	12.07	–	–	12.07
As at March 31, 2023	**7,42.90**	**8.13**	**8,65.14**	**16,16.17**
Net carrying amount				
As at March 31, 2023	**5,66.75**	**–**	**–**	**5,66.75**

As at March 31, 2022 (Rs. in lakhs)

Particulars	Computers Softwares	Mining Rights	Right to use under Wagon Investment Scheme	Total
Gross Block				
As at April 1, 2021	7,82.73	8.13	8,65.14	16,56.00
Additions	2,36.67	–	–	2,36.67
Disposal	–	–	–	–
Other Adjustments	(5.27)	–	–	(5.27)
As at March 31, 2022	10,14.13	8.13	8,65.14	18,87.40
Accumulated Depreciation				
As at April 1, 2021	5,47.59	8.13	8,65.14	14,20.86
Charge for the period	61.31	–	–	61.31
Disposal		–	–	–
Other Adjustments	(3.65)	–	–	(3.65)
As at March 31, 2022	6,05.25	8.13	8,65.14	14,78.52
Net carrying amount				
As at March 31, 2022	4,08.88	–	–	4,08.88

6.1.1 Right to use Wagon represents cost incurred in connection with wagon procured under "Wagon investment Scheme" and handed over to railway authorities for their normal operations and ensuring the availability of the wagons to the Parent on priority for transportation by then as and when required.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

6.1.2 The Parent being deprived of the availability of the wagons as per the "Wagon Investment Scheme" (WIS) had terminated the agreement with South Eastern Railway (SER). Arbitration award pursuant to the claim for compensation for losses has been allowed in favor of the Parent. SER has objected to the said award and matter is currently pending before the Hon'ble Calcutta High Court. Pending decision of the Hon'ble Court, Rs. 2,52,85.27 lakhs deposited by SER in respect of the said award has been allowed to be withdrawn by the Parent on submission of the Bank Guarantee. Subsequent to the Balance Sheet date, the said amount has been withdrawn and kept in fixed deposit. Pending final decision, no adjustment with respect to ROU Assets as above or claim amount has been given effect to in the consolidated financial statement.

6.2 Other adjustments includes Rs. 17.61 lakhs (previous year (Rs. (5.27) lakhs)) under Gross Block and Rs. 12.07 lakhs (previous year (Rs. (3.65) lakhs)) under Accumulated Amortisation related to realignment of PPE at closing rate as required in terms of Ind AS.

6.3 Refer note no. 25 to financial statements in respect of charge created against borrowings.

6.4 Refer note no. 50 dealing with coal mine assets.

7. Right of Use

As at March 31, 2023 (Rs. in lakhs)

Particulars	**Land**	**Building**	**Plant & Equipments**	**Total**
Gross Block				
As at April 1, 2022	**40,99.90**	**10,38.46**	**21,59.86**	**72,98.22**
Additions	6,14.99	–	–	6,14.99
Disposal/ Adjustment	(31.40)	–	–	(31.40)
Other Adjustments	1,84.24	–	–	1,84.24
As at March 31, 2023	**48,67.73**	**10,38.46**	**21,59.86**	**80,66.05**
Accumulated Amortisation				
As at April 1, 2022	**7,40.88**	**6,54.35**	**5,18.35**	**19,13.58**
Charge for the period	3,00.25	2,07.85	1,72.77	6,80.87
Disposal/ Adjustment	(31.40)	–	–	(31.40)
Other Adjustments	50.32	–	–	50.32
As at March 31, 2023	**10,60.05**	**8,62.20**	**6,91.12**	**26,13.37**
Net carrying amount				
As at March 31, 2023	**38,07.68**	**1,76.26**	**14,68.74**	**54,52.68**

As at March 31, 2022 (Rs. in lakhs)

Particulars	Land	Building	Plant & Equipments	Total
Gross Block				
As at April 1, 2021	39,14.24	10,50.34	21,59.86	71,24.44
Additions	1,16.83	55.72	–	1,72.55
Disposal/ Adjustment	–	(67.60)	–	(67.60)
Other Adjustments	68.83	–	–	68.83
As at March 31, 2022	40,99.90	10,38.46	21,59.86	72,98.22
Accumulated Amortisation				
As at April 1, 2021	4,87.33	4,35.48	3,45.58	12,68.39
Charge for the period	2,40.91	2,18.87	2,19.38	6,79.16
Disposal/ Adjustment	(2.04)	–	(46.61)	(48.65)
Other Adjustments	14.68	–	–	14.68
As at March 31, 2022	7,40.88	6,54.35	5,18.35	19,13.58
Net carrying amount				
As at March 31, 2022	33,59.02	3,84.11	16,41.51	53,84.64

7.1 The Group has taken land on leases for lease period ranging from 3 to 90 years. Lease term includes non-cancellable period and expected lease period.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

7.2 Other adjustments includes Rs. 1,84.24 lakhs (previous year Rs. 68.83 lakhs) under Gross Block and Rs. 50.32 lakhs (previous year Rs. 14.68 lakhs) under Accumulated Amortisation related to realignment of Right of Use Assets at closing rate as required in terms of Ind AS.

7.3 Refer note no. 25 to consolidated financial statements in respect of charge created against borrowings.

8. Investment in Joint Ventures

(Fully paid up except otherwise stated) (Rs. in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Holding (Nos.)	Amount	Amount	Holding (Nos.)	Amount	Amount
Investments in Equity Instruments						
Unquoted						
Joint Venture (Carrying amount determined using equity method of accounting)						
Domco Private Limited (Face value of Rs. 100/- each)	**30000**	**30.00**		30000	30.00	
Less: Impairment in value of Investment (refer note no. 8.1)		**(30.00)**	**–**		(30.00)	–
North Dhadhu Mining Company Pvt Ltd (Face value of Rs.10/- each)	**8228053**	**8,38.13**		8228053	8,38.13	
Less: Impairment in value of Investment (refer note no. 8.2)		**(8,38.13)**	**–**		(8,38.13)	–
Add : Group share of Profit/(Loss) for the year (Net)		**–**	**–**		–	–
			–			–
Total - Investment In Joint Ventures			**–**			–
Aggregate amount of Unquoted Investments			**8,68.13**			8,68.13
Aggregate amount of Impairment in value of Investments			**8,68.13**			8,68.13

8.1 The Parent has investment of Rs. 30.00 lakhs (previous year Rs. 30.00 lakhs) in equity shares and given advance of Rs. 7,00.00 lakhs (previous year Rs. 7,00.00 lakhs) against equity to Domco Private Limited (DPL), a Company incorporated in India, and has joint control (proportion of ownership interest of the Parent being 50%) over DPL along with other venturers (the Venturers) in terms of the Shareholder's Agreement dated March 27, 2004. The Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) against the Parent against operation and mismanagement of the company inter alia on various matters including for forfeiture of the Parent investment in equity shares of the DPL. The matter was later transferred to the Company Law Board, Kolkata Bench and is now being taken up by the National Company Law Tribunal, Kolkata Bench. The Parent had also inter alia filed an arbitration proceeding under Arbitration & Conciliation Act, 1996 against recovery of the said amount against which the ventures also filed their counter claims on the Parent. The matter is sub judice before the NCLT.

Pending final outcome of the above matter, the amounts in equity shares and advance have been fully provided for in the consolidated financial statements in the earlier years. The other venturers are not providing the financial statements of DPL, and thereby necessary disclosures etc. could not be provided in these consolidated financial statements.

8.2 (a) The North Dhadhu Private Limited Coal Block located in the State of Jharkhand was allocated to the Parent, Amalgam Steel & Power Limited (ASPL) (formerly known as Adhunik Alloys & Power Limited), Jharkhand Ispat Private Limited (JPL) and Pawanjay Steel & Power Limited (PSPL) (collectively referred to as venturers) for working through North Dhadhu Mining Company Private Limited (NDMCPL), a joint venture company. The Parent has joint control (proportion of ownership interest of the Parent being 48.98 %) along with other venturers represented by investment of Rs. 8,22.81 lakhs in equity shares of NDMCPL.

(b) In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, The Ministry of Coal, Government of India had issued an order for de-allocation of North Dhadhu Coal Block. The parent has submitted its claim for compensation which is awaiting acceptance. In the view of the management, the compensation to be received in terms of ordinance is expected to cover the cost incurred by the Joint venture company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 8,22.81 lakhs in Joint venture has been provided in earlier year.

8.3 Particulars of investments as required in terms of section 186(4) of the Companies Act, 2013 have been disclosed under note 8, 9 & 15.

8.4 Due to non availability of financial statement of Domco Private Limited for reason stated in Note no. 8.1, disclosures as required in terms of Ind AS 112 in respect of Investment in Joint Venture have not been made.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

8.5 Summarised financial information in respect of a Joint Venture not consolidated for reasons stated in Note no. 8.2:

(Rs. in lakhs)

Summarised financial information	**North Dhadhu Mining Company Private Limited**	
	As at March 31, 2023	As at March 31, 2022
1) Balance Sheet		
(i) Non-current assets		
Property, Plant and Equipment and Capital Work in progress	**14,57.23**	14,57.23
Financial Assets - Loans	**12.61**	12.61
(ii) Current Financial Assets		
Investments	**1,44.03**	1,73.52
Cash and cash equivalents	**5.51**	2.40
Other financial assets	**–**	–
(iii) Other current assets	**36.92**	36.92
(iv) Non–current liabilities		
Other current financial liabilities	**2.66**	2.80
Other current liabilities	**0.36**	–

	For the year ended March 31, 2023	For the year ended March 31, 2022
2) Statement of Profit and Loss		
(i) Other Income	**6.01**	**7.72**
(ii) Total Expenses	**31.97**	**26.41**
(iii) Profit or loss before tax	**(25.96)**	**(18.69)**
(iv) Tax Expense	**–**	**–**
(v) Profit or loss after tax	**(25.96)**	**(18.69)**
(vi) Other comprehensive income	**–**	**–**
(vii) Total comprehensive income	**(25.96)**	**(18.69)**
(viii) Dividend received during the year (Parent's share)	**–**	**–**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

9. Non–Current Investments

(Fully paid up except otherwise stated) (Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Holding (Nos.)	Amount	Holding (Nos.)	Amont
Investment designated at Fair Value through Other Comprehensive Income				
Quoted				
R.G. Ispat Limited (Face value of Rs. 10/- each)*	**50**	**0.00**	50	0.00
Saint Gobain-PAM (Face value of Euro 4/- each)	**14**	**0.66**	14	0.73
Von Roll (Face value of Euro 0.071 each)	**10**	**0.01**	10	0.01
		0.67		0.74
Unquoted				
Rainbow Steels Limited (Face value of Rs.10/- each)	**100**	**0.01**	100	0.01
Singardo International Pte Limited (Face value of SGD 1 each)	**25000**	**24.86**	25000	20.92
N Marshall Hi-tech Engineers Private Limited (Face value of Rs.10/- each)	**50000**	**8.64**	50000	8.86
ESL Steel Limited (Face value Rs. 10/- each) (Refer Note no. 9.1)	**19796000**	**65,60.39**	19796000	94,76.34
		65,93.90		95,06.13
Total Non Current Investments		**65,94.57**		95,06.87
Aggregate amount of Quoted Investments		**0.67**		0.74
Aggregate amount of Market value of Quoted Investments		**0.67**		0.74
Aggregate amount of Unquoted Investments		**65,93.90**		95,06.13
Aggregate amount of Impairment in value of Investments		**–**		–

* Figures below rounding off limit

9.1 The parent holds 19796000 equity shares (previous year 19796000 equity shares) of Rs. 10/- each in ESL Steel Limited (ESL) out of which 17334999 equity shares (previous year 17334999 equity shares) of Rs. 10/- each amounting to Rs. 57,44.81 lakhs have been pledged with the consortium of lenders of ESL (lenders). The notices issued by the lenders for invocation of pledge of parent investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the Parent's plea for release of such pledge is pending before the Hon'ble Court.

Further in the earlier years, certain land amounting to Rs. 2,94,93.58 lakhs (previous year Rs. 2,94,93.58 lakhs) of the parent, situated at Elavur, Tamil Naidu, were mortgaged to another lender SREI Infrastructure Finance Limited (SREI) of ESL and SREI had subsequently assigned the right of the said property to an Asset Reconstruction Company (ARC) although the claims of the said lender were fully discharged by the ESL as per the Resolution Plan approved by NCLT, Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land against alleged claim in SARAFESI Notice in an earlier year. The parent had disputed the alleged assignment of the loan by the lender at Hon'ble Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, the parent had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARAFESI actions and release of the title deeds of such land. The DRT vide its order dated April 08, 2022 uploaded on April 27, 2022 had dismissed the application of the parent. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the parent to deposit 50% of the SARAFESI demand i.e. Rs. 2,93,55.04 lakhs (previous year Rs. 2,93,55.04 lakhs) and was of the view that at admission stage it cannot go in to the merits of the case hence, cannot give any relief on the pre-deposit. The parent then has filed revision application at Hon'ble Madras High Court under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution challenging provisions of pre-deposit under SARAFESI Act. The matter is now pending before Hon'ble Madras High Court.

Earlier, the ARC had also filed an application before the National Company Law Tribunal, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) process against the parent which has been decided in the favour of the parent vide NCLT order dated June 24, 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack and the matter is pending before National Company Law Appellate Tribunal (NCLAT), New Delhi.

Pending finalization of the matter, investments and land as dealt herein above, have been carried forward at their book value.

9.2 The Group has made an irrevocable decision to consider investment in equity instruments not held for trading (non current investments) to be recognised at FVTOCI.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

10. Loans (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Loan Receivables considered good			
Unsecured Loans	10.1	**23.34**	21.53
		23.34	21.53

10.1 Represents the amount given by one of the foreign subsidiary to its shareholder.

11. Other Financial Assets (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Fixed Deposit with Banks (having maturity of more than 1 year from Balance sheet date)	11.1	**30,03.34**	1,42.64
Security Deposit	11.3, 31.1 and 56	**25,33.43**	41,13.38
Security Deposit - credit impaired		**3,17.27**	60.68
Less : Impairment Allowance	11.2	**(3,17.27)**	(60.68)
		–	–
		55,36.77	42,56.02

11.1 Fixed Deposits with banks includes Rs. 3.34 lakhs (previous year Rs. 1,42.64 lakhs) which have been pledged with banks/customer against margin/security deposit with them.

11.2 Movement of Impairment Allowance (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		**60.68**	69.18
Recognised during the year	51	**2,60.59**	–
Reversal during the year		**(4.00)**	(8.50)
Balance at the end of the year		**3,17.27**	60.68

11.3 Security deposits includes Rs 7,16.53 lakhs (previous year Rs. 5,02.23 lakhs) with the related parties. It also includes Rs. 80.32 lakhs (previous year Rs. 13,95.31 lakhs) lying with customer in terms of agreement/order towards supplies of goods.

12. Non-Current Tax Assets (net) (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current Tax Assets (net)	**22,40.51**	14,43.89
	22,40.51	14,43.89

13. Other Non-Current Assets (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Capital Advances		**26,43.33**	7,05.64
Prepaid expenses		**1,07.74**	2,31.12
Others	13.1	**5.18**	4.22
		27,56.25	9,40.98

13.1 Represents loans and advance to employees amounting to Rs. 5.18 lakhs (previous year Rs. 4.22 lakhs).

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

14. Inventories (At lower of Cost or Net Realisable Value) (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	**8,95,12.69**	9,83,26.48
Raw materials in transit	**62,18.63**	1,91,10.19
Process stock	**1,85,49.55**	2,11,98.90
Finished goods [including in transit Rs. 2,11,52.83 lakhs (previous year Rs. 2,09,11.70 lakhs)]	**8,52,14.42**	6,61,54.33
Stock-in-trade (in respect of goods acquired for trading)	**55,78.58**	21,60.40
Stores and spares [net of provision for obsolescence of Rs. 2,23.90 lakhs (previous year Rs.2,42.40 lakhs)]	**2,16,36.65**	1,75,10.87
Stores and spares in transit	**2,10.30**	84.76
	22,69,20.82	22,45,45.93

14.1. Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

15. Current Investments

(Fully paid up except otherwise stated) (Rs. in lakhs)

Particulars	Face Value	As at March 31, 2023		As at March 31, 2022	
		Holding (Nos.)	Amount	Holding (Nos.)	Amount
At Amortised Cost					
Bonds (Quoted)					
Housing Development Finance Corporation Ltd 5.40 NCD 11AG23	1000000	–	–	300	31,07.84
Housing Development Finance Corporation Ltd Z-001 6 NCD 29MY26	1000000	–	–	400	41,66.04
Bank of Baroda SR XVII 7.95 BD Perpetual	10000000	–	–	5	5,11.03
Bank of Baroda SR XVIII 8 BD Perpetual	10000000	–	–	20	20,16.57
State Bank of India SR I 7.72 BD Perpetual	10000000	–	–	30	30,96.95
State Bank of India SR II 7.72 BD Perpetual	10000000	–	–	30	30,65.40
State Bank of India SR III 7.55 BD Perpetual	10000000	–	–	30	30,04.38
LIC Housing Finance Limited TR 400 5.45 LOA 25AG23	1000000	–	–	200	20,69.21
LIC Housing Finance Limited TR 409 6.01 LOA 19MY26	1000000	–	–	300	31,33.13
Housing Development Finance Corporation Ltd Series U-004 9.05 NCD 20NV23	1000000	**50**	**5,03.05**	–	–
ICICI Bank Limited SR-DMR18AT 9.15 BD Perpetual	1000000	**150**	**15,02.85**	–	–
National Bank For Agriculture And Rural Development SR 20K 6.40 LOA 31JL23	1000000	**100**	**9,95.30**	–	–
National Bank For Agriculture And Rural Development SR 21D 5.14 LOA 31JN24	1000000	**200**	**19,60.01**	–	–
REC Limited SR 184 B STRP D 7.55 BD 26SP23	1000000	**50**	**4,99.39**	–	–
State Bank of India Series 1 9.56 NCD PERPETUAL	1000000	**150**	**15,11.91**	–	–
State Bank of India Series I 8.9 BD 02NV28	1000000	**150**	**15,09.32**	–	–
State Bank of India Series III 9.45 BD PERPETUAL	1000000	**100**	**10,07.94**	–	–
At Fair Value through Profit and Loss			**94,89.77**		2,41,70.55
Investment in Mutual Funds (unquoted)					
LIC MF Liquid Fund - Direct Plan - Growth	1000	–	–	310394	1,20,02.32
Bank of India Overnight Fund - Regular Plan - Growth (OVRGG)	1000	**4612**	**52.27**	–	–
			52.27		1,20,02.32
Total - Current Investments			**95,42.04**		3,61,72.87
Aggregate amount of Quoted Investments and market value thereof					
- In Bonds			**94,89.77**		2,41,70.55
			94,89.77		2,41,70.55
Aggregate amount of Unquoted Investments					
- In Mutual Fund			**52.27**		1,20,02.32
			52.27		1,20,02.32

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

16. Trade Receivables

(Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Unsecured			
Trade Receivables considered good		**10,67,72.33**	9,44,56.89
Trade Receivables which have significant increase in Credit Risk		**–**	7,79.18
Trade Receivables - credit impaired		**9,36.41**	8,23.85
Less: Credit loss allowances on Trade Receivable	16.2	**(20,65.39)**	(18,73.50)
		10,56,43.35	9,41,86.42

16.1 **Ageing of Trade Receivable**

As on March 31, 2023

(Rs. in lakhs)

Particulars	Outstanding for following from due date of payments						
	Not yet due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable							
(i) Considered Good	**8,41,45.13**	**2,19,62.86**	**2,59.03**	**1,28.59**	**27.45**	**1,32.86**	**10,66,55.92**
(ii) Which has significant increase in credit risk	–	–	–	–	–	–	–
(iii) Credit Impaired	–	–	–	–	–	–	–
Disputed Trade Receivable							
(i) Considered Good	–	–	–	**2.49**	**69.29**	**44.63**	**1,16.41**
(ii) Which has significant increase in credit risk	–	–	–	–	–	–	–
(iii) Credit Impaired	–	–	–	–	–	**9,36.41**	**9,36.41**
	8,41,45.13	**2,19,62.86**	**2,59.03**	**1,31.08**	**96.74**	**11,13.90**	**10,77,08.74**
Less: Credit loss allowances on Trade Receivable	**9,66.95**	**24.71**	–	–	**81.06**	**9,92.67**	**20,65.39**
	8,31,78.18	**2,19,38.15**	**2,59.03**	**1,31.08**	**15.68**	**1,21.23**	**10,56,43.35**

As on March 31, 2022

(Rs. in lakhs)

Particulars	Outstanding for following from due date of payments						
	Not yet due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable							
(i) Considered Good	6,22,62.14	3,12,91.36	2,51.31	3,36.51	54.19	59.95	9,42,55.46
(ii) Which has significant increase in credit risk	4,40.50	1,46.75	50.64	17.19	9.46	1,14.64	7,79.18
(iii) Credit Impaired	–	3.79	–	–	–	–	3.79
Disputed Trade Receivable							
(i) Considered Good	–	–	32.65	69.29	96.30	3.19	2,01.43
(ii) Which has significant increase in credit risk	–	–	–	–	–	–	–
(iii) Credit Impaired	–	–	–	–	–	8,20.06	8,20.06
	6,27,02.64	3,14,41.90	3,34.60	4,22.99	1,59.95	9,97.84	9,60,59.92
Less: Credit loss allowances on Trade Receivable	4,40.50	1,50.47	83.29	86.48	1,14.92	9,97.84	18,73.50
	6,22,62.14	3,12,91.43	2,51.31	3,36.51	45.03	–	9,41,86.42

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

16.2 Movement of Credit loss allowances on Trade Receivable (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**18,73.50**	16,72.93
Recognised during the year	**4,35.69**	4,97.37
Reversal during the year	**(2,43.80)**	(2,96.80)
Balance at the end of the year	**20,65.39**	18,73.50

16.3 Balances of Trade Receivables including for Turnkey Contracts and retention money are subject to confirmation/reconciliation and adjustments in this respect are carried out as and when amounts thereof, if any are ascertained.

16.4 There are no unbilled receivable as on March 31, 2023 and March 31, 2022.

16.5 There are no debts due by the directors or other officer of the Parent or any of them severally or jointly with any other person or debts due by the firm or private companies respectively in which any director is a partner or a director or a member.

16.6 Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

16.7 Refer note no. 56 for balances with related parties.

17. Cash and Cash Equivalents (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current and cash credit accounts	**2,25,00.96**	1,53,56.74
In Fixed Deposit with Banks (having original maturity of less than 3 months)	**5,00.00**	60,00.00
Cash on hand	**48.49**	16.47
	2,30,49.45	2,13,73.21

17.1 Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

18. Bank Balances Other than Cash and Cash Equivalents (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Balances with banks			
In Fixed Deposit Escrow account	27.1	**5,36.93**	5,36.93
In dividend accounts		**1,69.14**	1,55.51
Fixed deposits (having original maturity of less than 3 months)		**1,23.89**	-
Fixed deposits with Banks (having original maturity of more than 3 months and less than 12 months)	18.1 & 18.2	**1,73,22.78**	2,98,11.66
		1,81,52.74	3,05,04.10

18.1 Fixed Deposits with banks include fixed deposit of Rs. 47,12.62 lakhs (previous year Rs. 1,59,88.39 lakhs) which have been pledged with banks against banking facility given by them. Further fixed deposits include Rs. 21.35 lakhs (previous year Rs. 42.66 lakhs) lying with customer against deposit for supplies of materials.

18.2 Fixed Deposits with bank include fixed deposit of nil (previous year Rs. 7,41.84 lakhs) lying as per the DSRA in terms of facilities granted by them.

18.3 Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

19. Loans (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Loan Receivables Considered Good- Unsecured			
Inter corporate deposits	19.1	**1,09,35.00**	53,08.00
		1,09,35.00	53,08.00
Loan Receivables - Credit Impaired			
Loan and Advances to related party	56	**7,00.00**	7,00.00
		7,00.00	7,00.00
Less: Impairment Allowances	8.1 and 19.2	**7,00.00**	7,00.00
		–	–
		1,09,35.00	53,08.00

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

19.1 Disclosure of Inter Corporate Loans as per Sec 186(4) of the Companies Act 2013 are as follows: (Rs. in lakhs)

Particulars of Advances	**Rate of Interest**	**Amount Outstanding as at March 31, 2023**	**Maximum Amount Outstanding during the year ended March 31, 2023**	Amount Outstanding at the year end March 31, 2022	Maximum Amount Outstanding during the year ended March 31, 2022
Sanghai Commercial & Credits Private Limited	7% to 10%	–	3,08.00	3,08.00	1,67,30.00
Tetron Commercial Limited	6% to 8%	67,95.00	70,00.00	20,00.00	20,00.00
Rashmi Properties And Investments Limited	6% to 8%	8,45.00	40,00.00	20,00.00	20,00.00
Nouveau Metal Industries Limited	6% to 8%	9,35.00	15,00.00	10,00.00	10,00.00
Tetron Capital Limited	6% to 8%	18,60.00	40,00.00	–	–
Mindstream Agrico Private Limited	6% to 8%	5,00.00	60,00.00	–	–
Total		**1,09,35.00**	**2,28,08.00**	**53,08.00**	**2,17,30.00**

19.1.1 All the above Inter Corporate Loans have been given for general corporate purposes.

19.2 Movement of Allowances for doubtful advances. (Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balance at the beginning of the year	**7,00.00**	7,00.00
Recognised during the year	**–**	–
Reversal during the year	**–**	–
Balance at the end of the year	**7,00.00**	7,00.00

19.3 Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

20. Other Financial Assets (Rs. in lakhs)

Particulars	**Ref. note no.**	**As at March 31, 2023**	As at March 31, 2022
Security Deposits			
- Considered Good	20.1	**21,71.86**	15,08.16
- Considered Doubtful		**1,69.52**	1,69.52
- Less: Impairment Allowances	20.3	**(1,69.52)**	(1,69.52)
Interest receivable		**9,97.61**	4,68.17
Claim receivable against coal block	50	**93,16.85**	93,16.85
Excise Duty Claim Receivable (Coal)	20.2 & 50	**13,05.87**	13,05.87
Derivative Assets at fair value through profit or loss		**–**	7,02.31
Incentive/Subsidy/Cess receivable	20.4	**62,19.62**	61,21.83
Export incentive receivable		**4,38.32**	5,81.02
Others - Insurance, Antisubsidy and other receivable		**11,18.78**	2,36.24
		2,15,68.91	2,02,40.45

20.1 Include Rs. 13,34.57 lakhs (previous year Rs. 3,81.99 lakhs) lying with customer as security deposit in terms of agreement/order towards supplies of goods.

20.2 Excise Duty claim receivable represent the refund claimed in respect of unutilised amount lying in respect of coal mine which has been rejected by the department against which an appeal has been filed before the appellate authority and the management is confident of recovery of the same.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

20.3 Movement of Allowances for doubtful advances. (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**1,69.52**	6.75
Recognised during the year	**–**	1,62.77
Reversal during the year	**–**	–
Balance at the end of the year	**1,69.52**	1,69.52

20.4 (a) Includes Rs. 46,80.58 lakhs (previous year Rs. 46,80.58 lakhs) related to claim under West Bengal Incentive Scheme (WBIS) 2000. In absence of any clarification from the Government of West Bengal regarding disbursal of incentive post implementation of GST, the West Bengal Industrial Development Corporation (WBIDC) the implementing agency is not releasing the fund in this respect. The Parent has filed a writ petition in Hon'ble High Court of Calcutta against the same and the matter is pending for final decision. The above claim being made in terms of incentive scheme, the amount thereof in view of management are recoverable.

(b) Includes Rs. 12,02.49 lakhs (previous year Rs. 12,02.49 lakhs) in respect of sales tax subsidy receivable under Andhra Pradesh Industrial Investment Promotion Policy.

20.5 Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

21. Other Current Assets (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Advances for supply of goods and rendering of services			
- Considered Good		**95,32.93**	83,29.94
- Considered Doubtful		**29.85**	54.12
- Less: Impairment Allowances for doubtful advances	21.1	**(29.85)**	(54.12)
Loans and advances to employees		**1,26.81**	2,76.51
Balance with Government authorities	21.2	**42,91.44**	60,82.02
Prepaid expenses		**9,72.66**	8,29.61
Others		**6,44.18**	12,65.31
		1,55,68.02	1,67,83.39

21.1 Movement of Allowances for doubtful advances (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**54.12**	80.14
Recognised during the year	**–**	9.69
Reversal during the year	**(24.27)**	(35.71)
Balance at the end of the year	**29.85**	54.12

21.2 Balance with Government authorities includes a Rs. 2,93.17 lakhs (previous year Rs. 3,05.21 lakhs) as pre deposit against various demand raised being disputed by the Parent and pending in appeal before various appellate authorities.

21.3 Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

22. Equity Share Capital (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
Equity shares, Re. 1/- par value		
1030200000 (previous year 1030200000) equity shares	**1,03,02.00**	1,03,02.00
Issued, Subscribed and Paid-up		
Equity shares, Re. 1/- par value		
594605247 (previous year 594605247) equity shares fully paid up	**59,46.05**	59,46.05
	59,46.05	59,46.05

22.1 The Parent has only one class of shares referred to as equity shares having a par value of Re. 1/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group, after distribution of all preferential amounts, in proportion of their shareholding.

22.2 During the previous year, 161650538 equity shares of Re.1 each has been issued to shareholders of erstwhile Srikalahasthi Pipes Limited pursuant to the scheme of amalgamation approved by Hon'ble National Company Law Tribunal, Cuttack Brach vide its order dated December 09, 2021.

22.3 Reconciliation of the number of equity shares outstanding (No. of shares)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Number of shares at the beginning		**594605247**	432954709
Add: Addition during the year in view of amalgamation	22.2	**–**	161650538
Number of shares at the end		**594605247**	594605247

22.4 Shareholders holding more than 5% equity shares (No. of shares)

Particulars	As at March 31, 2023	As at March 31, 2022
G. K. & Sons Private Limited	**50656655**	50656655
Electrocast Sales India Limited	**41135158**	41135158
Murari Investment & Trading Company Limited	**39459399**	39459399
Asha Kejriwal-Trustee of Sreeji Family Benefit Trust/Mayank Kejriwal -Trustee of Sreeji Family Benefit Trust	**35027053**	35027053
Belgrave Investment Fund	**34986251**	34086251
India Opportunities Growth Fund Limited - Pinewood Strategy	**30769285**	30854285
G.K.Investments Limited	**29815483**	29815483

22.5 **Shareholdings of the Promoters in Parent company**

For the year ended March 31, 2023

Sl. No.	**Name of the Promoter**	**Shareholding as on March 31, 2023**		**Shareholding as on March 31, 2022**		**Changes during the year**
		No of Shares	**% of Shares held**	**No of Shares**	**% of Shares held**	
1	Mayank Kejriwal	6205469	1.04	6205469	1.04	–
2	Uddhav Kejriwal	3757724	0.63	3239540	0.54	0.09
	TOTAL	**9963193**	**1.67**	**9445009**	**1.58**	**0.09**

For the year ended March 31, 2022

Sl. No.	Name of the Promoter	Shareholding as on March 31, 2022		Shareholding as on March 31, 2021		Changes during the year
		No of Shares	% of Shares held	No of Shares	% of Shares held	
1	Mayank Kejriwal	6205469	1.04	2188901	0.51	0.53
2	Uddhav Kejriwal	3239540	0.54	3239540	0.75	(0.21)
	TOTAL	9445009	1.58	5428441	1.26	0.32

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

23. Other Equity (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Capital Reserve	23.1		
As per last Balance Sheet		**(4,01,53.07)**	(4,01,53.07)
Securities Premium Reserve	23.2		
As per last Balance Sheet		**10,77,71.06**	10,77,71.06
General Reserve	23.3		
As per last Balance Sheet		**14,80,65.95**	14,80,65.95
Statutory Reserve	23.4		
As per last Balance Sheet		**5,41.76**	4,25.72
Exchange difference on translation of foreign operations		**37.61**	(4.56)
Transfer from Retained Earnings		**24.07**	1,20.60
		6,03.44	5,41.76
Retained Earnings	23.5		
As per last Balance Sheet		**17,73,28.19**	14,52,80.30
Profit after tax		**3,15,80.22**	3,47,27.73
Transferred from Other Comprehensive Income		**(2,29.43)**	–
Dividend on Equity shares		**(47,56.84)**	(27,26.10)
Transfer to Retained Earnings		**(24.07)**	(1,20.60)
Transferred to Retained Earnings on disposal of Equity shares through OCI		**–**	1,66.86
		20,38,98.07	17,73,28.19
Other Comprehensive Income	23.6		
Equity instrument through other comprehensive income			
As per last Balance Sheet		**70,03.12**	18,19.11
Other Comprehensive Income for the year (net of tax)		**(29,13.15)**	53,50.87
Transferred to Retained Earnings		**–**	(1,66.86)
		40,89.97	70,03.12
Re-measurement of defined benefit plans			
As per last Balance Sheet		**(2,26.34)**	(95.93)
Other Comprehensive Income for the year (net of tax)		**(3.09)**	(1,30.41)
Transferred to Retained Earnings		**2,29.43**	–
		–	(2,26.34)
Foreign currency translation reserve			
As per last Balance Sheet		**40,31.14**	35,43.50
Other Comprehensive Income for the year (net of tax)		**15,49.19**	4,83.08
Exchange difference on translation of foreign operations		**(37.61)**	4.56
		55,42.72	40,31.14
Money received against share warrants	23.7		
As per last Balance Sheet		**–**	–
Received during the year		**24,99.41**	–
		24,99.41	–
		43,23,17.55	40,43,61.81

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

23.1 **Capital Reserve**

Capital Reserve includes:

a) Rs. 41,48.28 lakhs created on account of forfeiture of warrants convertible into equity shares.

b) (Rs. 4,43,01.35 lakhs) being the excess consideration paid i.e. equity share issued with respect to net assets and reserves acquired consequent to amalgamation of erstwhile Srikalahasthi Pipes Limited.

23.2 **Securities Premium Reserve**

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

23.3 **General Reserve**

General Reserve is a free reserve which is created by transfer of profit from retained earnings. As the reserve is created by a transfer from one component to another and is not an item of OCI, item included in General Reserve is not reclassified subsequently to Statement of Profit and Loss.

23.4 **Statutory Reserve**

Statutory Reserve is required to be created by certain subsidiaries of the Group out of the profits and maintained in accordance with local law of the host country. This reserves is available for utilisation as specified in the local law of the host country.

23.5 **Retained Earnings**

Retained earnings generally represents the undistributed surplus earnings of the Group.

23.6 **Other Comprehensive Income**

Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:

i) **Items that will not be reclassified to profit and loss**

a. The Group has elected to recognise changes in the fair value of non-current investments (other than joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on equity instruments being measured at fair value. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

b. This also includes actuarial gains and losses arising on defined benefit obligations recognised in OCI which is transferred to retained earnings.

ii) **Items that will be reclassified to Profit and Loss**

a. This Reserve represents the cumulative effective portion of changes in fair value of currency swap that are designated as cash flow hedge are recognised in OCI. This is reclassified to statement of Profit and Loss.

23.7 The Parent has allotted 23579344 warrants convertible into or exchangeable for 1 (one) fully paid-up equity shares of the Parent having face value of Re. 1 each at the issue price of Rs. 42.41 each payable in cash ('warrant issue price') on preferential basis to Promoter/ Promoter group on December 27, 2022 as approved by the Shareholders vide their postal ballot resolution dated December 23, 2022. The said allotment has been done upon receipt of Rs. 10.60 for each warrants aggregating to Rs. 24,99.41 lakhs included under other equity being the amount equivalent to 25% of the warrant issue price as upfront contribution received by the Parent in this respect entitling the warrant holders to apply for and get allotted one equity shares of the Parent against each warrant held in one or more tranche within a maximum period of eighteen months from the date of allotment on payment of balance amount of Rs. 31.81 each which is equivalent to 75% of the warrant issue price..

23.8 The Board of Directors of parent at its meeting held on May 17, 2023 recommended a final dividend of Re. 0.90 per equity share to be paid on fully paid up equity shares amounting to Rs. 53,51.45 lakhs for the financial year ended March 31, 2023. The above is subject to approval of the shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statement.

24. Non-Controlling Interest

24.1 The details (Principal place of operation/country of incorporation, principal activities and percentage of ownership interest and voting power (directly held by the Group)) of the subsidiaries are set out in note no. 1 of the consolidated financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

24.2 Summarised financial information of subsidiaries having non-controlling interests is as follow:- (Rs. in lakhs)

Name of the Subsidiary	Profit/(Loss) allocated to Non-controlling interests		Accumulated Non-controlling interests	
	For the year ended March 31, 2023	For the year ended March 31, 2022	**As at March 31, 2023**	As at March 31, 2002
Electrosteel Doha For Trading LLC	**43.11**	29.26	**1,09.52**	1,40.08

Electrosteel Doha For Trading LLC

a) Summarised Balance Sheet (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets		
(i) Non-current assets		
Property, Plant and Equipment and Capital Work in progress and other non current assets	**0.53**	1.02
(ii) Current assets		
Inventories	**9,31.01**	13,08.77
Financial Assets	**8,00.95**	23,20.10
Other current assets	**26,80.10**	27,84.62
Liabilities		
Current liabilities		
Financial Liabilities	**8,34.60**	17,68.49
Other current liabilities	**4,07.28**	3,30.78
Current Tax Liabilities (Net)	**1,32.88**	81.00
Equity attributable to :		
Owners of the Parent	**29,28.31**	40,94.16
Non controlling interest	**1,09.52**	1,40.08

b) Summarised Statement of Profit and Loss (Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Revenue	**68,79.12**	1,41,25.38
(ii) Other Income	**55.74**	26.00
(iii) Purchases of Stock-in-Trade	**40,61.47**	95,27.86
(iv) Changes in inventories of finished goods , stock-in-trade and work-in-progress	**4,89.60**	12,84.96
(v) Employee benefits expense	**1,45.86**	1,96.83
(vi) Depreciation and amortisation	**0.56**	0.52
(vii) Other expenses	**8,00.52**	21,65.83
(viii) Profit/(loss) for the year	**12,89.18**	8,95.99
(ix) Other comprehensive income	**2,94.54**	1,26.02
(x) Total comprehensive income	**15,83.72**	10,22.01
Total comprehensive income attributable to:		
Owners of the Parent	**15,40.61**	9,92.75
Non controlling interest	**43.11**	29.26

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

c) Summarised Cash Flow Statement

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net cash inflow/(outflow) from operating activities	**30,00.26**	**9,71.13**
Net cash inflow/(outflow) from investing activities	**(0.07)**	**(0.44)**
Net cash inflow/(outflow) from financing activities	**(27,80.13)**	**(14,93.59)**
Net cash inflow/(outflow)	**2,20.06**	**(5,22.90)**

25. Borrowings

(Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023		As at March 31, 2022	
		Non Current	Current	Non Current	Current
SECURED BORROWINGS					
Term loan					
Rupee Loan					
- From bank	25.1.1 to 25.1.18	**5,55,30.55**	**1,48,40.39**	7,44,30.32	1,74,44.33
- From financial institution	25.2.1 to 25.2.4	**1,50,37.17**	**12,64.00**	93,89.20	18,50.00
Foreign Currency Loan					
- From banks	25.3.1 and 25.3.2	**30.47**	**10.84**	37.48	5.90
		7,05,98.19	**1,61,15.23**	8,38,57.00	1,93,00.23
UNSECURED BORROWINGS					
Foreign Currency Loan					
- From banks	25.4.1 to 25.4.11	**30,58.77**	**12,16.29**	38,60.83	14,79.28
		30,58.77	**12,16.29**	38,60.83	14,79.28
		7,36,56.96	**1,73,31.52**	8,77,17.83	2,07,79.51

25.1.1 Rupee Term Loan of Rs. 1,10,00.00 lakhs from a bank was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikahalasthi Unit and Freehold Land at Haldia. The said Loan has been fully repaid during the year.

25.1.2 Rupee Term Loan of Rs. 50,00.00 lakhs from a bank was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi Unit and Freehold Land at Haldia. The said loan has been fully repaid during the year.

25.1.3 Rupee Term Loan of Rs. 1,50,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi Unit and Freehold Land at Haldia . The outstanding as on March 31, 2023 is Rs. 50,47.93 lakhs (previous year Rs. 1,02,34.39 lakhs). The balance loan is repayable in 7 equal quarterly instalments starting from June 2024.

25.1.4 Rupee Term Loan of Rs. 50,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 33,12.65 lakhs (previous year Rs. 40,30.87 lakhs). The balance loan is repayable in 14 structured quarterly instalments starting from April 2023.

25.1.5 Rupee Term Loan of Rs. 4,00,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 60,03.54 lakhs (previous year Rs. 64,39.18 lakhs). The balance loan is repayable in 26 structured quarterly installments starting from June 2023.

25.1.6 Rupee Term Loan of Rs. 60,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 51,00.92 lakhs (previous year Rs. 53,05.32 lakhs). The balance loan is repayable in 43 structured monthly instalments starting from April 2023.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

25.1.7 Rupee Term Loan of Rs. 75,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia . The outstanding as on March 31, 2023 is Rs. 64,15.87 lakhs (previous year Rs. 70,10.16 lakhs). The balance loan is repayable in 15 structured quarterly instalments starting from June 2023.

25.1.8 Rupee Term Loan of Rs. 50,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 36,43.80 lakhs (previous year Rs. 48,19.22 lakhs). The balance loan is repayable in 12 equal quarterly instalments starting from May 2023.

25.1.9 Rupee Term Loan of Rs. 11,00.00 lakhs from a bank was secured by way of first pari passu charge over Current Assets of the company. This said loan has been fully repaid during the year.

25.1.10 Rupee Term Loan of Rs.75,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 33,60.83 lakhs (previous year Rs.55,68.10 lakhs). The balance loan is repayable in 9 equal quarterly instalments starting from June 2024.

25.1.11 Rupee Term Loan of Rs.60,00.00 lakhs from a Bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 53,96.38 lakhs (previous year Rs. 59,94.85 lakhs). The balance loan is repayable in 18 equal quarterly instalments starting from June 2023.

25.1.12 Rupee Term Loan of Rs.75,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 52,12.28 lakhs (previous year Rs.72,19.89 lakhs). The balance loan is repayable in 11 structured quarterly instalments starting from May 2024.

25.1.13 Rupee Term Loan of Rs. 75,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Parent located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs. 22,47.00 lakhs (previous year Rs. 29,92.00 lakhs). The balance loan is repayable in 6 equal quarterly installments starting from June 2023.

25.1.14 Rupee Term Loan of Rs. 1,00,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Parent located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs.29,89.00 lakhs (previous year Rs. 49,71.00 lakhs). The balance loan is repayable in 6 equal quarterly installments starting from June 2023.

25.1.15 Rupee Term Loan of Rs. 1,45,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Parent located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs. 18,61.68 lakhs (previous year Rs. 24,82.02 lakhs). The balance loan is repayable in 12 structured quarterly installments starting from May 2023.

25.1.16 Rupee Term Loan of Rs. 2,00,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs.1,77,08.25 lakhs (previous year Rs. 1,93,98.91 lakhs). The balance loan is repayable in 20 structured quarterly installments starting from April 2023.

25.1.17 Rupee Term Loan of Rs. 15,00.00 lakhs from a bank was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Parent located at Srikalahasthi unit. The said loan has been fully repaid during the year.

25.1.18 Rupee Term Loan of Rs. 1,20,00.00 lakhs from a bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Parent located at Srikalahasthi unit. The outstanding as on March 31, 2023 is Rs. 20,70.81 lakhs (previous year Nil). The balance loan is repayable in 20 equal quarterly installments starting from June 2024.

25.2.1 Rupee Term Loan of Rs.50,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia . The outstanding as on March 31, 2023 is Rs.49,79.98 lakhs (previous year nil). The balance loan is repayable in 12 equal quarterly instalments starting from September 2024.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

25.2.2 Rupee Term Loan of Rs.1,00,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs. 56,37.19 lakhs (previous year Rs. 87,50.02 lakhs). The balance loan is repayable in 13 equal quarterly instalments starting from June 2024.

25.2.3 Rupee Term Loan of Rs. 25,00.00 lakhs from a financial institution was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The said loan have been fully repaid during the year.

25.2.4 Rupee Term Loan of Rs. 60,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Parent other than assets located at Elavur and Srikalahasthi unit and Freehold Land at Haldia. The outstanding as on March 31, 2023 is Rs.56,84.00 lakhs (previous year nil). The balance loan is repayable in 18 equal quarterly instalments starting from May 2023.

25.3.1 In case of one subsidiary, obligation under foreign currency amounting to Rs. 17.45 lakhs (previous year Rs. 43.38 lakhs) is secured by hypothecation of assets purchased under the loan. The balance loan is repayable in 30 equal monthly instalments starting from April 2023.

25.3.2 In case of one subsidiary, obligation under foreign currency amounting to Rs. 23.86 lakhs (previous year nil) is secured by hypothecation of assets purchased under the loan. The balance loan is repayable in 59 equal monthly instalments starting from April 2023.

25.4.1 In case of one of the subsidiary, Term Loan of Rs. 3,42.95 lakhs from a bank is repayable in 26 monthly instalments starting from April, 2023. The outstanding as on March 31, 2023 is Rs. 2,51.33 lakhs (previous year Rs. 3,35.44 lakhs).

25.4.2 In case of one of the subsidiary, Term Loan of Rs. 2,14.35 lakhs from a bank is repayable in 25 monthly instalments starting from April, 2023. The outstanding as on March 31, 2023 is Rs. 1,16.41 lakhs (previous year Rs. 1,62.40 lakhs).

25.4.3 In case of one of the subsidiary, Term Loan of Rs. 2,57.21 lakhs from a bank is repayable in 28 monthly instalments starting from April, 2023. The outstanding as on March 31, 2023 is Rs. 1,59.64 lakhs (previous year Rs. 2,07.75 lakhs).

25.4.4 In case of one of the subsidiary, Term Loan of Rs. 85.74 lakhs from a bank is repayable in 34 monthly instalments starting from April, 2023. The outstanding as on March 31, 2023 is Rs. 46.00 lakhs (previous year Rs. 80.49 lakhs).

25.4.5 In case of one of the subsidiary, Term Loan of Rs. 2,54.64 lakhs from a bank is repayable in 60 monthly instalments starting-from April, 2031. The outstanding as on March 31, 2023 is Rs. 2,67.18 lakhs (previous year Rs. 2,54.64 lakhs).

25.4.6 In case of one of the subsidiary, Term Loan of Rs. 18,86.82 lakhs from a bank is repayable in 38 monthly instalments starting from April, 2023. The outstanding as on March 31, 2023 is Rs. 12,77.56 lakhs (previous year Rs. 15,77.12 lakhs).

25.4.7 In case of one of the subsidiary, Term Loan of Rs. 12,57.88 lakhs from a bank is repayable in 37 monthly instalments starting from April, 2023. The outstanding as on March 31, 2023 is Rs. 8,28.29 lakhs (previous year Rs. 10,29.95 lakhs).

25.4.8 In case of one of the subsidiary, Term Loan of Rs. 10,06.31 lakhs from a bank is repayable in 38 monthly instalments starting from April, 2023. The outstanding as on March 31, 2023 is Rs. 7,01.56 lakhs (previous year Rs. 8,58.99 lakhs).

25.4.09 In case of one of the subsidiary, Term Loan of Rs. 5,87.01 lakhs from a bank is repayable in 39 monthly instalments starting from April, 2023. The outstanding as on March 31, 2023 is Rs. 3,95.91 lakhs (previous year Rs. 4,89.79 lakhs).

25.4.10 In case of one of the subsidiary, Term Loan of Rs. 85.74 lakhs from a bank is repayable in fully in April, 2023. The outstanding as on March 31, 2023 is Rs. 3.03 lakhs (previous year Rs. 36.79 lakhs).

25.4.11 In case of one of the subsidiary, Term Loan of Rs. 2,57.21 lakhs from a bank is repayable in 61 monthly instalments starting from April, 2023. The outstanding as on March 31, 2023 is Rs. 2,28.15 lakhs (previous year Rs. 2,51.58 lakhs).

25.5 The above loan as disclosed in note no 25.4.1 to 25.4.12 is backed by SBLC issued by the Parent as detailed in Note no. 56.1(b) of the Consolidated Financial Statement.

25.6 The interest rate for the above loans ranges from 1.00% to 10.30% p.a.

25.7 The outstanding balances disclosed in note no. 25.1 to 25.4 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

26. Lease (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Non-Current	7, 26.1 & 45.4	**30,25.96**	29,57.54
Current	7, 26.1 & 45.4	**8,99.58**	7,52.64
Total		**39,25.54**	37,10.18

26.1 Lease liability represents present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

27. Provisions (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	49	**34,75.16**	36,22.03
Provision for mine closure and restoration charges	27.1	**5,59.98**	5,59.98
		40,35.14	41,82.01

27.1 Provision for Mines closure and restoration charges had been made in terms of statutory obligations specified for the purpose and Rs. 3,67.58 lakhs (value as on March 31, 2023 Rs 8,62.57 lakhs) deposited in the Escrow account in terms of the stipulation made by Ministry of Coal, for Mines closure Plan. In view of cancellation of allotment of coal mines, no further provision have been considered necessary. (refer note no. 18 and 50)

27.2 Movement in Mine closure and Restoration Obligation provision are provided below:

Particulars	(Rs. in lakhs)
As at March 31, 2021	**5,59.98**
Provision during the year	–
As at April 1, 2022	**5,59.98**
Provision during the year	–
As at March 31, 2023	**5,59.98**

Particulars	As at March 31, 2023	As at March 31, 2022
Current	**–**	–
Non-Current	**5,59.98**	5,59.98

28. Deferred Tax Liabilities (Net)

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet: (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax Assets	**(71,82.06)**	(55,30.18)
Deferred tax Liabilities	**3,91,36.59**	4,00,73.54
Net Deferred Tax (Assets)/Liabilities	**3,19,54.53**	3,45,43.36

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

28.1 Components of Deferred tax (Assets)/ Liabilities

As at March 31, 2023 (Rs. in lakhs)

Particulars	As at April 1, 2022	Charge/ (Credit) recognised in Profit or Loss (Earlier Years)	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in Other Comprehensive Income	As at March 31, 2023
Deferred Tax Assets:					
Fair valuation of Financial Assets	(4,64.07)	–	(60.11)	–	**(5,24.18)**
Merger expenses allowable u/s 35DD of the Income Tax Act,1961	(76.31)	–	(45.59)	–	**(1,21.90)**
Provision for Other Items u/s 43B of Income Tax Act, 1961	(26,60.97)	–	(17.39)	–	**(26,78.36)**
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(5,37.80)	–	(261.76)	–	**(7,99.56)**
Unabsorbed Long Term Capital Loss under Income Tax Act,1961	(1,20.55)	–	7.20	–	**(1,13.35)**
Fair valuation of Current Investments	(45.67)	–	45.80	–	**0.13**
Derivative instruments designated at fair value through P&L	(34.04)	–	(0.12)	–	**(34.16)**
Remeasurement of defined benefit obligations through OCI	(4,59.63)	–	419.86	(1.04)	**(40.81)**
Share Issue Expenses u/s 35D	(6.05)	–	6.05	–	**–**
Other timing differences w.r.t. subsidiaries under various jurisdiction	–	–	(3.43)	–	**(3.43)**
Timing difference w.r.t. unrealised profit on stock	(11,25.09)	–	(17,41.35)	–	**(28,66.44)**
Total Deferred Tax Assets	**(55,30.18)**	**–**	**(16,50.84)**	**(1.04)**	**(71,82.06)**
Deferred Tax Liabilities:					
Fair valuation of Financial Liabilities	8,78.53	–	(4,46.01)	–	**4,32.52**
Temporary difference with respect to Property, Plant & Equipment, Intangibles & ROU Assets	3,91,54.58	–	(4,79.35)	–	**3,86,75.23**
Investments designated at fair value through OCI	4.73	–	(0.74)	0.85	**4.84**
Other timing differences w.r.t. subsidiaries under various jurisdiction	35.70	–	(11.70)	–	**24.00**
Total Deferred Tax Liabilities	**4,00,73.54**	**–**	**(9,37.80)**	**0.85**	**3,91,36.59**
NET DEFERRED TAX (ASSETS)/ LIABILITIES	**3,45,43.36**	**–**	**(25,88.64)**	**(0.19)**	**3,19,54.53**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

As at March 31, 2022 (Rs. in lakhs)

Particulars	As at April 1, 2021	Charge/ (Credit) recognised in Profit or Loss (Earlier Years)	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Assets:					
Fair valuation of Financial Assets	(4,53.65)	–	(10.42)	–	(4,64.07)
Merger expenses allowable u/s 35DD of the Income Tax Act,1961	(85.91)	–	9.60	–	(76.31)
Provision for Other Items u/s 43B of Income Tax Act, 1961	(27,61.11)	–	1,00.14	–	(26,60.97)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(5,22.54)	–	(15.26)	–	(5,37.80)
Unabsorbed Long Term Capital Loss under Income Tax Act,1961	(1,89.68)	–	69.13	–	(1,20.55)
Fair valuation of Current Investments	–	–	(45.67)	–	(45.67)
Derivative instruments designated at fair value through P&L	8.54	–	(42.58)	–	(34.04)
Remeasurement of defined benefit obligations through OCI	(3,91.71)	–	(24.05)	(43.87)	(4,59.63)
Share Issue Expenses u/s 35D	(34.20)	–	28.15	–	(6.05)
Timing difference w.r.t. unrealised profit on stock	(6,09.39)	–	(5,15.70)	–	(11,25.09)
Total Deferred Tax Assets	**(50,39.65)**	**–**	**(4,46.66)**	**(43.87)**	(55,30.18)
Deferred Tax Liabilities:					
Fair valuation of Financial Liabilities	12,67.73	–	(3,89.20)	–	8,78.53
Temporary difference with respect to Property, Plant & Equipment, Intangibles & ROU Assets	3,99,56.09	(4,92.84)	(3,08.67)	–	3,91,54.58
Investments designated at fair value through OCI	19.25	–	(14.51)	(0.01)	4.73
Other timing differences w.r.t. subsidiaries under various jurisdiction	26.15	–	9.55	–	35.70
Total Deferred Tax Liabilities	**4,12,69.22**	**(4,92.84)**	**(7,02.83)**	**(0.01)**	4,00,73.54
NET DEFERRED TAX (ASSETS)/ LIABILITIES	**3,62,29.57**	**(4,92.84)**	**(11,49.49)**	**(43.88)**	3,45,43.36

28.2 The expiry date for long term capital loss recognised are as follows: (Rs. in lakhs)

Particulars	Year of Expiry	As at March 31, 2023
Long Term Capital Loss	AY 2025-26	4,41.77
Long Term Capital Loss	AY 2026-27	0.12
Long Term Capital Loss	AY 2028-29	85.00

28.3 The expiry date for long term capital loss unrecognised are as follows: (Rs. in lakhs)

Particulars	Year of Expiry	As at March 31, 2023
Long Term Capital Loss	AY 2030-31	2,19,37.94

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

29. Other Non-Current Liabilities (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Contract Liability	29.1	**1.71**	30,31.97
Deferred Income	29.2	**3,20.52**	3,46.16
Others	29.3	**96.37**	82.62
		4,18.60	34,60.75

29.1 Contract liability amounting to nil (previous year Rs. 30,12.25 lakhs) received as interest bearing advance for sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

29.2 Deferred Income Comprises of Government Grants/Assistance in form of: (Rs. in lakhs)

Particulars	Opening as on April 01, 2022 (including Current portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing as on March 31, 2023 (including Current portion)
Financial Assistance under Industrial Infrastructure Development Fund (IIDF) towards Capital expenditure incurred for manufacturing DI Pipes as specified in Industrial Investment Promotion Policy 2005-2010 and 2010-2015.	3,71.80	–	25.64	**3,46.16**

29.3 Includes Rs 107.45 lakhs (including Rs. 37.09 lakhs shown under other current liabilities) in respect of amount lying against Own Your Car scheme (OYC).

30. Non Current Tax Liabilities (Net) (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Provision for taxation (net of advance tax)	30.1	**62,10.24**	62,15.64
		62,10.24	62,15.64

30.1 Includes Rs. 16,40.53 lakhs (net) [previous year Rs. 16,40.53 lakhs (net)] being interest received pertaining to Assessment Years 2003-04 to 2015-16 kept pending for decision of Hon'ble High Court at Calcutta in respect of the appeal filed by the Income Tax Department against the orders of the Income Tax Appellate Tribunal, Kolkata.

31. Borrowings (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Current Maturities of Long Tem Debt-Secured	25	**1,61,15.23**	1,93,00.23
Current Maturities of Long Tem Debt-Unsecured	25	**12,16.29**	14,79.28
SECURED			
Repayable on demand from banks	31.1 to 31.2		
– Indian Currency		**3,38,00.00**	7,02,62.79
– Foreign Currency		**1,00,37.98**	1,71,50.70
– Suppliers/Buyer's Credit		**5,69,08.78**	7,15,62.96
		10,07,46.76	15,89,76.45
UNSECURED			
Repayable on demand from banks			
– Bill discounted with banks		**3,79,16.20**	1,44,65.14
– Indian Currency		**1,50,00.00**	–
– Foreign Currency		**99,03.28**	1,10,47.87
– Suppliers/Buyer's Credit		**72,59.11**	–
		7,00,78.59	2,55,13.01
From Body Corporates		**10,00.00**	–
		7,10,78.59	2,55,13.01
		18,91,56.87	20,52,68.97

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

31.1 Working Capital facilities from Banks (both fund based and non fund based) are secured by first pari passu charge by way of hypothecation of current assets namely raw materials, finished goods, work in progress, consumable stores and spares, book debts/receivables and all other moveable assets of the Parent both present and future.

31.2 Working Capital facilities from Banks (both fund based and non fund based) availed by certain subsidiaries are secured by Standby Letter of Credit given/executed by the Parent in favour of the lenders.

32. Trade Payables (Rs. in lakhs)

Particulars	**Ref. note no.**	**As at March 31, 2023**	As at March 31, 2022
Payable for Goods and Services			
Total Outstanding dues of micro and small enterprises	32.2	**15,95.15**	26,63.11
Total Outstanding dues of creditors other than micro and small enterprises	32.3	**5,71,06.79**	6,01,58.23
		5,87,01.94	6,28,21.34

32.1 **Ageing of Trade Payables**

As at March 31, 2023 (Rs. in lakhs)

Particulars	**Outstanding For Following Period From Due date of Payment**					
	Not Due	**Less than 1 Year**	**1-2 Year**	**2-3 Year**	**More than 3 Year**	**Total**
(i) MSME	10,74.78	5,14.83	5.54	–	–	**15,95.15**
(ii) Others	2,23,35.20	3,09,82.93	7,94.93	9,57.39	19,92.89	**5,70,63.34**
(iii) Disputed due - MSMEs	–	–	–	–	–	**–**
(iv) Disputed due - Others	–	–	–	–	43.45	**43.45**

As at March 31, 2022 (Rs. in lakhs)

Particulars	Outstanding for following period from due date of payment					
	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) MSME	21,45.61	5,06.42	0.29	0.32	10.47	26,63.11
(ii) Others	2,15,57.64	3,40,17.88	11,77.01	5,22.71	18,59.59	5,91,34.83
(iii) Disputed due - MSMEs	–	–	–	–	–	–
(iv) Disputed due - Others	–	8,49.89	–	15.10	1,58.41	10,23.40

32.2 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information received by the Parent from the suppliers regarding the status under the Act.

(Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
a) Principal and Interest amount remaining unpaid but not due as at year end	**15,95.15**	26,63.11
b) Interest paid by the Parent in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	**Nil**	Nil
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	**Nil**	Nil
d) Interest accrued and remaining unpaid as at year end	**2.84**	8.65
e) 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	**Nil**	Nil

32.2.1 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors..

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

32.3 Including acceptances of Rs. 1,10,19.94 lakhs (previous year Rs. 20,57.09 lakhs) against non fund based facilities secured as stated in note no. 31.1.

32.4 There are no unbilled dues as on March 31, 2023 and March 31, 2022.

33. Other Financial Liabilities (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	25	**15,58.48**	4,29.76
Unclaimed dividends	33.1	**1,69.14**	1,55.51
Derivative at fair value through profit or loss		**9,00.25**	–
Other Payables			
Employee Payable		**33,71.50**	29,24.05
Capital vendors		**46,06.21**	3,88.34
Others - NPS, LIC, Superannuation etc.		**75.58**	1,70.43
		1,06,81.16	40,68.09

33.1 The same is not due for deposit to Investor Education and Protection Fund at the Balance Sheet date.

34. Other Current Liabilities (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Contract Liability	34.1 and 56	**1,49,85.98**	2,52,07.04
Statutory Payables		**1,47,84.25**	1,21,43.24
Deferred Income	29.2	**25.64**	25.64
Others - ED on Power, OYC etc.	34.2	**3,01.17**	3,07.97
		3,00,97.04	3,76,83.89

34.1 Contract liability includes nil (previous year Rs. 8,99.32 lakhs) received as interest bearing advance against sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

34.2 Other includes Electricity Duty (ED) on Power Rs. 2,64.07 lakhs (previous year Rs. 2,64.07 lakhs).

35. Provisions (Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	49	**15,11.18**	14,38.29
Other Provisions	35.1	**20,00.12**	1,62.22
		35,11.30	16,00.51

35.1 Other Provisions represents provision created against hyper inflationary environment prevailing in one of the subsidiary including variation in prices. Movement of such provisions are as follows:

Particulars	Rs. In lakhs)
As at April 01, 2021	73.60
Provision during the year	1,60.61
Reversal/Utilisation during the year	(71.99)
As at March 31, 2022	**1,62.22**
Provision during the year	19,09.15
Reversal/Utilisation during the year	(71.25)
As at March 31, 2023	**20,00.12**

36. Current Tax Liabilities (Net) (Amount Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for taxation (net)	**11,38.44**	6,61.66
	11,38.44	6,61.66

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

37. Revenue from Operations

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	**72,46,45.89**	52,64,76.88
Other operating revenues		
Incentive / Subsidy	**23,41.34**	15,34.05
Others	**5,63.53**	84.29
	72,75,50.76	52,80,95.22

37.1. **Disclosures as per Ind AS 115**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) **Revenue from contracts with customers disaggregated based on type of Revenue Stream**		
A. Revenue from Sale of products and services (Transferred at point in time)		
Manufacturing		
Ductile Iron pipes & fittings	**58,21,67.93**	39,52,14.23
Ferro Products	**2,79,27.06**	3,01,54.65
Cast Iron pipes	**1,88,14.95**	1,16,49.35
Cement	**4,40.96**	19,67.42
Others	**8,84,10.35**	8,13,01.02
Trading		
Ductile Iron pipes & fittings	**10,60.05**	12,37.43
Others	**58,24.59**	49,52.78
	72,46,45.89	52,64,76.88
B. Revenue from contracts with customers disaggregated based on Geographical Region		
Within India	**53,82,91.85**	38,30,67.05
Outside India	**18,63,54.04**	14,34,09.83
	72,46,45.89	52,64,76.88
C. Revenue from contracts with customers disaggregated based on type of customer		
Government (India)	**4,38,65.99**	2,95,09.83
Non Government	**68,07,79.90**	49,69,67.05
	72,46,45.89	52,64,76.88
(ii) **Reconciliation of revenue from contract with customer:**		
Revenue from contracts with customer as per the contract price	**72,46,68.07**	52,64,86.03
Adjustments made to contract price on account of:		
a) Price Adjustments	**22.18**	9.15
	72,46,45.89	52,64,76.88

(iii) The amounts receivable from customers become due after expiry of credit period which on an average is ranging between 90 to 270 days.

(iv) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

38. Other Income (Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income			
On Current Investments		**2,66.31**	–
On loans, deposits, overdue debts etc.		**45,11.29**	31,45.90
On Financial Assets measured at amortised cost		**1,32.39**	77.14
On Income Tax		**14.08**	8.59
Dividend income			
Non current investments		**0.50**	–
Net gain/(loss) on sale / redemption of Non-Current investments (net)		**–**	7,84.52
Net gain/(loss) on sale / redemption of Current investments (net)		**3,94.46**	1,66.07
Net gain/(loss) on fair valuation of Current investments through profit or loss (net)		**–**	94.54
Net gain/(loss) on derecognition of financial assets at amortised cost		**25.94**	1.25
Liability / Provision no longer required written back		**7,88.57**	9,49.32
Miscellaneous income	38.1	**23,58.46**	3,48.33
		84,92.00	55,75.66

38.1 Miscellaneous income includes:

a) Government Grants of Rs. 25.64 lakhs (previous year Rs. 25.64 lakhs) as detailed in note no. 29.2.

b) Rs. 18,92.30 lakhs (previous year nil) being the reimbursement of countervailing duty paid by the subsidiary on import of DI Pipes consequent to the decision of European Commission dated December 05, 2022.

39. Cost of materials consumed (Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials consumed	39.1	**39,90,87.45**	27,52,94.37
		39,90,87.45	27,52,94.37

39.1 Cost of material consumed includes nil (previous year Rs.6,70.94 lakhs) in relation to cost of goods sold as raw materials.

40. Purchases of Stock In Trade (Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
DI Pipes & fittings	**1,57,92.00**	1,12,08.34
	1,57,92.00	1,12,08.34

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

41. Changes in inventories of finished goods , Stock-in-Trade and work-in-progress (Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock		
Finished goods	**6,61,54.33**	3,93,78.38
Stock-in-trade (in respect of goods acquired for trading)	**21,60.40**	14.69
Process stock	**2,11,98.90**	1,14,41.23
	8,95,13.63	5,08,34.30
Adjustment: On account of Foreign currency translation	**(38,26.89)**	–
Less: Closing stock		
Finished goods	**8,52,14.42**	6,61,54.33
Stock-in-trade (in respect of goods acquired for trading)	**55,78.58**	21,60.40
Process stock	**1,85,49.55**	2,11,98.90
	10,93,42.55	8,95,13.63
	(1,60,02.03)	(3,86,79.33)

41.1 Foreign currency translation adjustment relates to conversion difference arising on translation of inventories being a balance sheet item at closing rate in terms of Ind AS.

42. Employee Benefits Expense (Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	49	**3,80,16.04**	3,50,96.78
Contribution to provident and other funds	49	**29,27.20**	27,09.69
Staff welfare expenses		**20,97.75**	19,62.89
		4,30,40.99	3,97,69.36

43. Finance Costs (Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		**2,33,39.59**	1,63,68.16
Applicable (gain)/loss on foreign currency transactions and translation		**34,11.04**	16,61.70
Interest on Income tax		**–**	3,09.38
Other borrowing cost	43.1 and 43.2	**19,81.66**	14,89.47
Less : Transferred to Capital Work in Progress (CWIP)		**(1,43.37)**	(3,60.72)
		2,85,88.92	1,94,67.99

43.1 The Parent has capitalised general funds borrowed for the purpose of obtaining a qualifying asset by applying a capitalisation rate of 8% to 10% on the said assets as required in terms of Ind AS 23 "Borrowing Costs".

43.2 Other Borrowing cost includes Rs. 3,27.39 lakhs (previous year Rs. 3,03.94 lakhs) towards lease obligation of Right of Use Assets (refer note no. 45.4).

44. Depreciation and Amortisation Expenses (Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Tangible and ROU Assets	5 and 7	**1,19,94.18**	1,14,06.72
Amortisation of Intangible Assets	6	**1,25.58**	61.31
		1,21,19.76	1,14,68.03

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

45. Other Expenses

(Rs. in lakhs)

Particulars	**Ref. note no.**	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Consumption of stores and spare parts		**4,97,94.22**	4,04,77.11
Power and fuel		**3,34,63.58**	2,99,23.52
Material Handling Charges		**85,10.87**	45,26.32
Rent	45.4	**20,03.04**	17,08.60
Repairs to buildings		**13,84.35**	7,30.98
Repairs to machinery		**40,86.38**	29,41.66
Insurance		**21,77.86**	16,67.36
Rates and taxes		**13,53.59**	9,47.13
Service Charges		**1,09,37.27**	93,50.21
Directors fees and commission		**1,16.10**	2,69.20
Freight & forwarding charges / Inspection Charges		**6,40,59.18**	5,11,35.98
Commission to selling agents		**59,65.54**	51,35.75
Loss on sale of fixed assets (net)		**8,30.73**	4,04.07
Sundry balances/Advances written off [net off provision written back]	51 & 45.5	**28,74.60**	17,88.36
Bad debts [net off of provision written back]		**–**	4,03.05
Credit loss allowances on Trade Receivable/ Advances/Others (net)		**4,24.20**	1,97.42
Provision for inflationary and other risks		**18,37.90**	–
Net Loss/(Gain) on fair valuation of Current investments through Profit and Loss (net)		**85.56**	–
Net loss/(Gain) on foreign currency transaction and translation		**(26,37.08)**	3,41.00
Net Loss/(Gain) on fair valuation of Derivative Instruments through Profit and Loss		**9,00.25**	(7,02.31)
Charity & Donation		**17.71**	4,28.55
Miscellaneous expenses	45.1, 45.2 & 45.3	**2,36,89.56**	1,90,39.40
		21,18,75.41	17,07,13.36

45.1 Miscellaneous expenses includes Auditor's Remuneration (including remuneration to previous auditor-refer note no. 45.1.1).

(Rs. in lakhs)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(a) Audit Fees:		
i) Parent	**24.00**	24.00
ii) Others	**166.71**	107.20
(b) Limited Review and other certification charges	**40.07**	84.04
(c) Reimbursement of expenses	**1.76**	5.81

45.1.1 Remuneration to previous auditor

(Rs. in lakhs)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(a) Audit Fees	**–**	24.00
(b) Limited Review and other certification charges	**12.92**	84.04
(c) Reimbursement of expenses	**1.76**	5.81

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

45.2 Disclosure in respect of Corporate Social Responsibility (CSR) activities included under Other Miscellaneous Expenses.

(Rs. in lakhs)

	Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	**Gross amount required to be spent by the Parent company during the year**		**4,53.20**	2,88.22
(b)	**Amount spent during the year on :**			
	(i) Construction / acquisition of any assets		**–**	–
	(i) On purpose other than (i) above		**4,74.36**	3,75.48
(c)	**Shortfall at the end of the year**		**–**	–
(d)	**Total of previous year shortfall**		**–**	–
(e)	**Reason for shortfall**		**–**	–
(f)	**Nature of CSR activities**	1. Eradicating hunger, poverty and malnutrition, promoting health care including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.		
		2. Medical and health care.		
		3. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.		
		4. Rural Development projects.		
		5. Women empowerment		
		6. Animal Welfare and Rural Development projects		
		7. Food Relied		
		8. Promotion of Sports		
(g)	Details of related party expenditure		**–**	–
(h)	Provision with respect to a liability incurred on entering into a contractual obligation		**–**	–

45.3 Includes provision for Inventories amounting to Rs. 24,28.99 lakhs (previous year Rs. 7,40.27 lakhs).

45.4 **Disclosure as per Ind AS 116**

45.4.1 **Movement in Lease Liabilities**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	**37,10.18**	41,88.27
Additions	**6,14.99**	55.72
Interest Cost accrued during the year	**3,27.39**	3,03.94
Deletions	**–**	(18.95)
Foreign Exchange translation	**1,33.92**	54.15
Payment of lease liabilities	**(8,60.94)**	(8,72.95)
Balance at the end	**39,25.54**	37,10.18

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

45.4.2 **Other disclosures** (Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Future payment of lease liabilities on an undiscounted basis are as follows :		
Less than one year	**9,06.13**	7,98.78
One to five years	**31,21.48**	28,89.98
More than five years	**34,40.55**	40,33.59
Lease liabilities included in the statement of financial position	**39,25.54**	37,10.18
Current Lease Liabilities	**8,99.58**	7,52.64
Non–Current Lease Liabilities	**30,25.96**	29,57.54

45.4.3 **Amounts recognised in Profit or Loss** (Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Interest expense on lease liabilities	**3,27.39**	3,03.94
Depreciation on right-of-use assets	**6,80.87**	6,79.16
Expense relating to short-term leases (included in other expenses)	**20,03.04**	17,08.60
Total	**30,11.30**	26,91.70

45.5 The Railway Authorities had earlier withdrawn the permission of operation of railway siding under construction which is situated at Haldia, West Bengal. The claim of compensation sought by the parent company from the Railway Authorities towards the amount incurred for the said siding is under arbitration based on the direction of Hon'ble High Court at Calcutta and the matter is subjudice. Pending arbitration proceedings, the company had recognised a charge of Rs. 40,98.46 lakhs (including Rs. 17,78.11 lakhs during the previous year) in earlier years. However the parent company continues to pursue its claim with the Railway Authorities.

46. Tax Expenses (Rs. in lakhs)

Particulars	**Ref. note no.**	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Current tax			
In respect of the current year		**1,25,05.57**	1,09,52.62
In respect of prior years		**–**	3,61.48
Total Current tax expense recognised in the current year		**1,25,05.57**	1,13,14.10
Deferred tax			
In respect of the current year	28	**(25,88.64)**	(11,49.49)
In respect of prior years	28	**–**	(4,92.84)
Total Deferred tax expense recognised in the current year		**(25,88.64)**	(16,42.33)
Total Tax expense recognised in the current year		**99,16.93**	96,71.77

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

46.1 **Reconciliation of Income tax expense for the year with accounting profit is as follows:**

Taxable Income differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	**4,15,40.26**	4,44,28.76
Income tax expense calculated at tax rate in respective jurisdiction	**1,01,90.12**	1,03,20.02
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit		
– Effect of change in tax base of fair valuation of land	**(2,40.05)**	(2,74.34)
– Effect of other adjustments	**(1,83.69)**	(1,21.42)
– Effect of other adjustments in respect of earlier year	**–**	(1,31.36)
– Effect of tax free income/loss in respect of subsidiaries	**11.30**	(3,83.78)
Add : Effect of expenses that are not deductible in determining taxable profit		
– CSR Expenditure, Donation etc.	**1,20.30**	94.50
– Others	**18.95**	1,68.15
Income tax expense recognised in profit or loss	**99,16.93**	96,71.77

46.2 **Income tax recognised in other comprehensive income** (Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	**(0.85)**	0.01
Remeasurement of defined benefit obligation	**1.04**	43.87
Total income tax recognised in other comprehensive income	**0.19**	43.88
Bifurcation of the income tax recognised in other comprehensive income into:–		
Items that will not be reclassified to profit or loss	**0.19**	43.88

47. Components of Other Comprehensive Income (Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans	49	**(4.13)**	(1,74.28)
Equity Instrument through Other Comprehensive Income		**(29,12.30)**	53,50.86
		(29,16.43)	51,76.58
Items that will be reclassified to Statement of Profit and Loss			
Effective portion of foreign currency translation reserve		**15,49.19**	4,83.08
		15,49.19	4,83.08

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

48. Financial Instruments

a) The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	**10,56,43.35**	**10,56,43.35**	9,41,86.42	9,41,86.42
Cash and Bank balances	**2,32,55.52**	**2,32,55.52**	1,60,65.65	1,60,65.65
Fixed Deposits with Banks	**2,09,50.01**	**2,09,50.01**	3,59,54.30	3,59,54.30
Loans	**1,09,58.34**	**1,09,58.34**	53,29.53	53,29.53
Other Financial Assets	**2,41,02.34**	**2,41,02.34**	2,36,51.52	2,36,51.52
Investment in Bonds	**94,89.77**	**94,89.77**	2,41,70.55	2,41,70.55
Financial Assets measured at Fair Value through Profit and Loss Account				
Derivative Instruments	**–**	**–**	7,02.31	7,02.31
Investment in Mutual Funds	**52.27**	**52.27**	1,20,02.32	1,20,02.32
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments other than Joint Venture	**65,94.57**	**65,94.57**	95,06.87	95,06.87
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings - fixed rate	**15,69,60.02**	**15,69,60.02**	16,74,44.54	16,74,44.54
Borrowings - floating rate	**10,58,53.81**	**10,58,53.81**	12,55,42.26	12,55,42.26
Lease Liabilities	**39,25.54**	**39,25.54**	37,10.18	37,10.18
Trade Payables	**5,87,01.94**	**5,87,01.94**	6,28,21.34	6,28,21.34
Other Financial Liabilities	**97,80.91**	**97,80.91**	40,68.09	40,68.09
Financial Liabilities measured at Fair Value through Profit and Loss Account				
Derivative Instruments	**9,00.25**	**9,00.25**	–	–

b) Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

1 The fair value of cash and cash equivalents, current trade receivables and payables, current loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The group considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the consolidated financial statements approximate their fair values. In respect of non current trade receivables and loans, fair value is determined by using discount rates that reflect the present borrowing rate of the group.

2 A substantial portion of the group's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the prevailing rates for similar borrowings in the market.

3 Investments (other than Investments in Joint Venture) traded in active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. Investment in liquid and short term mutual fund, which are classified as Fair value through Profit and Loss are measured using quoted market prices at the reporting date and in case of debentures, bonds and government securities, where the net present value at current yield to maturity have been considered. Unquoted investments in shares have been valued based on the historical net asset value as per the latest audited financial statements.

4 The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

c) Fair value hierarchy

1 The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date:

Particulars	As at March 31, 2023	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
		Quoted Price in active market	Significant observable inputs	Significant unobservable inputs
Financial Assets				
Investment in Mutual Funds	**52.27** 1,20,02.32	**52.27** 1,20,02.32	**–** –	**–** –
Investment in Equity Instruments (Non-Current)	**65,94.57** (95,06.87)	**0.67** (0.74)	**–** (94,76.34)	**65,93.90** (29.79)
Derivative Instrument - Not designated as hedging instrument	**–** (7,02.31)	**–** –	**–** (7,02.31)	**–** –
Financial Liabilities				
Derivative Instrument - Not designated as hedging instrument	**9,00.25** (–)	**–**	**9,00.25** (–)	**–**

(*) Figures in round brackets ( ) indicate figures as at March 31, 2022

2 During the year ended March 31, 2023 and March 31, 2022, there were no transfers between Level 1, Level 2 and Level 3.

3 The Inputs used in fair valuation measurement are as follows:

i) Fair valuation of Financial assets and liabilities not within the operating cycle of the Group is amortised based on the borrowing rate of the Group.

ii) Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

iii) Unquoted investments in equity shares have been valued based on the amount available to shareholder's as per the latest audited financial statements wherever available. Further, external observable inputs or assumptions have been used in such valuation of equity shares in other cases.

d) Derivatives financial assets and liabilities:

Within the Group,derivatives instruments are largely entered into by the parent. The parent follows established risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the Parent considers the risks of non-performance by the counterparty as non-material.

(i) The following tables present the aggregate contracted principal amounts of the Parent's derivative contracts outstanding:

Sl. No.	Underlying Purpose	Category	As at March 31, 2023		As at March 31, 2022		Currency
			No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
1	Export Receivables	Forward	**59**	**4,72,63,487**	44	3,00,10,407	USD/INR
2	Export Receivables	Forward	**14**	**64,23,259**	10	55,75,000	GBP/USD
3	Export Receivables	Forward	**21**	**1,47,08,964**	25	1,84,53,838	EURO/USD
4	Export Receivables	Forward	**14**	**1,40,00,000**	15	1,49,50,000	EURO/INR
5	Export Receivables	Forward	**1**	**5,00,000**	2	13,00,000	SGD/USD
6	Export Receivables	Option	**2**	**25,00,000**	–	–	EURO/USD
7	Suppliers Credit/Imports/Other payables	Forward	**55**	**9,30,30,577**	50	7,14,27,181	USD/INR
8	Suppliers Credit/Imports/Other payables	Option	**13**	**2,48,80,000**	13	2,23,19,000	USD/INR

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(ii) Un hedged Foreign Currency exposures are as follows:- (Amount in Foreign Currency)

Nature	Currency	As at March 31, 2023	As at March 31, 2022
Payables			
Buyer's Credit /Suppliers Credit /PCFC/Acceptances (includes accrued interest)	USD	**–**	2,87,09,686
Imports & Other payables	USD	**–**	2,02,63,165
Imports & Other payables	EURO	**5,70,661**	6,59,762
Imports & Other payables	GBP	**86,453**	42,316
Imports & Other payables	KWD	**428**	428
Imports & Other payables	AUD	**26,880**	28,882
Receivable			
Exports & Other receivables	GBP	**5,52,394**	–
Exports & Other receivables	SGD	**10,88,388**	7,52,479
Exports & Other receivables	USD	**–**	1,18,77,655
Exports & Other receivables	EURO	**17,70,282**	4,03,746

iii) The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one month	**(3,01.13)**	(86.10)
Later than one month and not later than three months	**(5,06.91)**	3,20.68
Later than three months and not later than one year	**(92.21)**	4,67.73
Later than one year	**–**	–

e) Sale of Financial Assets

In the normal course of business, the Group transfers its bill receivables to banks. Under the terms of the agreements, the Group surrenders control over the financial assets and the transfer is with recourse. Under arrangement with recourse, the group is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with banks. Accordingly, in such cases the amount transferred are recorded as borrowings in the statement of financial position and cash flows from financing activities. As at March 31, 2023 and March 31, 2022 the maximum amount of recourse obligation in respect of financial assets are Rs. 3,79,16.20 lakhs and Rs. 1,44,65.14 lakhs respectively.

f) Financial Risk Management

The Group's activities are exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The respective entity's Board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

1. **MARKET RISK**

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk, commodity price risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments in fixed deposit/ Mutual Funds/ Bonds and trade and other payables.

i) **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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency denominated borrowings, trade receivables and trade or other payables. Each entity comprising the Group manages its own currency risk. The following explains the process followed by the Parent, being the largest component of the Group.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

In order to mitigate forex losses, the Group has adopted a comprehensive risk management review system wherein it actively hedges its foreign exchange exposures within defined parameters through use of hedging instruments such as forward contracts, options and swaps. The Group periodically reviews its risk management initiatives and also takes experts advice on regular basis on hedging strategy.

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows:

As at March 31, 2023 (Rs. in lakhs)

Particulars	**Trade receivables**	**Loans and borrowings**	**Trade payables & Other Current Liabilities**	**Net Assets/(Liabilities)**
USD	**1,45,33.81**	**(6,92,02.51)**	**(1,04,69.47)**	**(6,51,38.17)**
EURO	**2,93,70.85**	**–**	**(5,08.22)**	**2,88,62.63**
GBP	**70,68.72**	**–**	**(87.61)**	**69,81.11**
SGD	**9,80.83**	**–**	**–**	**9,80.83**
AED		**–**	**(1.15)**	**(1.15)**
AUD		**–**	**(14.76)**	**(14.76)**
TOTAL	**5,19,54.21**	**(6,92,02.51)**	**(1,10,81.21)**	**(2,83,29.51)**

As at March 31, 2022 (Rs. in lakhs)

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other Current Liabilities	Net Assets/ (Liabilities)
USD	97,54.27	(8,26,75.71)	(2,93,99.05)	(10,23,20.49)
EURO	2,83,50.67	–	(5,53.27)	2,77,97.40
GBP	51,65.90	–	(42.12)	51,23.78
SGD	11,48.16	–	–	11,48.16
AED	–	–	(1.07)	(1.07)
AUD	–	–	(16.37)	(16.37)
TOTAL	4,44,19.00	(8,26,75.71)	(3,00,11.88)	(6,82,68.59)

Derivative financial assets and liabilities dealing with outstanding derivative contracts and unhedged foreign currency exposure has been detailed in earlier parts.

The following table demonstrates the sensitivity in the USD, Euro, GBP and other currencies to the Indian Rupee with all other variables held constant. The impact on the Group's profit/(loss) before tax is as given below:

Particulars	**Effect on Profit before tax**	
	For the year ended March 31, 2023	For the year ended March 31, 2022
RECEIVABLES (Weaking of INR by 5%)		
USD	**–**	4,50.09
EURO	**78.83**	16.93
GBP	**27.99**	–
SGD	**33.60**	21.05
PAYABLES (Weaking of INR by 5%)		
USD	**–**	(18,55.76)
EURO	**(25.41)**	(27.66)
GBP	**(4.38)**	(2.11)
KWD	**(0.06)**	(0.05)
AUD	**(0.74)**	(1.46)

A 5% strengthening of INR would have an equal and opposite effect on the Group's consolidated financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

ii) **Interest rate risk**

The Group's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Considering the same, the carrying amount of said borrowing was considered to be at fair value. Borrowings at fixed interest rate exposes the Group to the fair value interest rate risk. The Group maintains a portfolio mix of fixed and floating rate borrowings. As at March 31, 2023, approximately 59.72% (Previous Year: 57.15%) of the Group's borrowings become fixed rate interest borrowing.

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings.

(Rs. in lakhs)

Nature of Borrowing	**Increase in basis points**	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Rupee Loan	+0.50	**4,33.36**	5,21.14
Borrowings in local currency by other entity of the Group	+0.25	**47.95**	53.29

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in Foreign Currency Loan and Borrowings in local currency by other entity of the Group would have an equal and opposite effect on the Group's consolidated financial statements.

iii) **Commodity Risk**

The Group's revenue is exposed to the market risk of price fluctuation related to sale of products which is generally determined by market forces. These prices may be influenced by factors such as supply and demand, production costs (including cost of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce revenue for the Group. The Group is subject to fluctuation in prices of iron ore, coking coal,ferro alloys, zinc and other raw material inputs.

The Group aims to sell the products at prevailing market prices. Similarly the Group procures key raw material based on prevailing market rates. However, these contracts with the customers generally with a delivery period of 90-180 days, results in the mismatch of cost and sales realisation.

iv) **Other price risk**

The Group's current investments are fair valued through profit and loss and non current investment at fair value through OCI. The Group invest in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact return and value of such investments. However, given the relatively short tenure of underlying portfolio of mutual fund schemes in which the Group has invested, such price risk is not significant.

2. CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).Each entity comprising the group manages its own credit risk. The group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Major water infrastructure projects are Government funded or foreign aided and the risk involved in payment default is minimum with respect to these customers. Besides, export receivables primarily made from subsidiaries is covered under Credit Insurance. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly. Further the Group obtains necessary security including letter of credits and/or bank guarantee to mitigate its credit risk.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Group's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year , there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2023 and March 31, 2022. The Group takes collateral or other credit enhancements to secure its credit risk.

The Group extends credit to customers as per the internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Group's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. The Group computes credit loss allowance based on a provision matrix based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounts that are past due at the end of the reporting period, there against no credit losses are expected to arise. The company also takes advance, letter of credit and bank guarantee from its customers, which mitigates the credit risk to that extent.

3. LIQUIDITY RISK

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Each entity comprising of the Group manages its liquidity risk. The Group's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The Group relies on borrowings and internal accruals to meet its long term and short term fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

i) **Liquidity and interest risk tables**

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows as at Balance Sheet date:

Interest rate and currency of borrowings

As at March 31, 2023 (Rs. in lakhs)

Particulars	**Total Borrowings**	**Floating rate borrowings**	**Fixed rate borrowings**	**Weighted average Interest Rate (%)**
INR	**17,43,88.31**	**8,66,72.11**	**8,77,16.20**	**8.41%**
USD	**7,10,92.53**	**18,48.71**	**6,92,43.82**	**5.99%**
GBP	**74,21.37**	**74,21.37**	**–**	**4.68%**
EUR	**94,19.97**	**94,19.97**	**–**	**3.59%**
DZD	**4,91.65**	**4,91.65**	**–**	**8.50%**
Total	**26,28,13.83**	**10,58,53.81**	**15,69,60.02**	

As at March 31, 2022 (Rs. in lakhs)

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	18,78,41.78	10,42,27.64	8,36,14.14	6.70%
USD	8,44,24.31	17,26.61	8,26,97.70	1.71%
GBP	72,10.68	72,10.68	–	2.51%
EUR	1,28,09.35	1,16,76.65	11,32.70	1.75%
DZD	7,00.68	7,00.68	–	8.50%
Total	29,29,86.80	12,55,42.26	16,74,44.54	

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

Maturity Analysis of Financial Liabilities

As at March 31, 2023 (Rs. in lakhs)

Particulars	**Carrying Amount**	**On Demand**	**Less than 6 months**	**6 to 12 months**	**> 1 year**	**Total**
Interest bearing borrowings* (including current maturities)	**26,28,13.83**	**66,57.16**	**16,68,21.89**	**1,56,77.82**	**7,36,56.96**	**26,28,13.83**
Lease Liabilities	**39,25.54**	**–**	**4,49.68**	**4,49.90**	**30,25.96**	**39,25.54**
Other Financial Liabilities	**97,80.91**	**–**	**97,80.91**	**–**	**–**	**97,80.91**
Trade Payables	**5,87,01.94**	**–**	**5,87,01.94**	**–**	**–**	**5,87,01.94**

* Include Rs 17,98.94 lakhs as Prepaid Finance Charges.

As at March 31, 2022 (Rs. in lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	29,29,86.80	26,11.12	18,34,77.43	1,91,80.42	8,77,17.83	29,29,86.80
Lease Liabilities	37,10.18	–	3,74.87	3,77.77	29,57.54	37,10.18
Other Financial Liabilities	40,68.09	–	40,68.09	–	–	40,68.09
Trade Payables	6,28,21.34	–	6,28,21.34	–	–	6,28,21.34

* Include Rs 35,70.70 lakhs as Prepaid Finance Charges.

The Group has current financial assets which will be realised in ordinary course of business. The Group ensures that it has sufficient cash on demand to meet expected operational expenses. The Group rely on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

g) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group'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 stake holders. The Group is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Group.

The gearing ratio are as follows: (Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Borrowings	**26,28,13.83**	29,29,86.80
Less : Cash and Cash Equivalents	**2,30,49.45**	2,13,73.21
Less : Surplus fund parked in Fixed deposits and Investments	**2,52,54.74**	4,99,53.48
Net Debt	**21,45,09.64**	22,16,60.11
Equity	**43,83,73.12**	41,04,47.94
Equity and Net Debt	**65,28,82.76**	63,21,08.05
Gearing Ratio	**0.33**	0.35

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

49. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under: (Rs. in lakhs)

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Employer's Contribution to Provident Fund	**6,01.30**	5,32.08
Employer's Contribution to Pension Fund	**3,74.31**	3,63.28
Employer's Contribution to Superannuation Fund	**34.61**	36.31
Employer's Contribution to NPS Fund	**1,01.79**	68.51

b) Post Employment Defined Benefit Plans

In case of Parent, Post Employment Defined Benefit Plans are managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. In case of subsidiaries other than as mentioned below, are not required to make any payment on retirement of employees other than the annual contribution made in accordance with local law. Details of such funds are as follows:

i) Gratuity (Unfunded) in respect of Electrosteel Casting Gulf FZE and Electrosteel Bahrain Holding WLL, subsidiary companies

Provision is made for end-of-service gratuity liability to the staff at the balance sheet date based on the last drawn salary. The management of the said subsidiary is of the opinion that no significant difference would have arisen, had the liability been calculated on actuarial basis as salary inflation and discount rate are likely to have approximately equal and opposite effects.

ii) Gratuity (Funded) - Parent

The Parent gratuity scheme, a defined plan is as per the Payment of Gratuity Act 1972, covers the eligible employees and is administered through gratuity fund trust. Such gratuity fund, whose investments are managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited an insurer makes payment to vested employees or their nominee upon retirement, death, incapacitation or cessation of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs on completion of five year of service. The amount of gratuity payable is the last drawn basic salary per month computed proportionately for 15 days of salary multiplied for the number of year service.

The following table set forth the particulars in respect of aforesaid defined plan of the Parent for the year ended March 31, 2023 and corresponding figure of the previous year:

(Rs. in lakhs)

		Gratuity (Funded)	
		As at March 31, 2023	As at March 31, 2022
i)	**Change in the fair value of the defined benefit obligation:**		
	Liability at the beginning of the year	**55,87.30**	52,51.03
	Interest Cost	**3,96.70**	4,57.65
	Current Service Cost	**3,48.68**	3,35.19
	Remeasurements - Due to Financial Assumptions	**(1,09.35)**	97.25
	Remeasurements - Due to Experience Adjustments	**17.26**	(47.56)
	Benefits paid	**(2,51.53)**	(5,06.26)
	Liability at the end of the year	**59,89.06**	55,87.30

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

		Gratuity (Funded)	
		As at March 31, 2023	As at March 31, 2022
ii)	**Changes in the Fair Value of Plan Asset**		
	Fair value of Plan Assets at the beginning of the year	**44,39.71**	41,72.88
	Expected Return on Plan Assets	**3,20.24**	3,71.63
	Contributions by the Parent	**3,92.85**	4,30.38
	Benefits paid	**(2,51.53)**	(5,06.26)
	Remeasurements - Return on Assets (Excluding Interest Income)	**(96.22)**	(28.92)
	Fair value of Plan Assets at the end of the year	**48,05.05**	44,39.71
iii)	**Actual return on Plan Asset**		
	Expected return on Plan assets	**3,20.24**	3,71.63
	Actuarial gain / (loss) on Plan Assets	**(96.22)**	(28.92)
	Actual Return on Plan Assets	**2,24.02**	3,42.71
iv)	**Amount Recognized in Balance Sheet**		
	Liability at the end of the year	**59,89.07**	55,87.30
	Fair value of Plan Assets at the end of the year	**48,05.04**	44,39.71
		11,84.03	11,47.59
v)	**Components of Defined Benefit Cost recognised in Profit and Loss**		
	Current Service Cost	**3,48.68**	3,35.19
	Interest Cost	**3,96.70**	4,57.65
	Expected Return on Plan Assets	**(3,20.24)**	(3,71.63)
		4,25.14	4,21.21
vi)	**Components of Other Comprehensive Income**		
	Remeasurements - Due to Financial Assumptions	**(1,09.35)**	97.25
	Remeasurements - Due to Experience Adjustments	**17.26**	(47.56)
	Remeasurements - Return on Assets (Excluding Interest Income)	**96.22**	28.92
		4.13	78.61
vii)	**Balance Sheet Reconciliation**		
	Opening Net Liability	**11,47.59**	10,78.15
	Defined Benefit Cost		
	Recognised in statement of Profit & Loss	**4,25.14**	4,21.21
	Recognised in statement of Other Comprehensive Income	**4.13**	78.61
	Employers Contribution	**(3,92.85)**	(4,30.38)
	Amount Recognized in Balance Sheet	**11,84.01**	11,47.59

viii) Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Particulars	**As at March 31, 2023**	As at March 31, 2022
G-Sec/ Corporate Securities	**53.77%**	55.13%
Equity	**5.15%**	4.60%
Fixed Deposit and other assets	**6.04%**	6.04%
Life Insurance Corporation of India	**35.05%**	34.23%

The above details have been furnished based on the information shared by the Insurance Company.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

Other long term Employee benefits

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as a part of other comprehensive income. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the company as at March 31, 2023 and March 31, 2022 are given below:

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Privileged Leave	**22,85.91**	22,79.19
Sick Leave	**14,28.24**	14,35.81
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	**7.40%**	7.10%
Expected Return on Plan Assets	**7.40%**	7.10%
Future Salary Increase	**5.50%-6.00%**	5.50%-6.00%
Withdrawal Rate	**1-8%**	1-8%
Summary of Demographic Assumption		
(i) Mortality Rate	%ge of IALM (2012-14) (Mod) Mortality Table	
(ii) Disability Table (as percent of above Mortality rate)	5% of Mortality Rate	
(iii) Withdrawal rate	**1% to 8%**	1% to 8%
(iv) Retirement age	**60 to 70 years**	60 to 65 years
(v) Average future service	**18.56**	17.00
(vi) Weighted average deviation	**11.75**	13.52

Notes : i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

ii) The Parent expects to contribute Rs. 4,30.00 lakhs (previous year Rs. 3,60.00 lakhs) to Gratuity fund in 2022-23.

Sensitivity analysis:

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended 31st March, 2023		
Discount Rate	**+1%**	**56,38.00**
	-1%	**64,13.74**
Salary Escalation	**+1%**	**64,35.72**
	-1%	**56,13.53**
Withdrawal Rate	**+1%**	**60,39.22**
	-1%	**59,61.95**
For the year ended 31st March, 2022		
Discount Rate	+1%	52,24.97
	-1%	59,97.08
Salary Growth Rate	+1%	60,03.98
	-1%	52,15.15
Withdrawal Rate	+1%	56,16.17
	-1%	55,81.46

The above sensitivity analysis is based on a change in an 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 (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet. The method and type of assumption used in preparing the sensitivity analysis did not change compared to prior period.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

Risk analysis

Through its defined benefit plans, the Parent is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and, management's estimation of the impact of these risks are as follows:

Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited and the Parent does not have any liberty to manage the fund provided to them. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk / Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	**Gratuity**
April 01, 2023 to March 31, 2024	**13,44.58**
April 01, 2024 to March 31, 2025	**2,77.78**
April 01, 2025 to March 31, 2026	**3,24.55**
April 01, 2026 to March 31, 2027	**3,43.50**
April 01, 2027 Onwards	**26,66.45**

Particulars	**As at March 31, 2023**	As at March 31, 2022
Average no. of people employed	**2910**	2867

50. (a) In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Parent which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Parent was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Limited (CIL) with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination compensation of Rs. 83,12.14 lakhs was received. The Parent also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Parent, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly and based on the said judgement, the Parent has claimed Rs. 15,49,44.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Parent , the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the amount of compensation to be paid to the Parent. Earlier the Nominated Authority had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the said decision. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 1,80.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated November 11, 2019. The Parent came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same is under consideration and a final compensation is yet to be decided. The parent had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets. Pending such decision, in the meantime, the Ministry vide notification dated November 03, 2022 had included the said Parbatpur Coal Block in the "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and JSW Steel Limited (JSW) has emerged as successful bidder in the said auction. Accordingly, the claim for compensation in this respect therefore is to be determined on receipt of order for vesting of the said mine to JSW. The Parent management however, is pursuing to revise and determine the amount of entire compensation for coal block in terms of the aforesaid judgement passed by the Hon'ble High Court of Delhi.

Pending finalisation of the matter as above;

(i) Rs.12,88,84.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the parent has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account.

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 95,14.74 lakhs has been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 83,12.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 20,90.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 9,20.00 lakhs (previous year Rs. 9,20.00 lakhs) has been given against the compensation received.

Necessary disclosures in terms of Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

(b) Various balances pertaining to Coal Block claim and handing over the same as detailed in different heads of accounts includes:

(Rs. in lakhs)

Particulars	**As at March 31, 2023**		As at March 31, 2022	
Inventories		**14,78.76**		14,78.76
Other current assets		**13,99.78**		13,99.78
Capital Work in Progress:				
Plant and Equipment and others assets under Installation	**3,35,42.47**		3,35,42.47	
Mine Development including overburden removal expenses (Net) [refer note no: 52 (a)]	**8,68,61.17**	**12,04,03.64**	8,68,61.17	12,04,03.64
Other Property, Plant and Equipment		**22,43.99**		22,43.99
Capital Advance		**1,08.94**		1,08.94
Freehold Land		**32,49.00**		32,49.00
Other balances with Banks in Fixed Deposit Escrow Accounts	**5,36.93**		5,36.93	
Less: Provision for mine closure and restoration charges	**5,36.93**	**–**	5,36.93	–
Sub Total		**12,88,84.11**		12,88,84.11
Other Recoverable		**95,14.74**		95,14.74
Less: Compensation received		**(83,12.34)**		(83,12.34)
Less: Cenvat credit utilised/claimed/written off	**(13,99.78)**		(13,99.78)	
Less: Sale of Assets and other realisations	**(6,90.26)**	**(20,90.04)**	(6,90.26)	(20,90.04)
Total		**12,79,96.47**		12,79,96.47

(c) Due to reasons stated in note no. 50(a) and pending determination of the amount of the claim, balances under various heads which otherwise would have been measured and disclosed as per the requirements of various Indian Accounting Standard ' have been included under various heads as disclosed under note no. 50(b) considering the circumstances and objective of the consolidated financial statements.

51. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect got expired on January 11, 2017. Pending decision of Hon'ble High Court at Jharkhand on the matter pursuant to the writ petition filed before the said court, the Parent without prejudice to the decision to pursue the said petition has decided during the year, as a matter of abundant caution to charge off the amounts so paid pertaining to the said mine and carried forward under Capital work in progress and advances and thereby, Rs. 27,56.99 lakhs has been disclosed as sundry balances/advances/cwip written off under other expenses for the year ended March 31, 2023.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

52. (a) The expenses incurred for projects/assets during the construction/mine development period are classified as "Project Development Expenses" and pending capitalization are included under capital work in progress and are allocated to the assets to the cost of the assets on completion of the project/assets. Consequently expenses disclosed under the respective heads are net of amount classified as preoperative expenses by the Parent (refer note no. 50 and 51). The details of these expenses are as follows :

(Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Balance brought forward	**8,81,59.76**	8,81,59.76
Less:		
Allocated/Transferred during the year to completed assets.	**–**	–
Written-off during the year (refer note no. 51)	**(12,98.59)**	–
Total preoperative expenses	**8,68,61.17**	8,81,59.76
Add: Opening stock 64,502 MT(previous year 64,502 MT)	**14,46.25**	14,46.25
Less: Closing stock 64,502 MT(previous year 64,502 MT)	**(14,46.25)**	(14,46.25)
Total preoperative expenses carried forward pending allocation	**8,68,61.17**	8,81,59.76

(b) **Ageing schedule of Capital Work in Progress**

(Rs. in lakhs)

CWIP	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	**1,74,15.15**	**7,62.30**	**–**	**24.66**	**1,82,02.11**
Coal Mine (refer note no. 50) (net of compensation and other realisation)	**–**	**–**	**–**	**11,20,42.92**	**11,20,42.92**
Iron Ore Mine (refer note no. 51)	**–**	**–**	**–**	**–**	**–**
Total	**1,74,15.15**	**7,62.30**	**–**	**11,20,67.58**	**13,02,45.03**

As at March 31, 2022

(Rs. in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15,37.86	18,39.55	25,75.59	24.06	59,77.06
Coal Mine (refer note no. 50) (net of compensation and other realisation)	–	–	–	11,20,42.92	11,20,42.92
Iron Ore Mine (refer note no. 51)				27,56.99	27,56.99
Total	15,37.86	18,39.55	25,75.59	11,48,23.97	12,07,76.97

(c) **Projects overdue and expected completion date:**

(i) As stated in note no. 50, the allotment of Parbatpur coal mine which were under advanced stage of implementation was cancelled vide order dated September 24, 2014. Thereby, as dealt with in note no. 50 the project could not be further progressed and completed. Pending determination of the amount of claim, the balances as were appearing prior to the cancellation, i.e. capital work in progress and other balances pertaining to said coal mine have not been adjusted and carried forward in the consolidated financial statement.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(ii) Status with respect to other projects are as follows:

Details of capital-work-in progress completion schedule

As at March 31, 2023 (Rs. in lakhs)

Details of Project	**To be completed in**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
DIP Expansion Project	**33,54.33**	**–**	**–**	**–**	**33,54.33**
Additional Power & Water Project	**4,12.85**	**–**	**–**	**–**	**4,12.85**
MBF Expansion	**19,67.66**	**–**	**–**	**–**	**19,67.66**
Others	**15,54.13**	**–**	**–**	**–**	**15,54.13**
Total	**72,88.97**	**–**	**–**	**–**	**72,88.97**

As at March 31, 2022 (Rs. in lakhs)

Details of Project	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
DIP Expansion Project	29,07.98	–	–	–	29,07.98
Additional Power & Water Project	4,12.85	–	–	–	4,12.85
MBF Expansion	17,59.93	–	–	–	17,59.93
Others	5,41.34	–	–	–	5,41.34
Total	56,22.10	–	–	–	56,22.10

53. Calculation of Earning Per Share is as follows: (Rs. in lakhs)

	Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(a)	Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	**3,15,80.22**	3,47,27.73
	Net profit for basic and diluted earnings per share	**3,15,80.22**	3,47,27.73
(b)	Weighted average number of equity shares for calculation of basic earnings per share (Face value Re. 1/- per share)		
	Number of equity shares outstanding as on 31st March	**594605247**	594605247
	Number of equity shares considered in calculating basic EPS	**594605247**	594605247
	Weighted average number of equity shares outstanding	**594605247**	594605247
(c)	Weighted average number of equity shares for calculation of diluted earnings per share (Face value Re. 1/- per share)		
	Total weighted average of equity shares considered for basic earnings per share	**594605247**	594605247
	Add: Weighted average of potential equity shares i.e. share warrants (Refer Note no. 53.1)	**–**	–
		594605247	594605247
(d)	Earnings per share (EPS) of Equity Share of Re. 1 each:		
	i) Basic (Rs.)	**5.31**	5.84
	ii) Diluted (Rs.)	**5.31**	5.84

53.1 Holders of share warrants have a right to covert into equity share at an issue price of Rs. 42.41 per equity share entirely at their discretion in one or more tranche within a maximum period of eighteen months from the date of allotment i.e. December 22, 2022 on payment of balance amount of Rs. 31.81 per warrant. The price of equity share during the period upto March 31, 2023 were below the issue price and hence antidilutive in nature.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

54. Commitments (Rs. in lakhs)

Particulars	**As at March 31, 2023**		As at March 31, 2022	
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):		**68,54.27**		51,51.68
(b) Other commitments	**in lakhs**	**Rs. in lakhs**	in lakhs	Rs. in lakhs
i) Sell Forward contract outstanding				
In USD	**4,72.63**	**3,88,34.04**	3,00.10	2,27,44.14
In Euro	**2,87.09**	**2,55,67.81**	3,34.04	2,80,12.08
In GBP	**64.23**	**65,08.95**	55.75	55,48.89
In SGD	**5.00**	**3,08.75**	13.00	7,27.22
ii) Buy Forward Contract outstanding				
In USD	**9,30.31**	**7,64,38.57**	7,14.27	5,41,32.87
iii) Option contract outstanding				
In USD	**2,48.80**	**2,04,42.65**	2,23.19	1,69,15.01
In Euro	**25.00**	**22,26.47**	–	–
iv) Capital Commitment towards contribution in equity share capital of				

55. (i) **Contingent Liabilities not provided for in respect of:** (Rs. in lakhs)

Particulars	**As at March 31, 2023**	As at March 31, 2022
a) Various show cause notices/demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forum / authorities:		
i) Sales Tax - incentive certificate not renewed, pending forms, input tax credit, export and other disallowances etc.	**64,14.81**	63,18.90
ii) Entry Tax	**2,21.66**	2,21.66
iii) Excise, Custom Duty and Service tax - sale under exemption notification, availment of composite scheme under works contract disallowed	**38,01.10**	48,50.61
iv) Income Tax - capital subsidy and other disallowances	**5,47.45**	5,86.96
v) Goods & Service Tax- Transitional credit and other disallowances	**80.69**	80.69
b) Employees State Insurance Corporation has raised demand for contribution in respect of Gross Job Charges for the year 2001-02, 2003-04 and March'08 to January'10. In the opinion of the management demand is adhoc and arbitrary and is not sustainable legally.	**92.51**	92.51
c) Demand of Tamilnadu Electricity Board disputed by the Company.	**8.20**	8.20
d) During the year 1994 UPSEB had raised demand for electricity charges by revising the power tariff schedule applicable to the Company retrospectively from Feb'86. In the opinion of the management the revised power tariff is not applicable to the Company and accordingly the Company disputed the demand and the matter is pending before Hon'ble High Court at Allahabad.	**2,61.74**	2,61.74
e) Financial Guarantees given by banks on behalf of:		
i) The Parent company	**9,22.00**	9,22.00
ii) The Subsidiary	**2,21.06**	22,64.19

f) Demand of differential railway freight for the year 2008-09 to 2010-11 is Rs. 57,33.29 lakhs (previous year Rs. 57,33.29 lakhs) which is contested by the Parent and the matter is pending before the Hon'ble High Court at Calcutta.

g) Forest Department fee amounting to Rs. 9,28.90 lakhs which has been decided in favour of the Parent by the Hon'ble High Court of Karnataka. However, the Government of Karnataka has filed a Special Leave Petition before the Hon'ble Supreme Court and the matter is pending thereof.

Note: The Group's pending litigations comprises of claim against the Group and proceedings pending with Taxation/ Statutory/ Government Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosures, where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any, in respect of (a) to (d), and (f) to (g) above is dependent upon the outcome of judgments / decisions.

(ii) **Contingent assets (not recognised for) in respect of :**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Benefits under Industrial Promotion Scheme **	**Amount unascertainable**	Amount unascertainable
b) Claim for damages pertaining to Wagon Investment scheme (refer note no. 6.1.2)	**2,52,85.27**	–
c) Insurance claim pending acceptance	**77.07**	–

** Pre Goods & Service Tax (GST), the Company was enjoying certain benefits under Industrial Promotion scheme of state government. Post GST, pending notifications by the state government regime, the Parent on prudent basis, has not recognised any income under the scheme for the period July 01, 2017 to March 31, 2019.

56. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

A) Names of related parties and description of relationship

1) Joint Venture	North Dhadhu Mining Company Private Limited Domco Private Limited
2) Key Management Personnel (KMP) and close member of their family	Mr. Umang Kejriwal - Managing Director Mr. Mayank Kejriwal - Joint Managing Director Mr. Uddhav Kejriwal - Wholetime Director Mr. Mahendra Kumar Jalan - Wholetime Director (upto December 31, 2021) Mr. Sunil Katial - Chief Executive Officer & Wholetime Director Mr. Ashutosh Agarwal - CFO & Wholetime Director (w.e.f. January 03, 2022) Ms. Priya Manjari Todi -Wholetime Director (w.e.f. February 14, 2022) Ms. Radha Kejriwal Agarwal - Wholetime Director (w.e.f. February 14, 2022) Mr. Madhav Kejriwal - Wholetime Director (w.e.f. February 14, 2022) Ms. Nityangi Kejriwal Jaiswal - Wholetime Director (w.e.f. February 14, 2022) Mr. Pradip Kumar Khaitan - Chairman Mr. Binod Kumar Khaitan - Director Mr. S Y Rajagopalan - Director (upto December 31, 2022) Mr. Vyas Mitre Ralli - Director Mr. Amrendra Prasad Verma - Director Dr. Mohua Banerjee - Director Mr. Rajkumar Khanna - Director Mr. Bal Kishan Choudhury - Director (appointed w.e.f. February 10, 2022) Mrs. Asha Kejriwal - Wife of Mr. Umang Kejriwal - KMP Mrs. Madhu Agarwal - Wife of Mr. Ashutosh Agarwal - KMP Mr. Apurva Agarwal - Son of Mr. Ashutosh Agarwal - KMP Mr. Virendra Sinha - Director (appointed w.e.f. February 14, 2023)
3) Enterprise where KMP and/or Close member of the family have significant influence or control	Gaushree Enterprises Tulsi Highrise Private Limited Sri Gopal Investments Ventures Limited Global Exports Limited Sree Khemisati Constructions Private Limited G K & Sons Private Limited Electrosteel Thermal Coal Limited Badrinath Industries Limited Electrocast Sales India Limited Uttam Commercial Company Limited Wilcox Merchants Private Limited Ellenbarrie Developers Private Limited Quinline Dealcomm Private Limited Mangalam Equity Management Private Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

B) Related Party Transactions

Particulars	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.23	Outstanding as on 31.03.22
Remuneration					
Mr. Umang Kejriwal	5,77.59	–	5,77.59	1,12.65	
Mr. Mayank Kejriwal	5,31.12	–	5,31.12	1,14.70	
Mr. Uddhav Kejriwal	2,38.34	–	2,38.34	6.98	
Mr. Sunil Katial	2,53.26	–	2,53.26	6.38	
Mr. Ashutosh Agarwal	1,72.84	–	1,72.84	7.08	
Ms. Priya Manjari Todi	1,61.62	–	1,61.62	2.54	
Ms. Radha Kejriwal Agarwal	42.09	–	42.09	1.82	
Mr. Madhav Kejriwal	1,48.41	–	1,48.41	7.02	
Ms. Nityangi Kejriwal	1,55.17	–	1,55.17	6.42	
Dr. Mohua Banerjee	12.50	–	12.50	9.00	
Mr. Rajkumar Khanna	14.90	–	14.90	9.00	
Mr. Vyas Mitre Ralli	14.10	–	14.10	9.00	
Mr. S Y Rajagopalan	2.50	–	2.50	0.20	
Mr. Binod Khaitan	17.10	–	17.10	9.20	
Mr. Pradeep Kr. Khaitan	15.30	–	15.30	9.00	
Mr. Amrendra Prasad Verma	14.70	–	14.70	9.00	
Mr. Bal Kishan Choudhury	12.70	–	12.70	9.00	
Mr. Virendra Sinha	12.70	–	12.70	9.00	
Total	**23,96.94**	**–**	**23,96.94**	**3,37.99**	
Previous Year					
Mr. Umang Kejriwal	4,00.44	–	4,00.44	–	1,09.87
Mr. Mayank Kejriwal	7,30.17	–	7,30.17	–	0.18
Mr. Uddhav Kejriwal	2,02.18	–	2,02.18	–	11.27
Mr. Mahendra Kumar Jalan	1,82.09	–	1,82.09	–	–
Mr. Sunil Katial	2,47.61	–	2,47.61	–	6.39
Mr. Ashutosh Agarwal	1,70.26	–	1,70.26	–	6.65
Ms. Priya Manjari Todi	1,53.57	–	1,53.57	–	1,21.76
Ms. Radha Kejriwal Agarwal	24.98	–	24.98	–	2.52
Mr. Madhav Kejriwal	33.19	–	33.19	–	7.93
Ms. Nityangi Kejriwal	1,07.36	–	1,07.36	–	8.37
Dr. Mohua Banerjee	21.45	–	21.45	–	9.20
Mr. Rajkumar Khanna	29.15	–	29.15	–	9.20
Mr. Vyas Mitre Ralli	13.90	–	13.90	–	9.40
Mr. S Y Rajagopalan	14.10	–	14.10	–	9.40
Mr. Binod Khaitan	18.70	–	18.70	–	9.60
Mr. Pradeep Kumar Khaitan	16.50	–	16.50	–	9.00
Mr. Amrendra Prasad Verma	15.70	–	15.70	–	9.20
Mr. Bal Kishan Choudhury	1.00	–	1.00	–	–
Rent Paid					
Tulsi Highrise Private Limited	–	88.22	88.22	0.11	
Wilcox Merchants Private Limited	–	74.81	74.81	0.11	

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

Particulars	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.23	Outstanding as on 31.03.22
Sri Gopal Investments Venturess Limited	–	23.10	23.10	–	
Sree Khemisati Constructions Private Limited	–	37.20	37.20	–	
Badrinath Industries Limited	–	30.00	30.00	–	
Global Exports Limited	–	23.91	23.91	4.30	
Total	**–**	**2,77.24**	**2,77.24**	**4.52**	
Previous Year					
Tulsi Highrise Private Limited	–	82.79	82.79	–	–
Sri Gopal Investments Venturess Limited	–	23.10	23.10	–	–
Sree Khemisati Constructions Private Limited	–	7.20	7.20	–	–
Badrinath Industries Limited	–	30.00	30.00	–	–
Global Exports Limited	–	27.65	27.65	–	–
Service Charges Paid					
Sree Khemisati Constructions Private Limited	–	3,78.53	3,78.53	4.86	
Global Exports Limited	–	90.00	90.00	–	
Sri Gopal Investments Venturess Limited	–	5.24	5.24	2.19	
Total	**–**	**4,73.77**	**4,73.77**	**7.05**	
Previous Year					
Sree Khemisati Constructions Private Limited	–	3,86.39	3,86.39	–	5.72
Global Exports Limited	–	90.00	90.00	–	–
Sri Gopal Investments Venturess Limited	–	2.98	2.98	–	0.09
Security Deposits					
Sri Gopal Investments Venturess Limited	–	–	–	11.55	
Electrosteel Thermal Coal Limited	–	–	–	1,90.68	
Tulsi Highrise Private Limited	–	–	–	2,85.00	
Wilcox Merchants Private Limited	–	–	–	2,72.50	
Global Exports Limited	–	–	–	15.00	
Badrinath Industries Limited	–	–	–	0.30	
Total	**–**	**–**	**–**	**7,75.03**	
Previous Year					
Sri Gopal Investments Venturess Limited	–	–	–	–	11.55
Electrosteel Thermal Coal Limited	–	–	–	–	1,90.68
Tulsi Highrise Private Limited	–	–	–	–	2,85.00
Global Exports Limited	–	–	–	–	15.00
Advances Given					
Domco Private Limited	–	–	–	7,00.00	–
Total	**–**	**–**	**–**	**7,00.00**	
Previous Year					
Domco Private Limited	–	–	–	–	7,00.00
Money received against Share Warrants					
Ellenbarrie Developers Private Limited	–	1,12.47	1,12.47	–	
Wilcox Merchants Private Limited	–	3,37.42	3,37.42	–	
Quinline Dealcomm Private Limited	–	25.00	25.00	–	
Tulsi Highrise Private Limited	–	4,62.39	4,62.39	–	

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

Particulars	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.23	Outstanding as on 31.03.22
Mr. Mayank Kejriwal	–	4,12.40	4,12.40	–	
Sree Khemisati Constructions Private Limited	–	74.98	74.98	–	
Mangalam Equity Management Private Limited	–	10,74.75	10,74.75	–	
Total	**–**	**24,99.41**	**24,99.41**	**–**	
Previous Year					
Professional Charges					
Mr Rajkumar Khanna	36.00	–	36.00	–	
Total	**36.00**	**–**	**36.00**	**–**	
Previous Year					
Mr Rajkumar Khanna	42.48	–	42.48	–	–
Mrs. Madhu Agarwal	12.75	–	12.75	–	–
Mr. Apurva Agarwal	12.75	–	12.75	–	–

1. The above related party information is as identified by the management and relied upon by the auditor.
2. There are no loans or advances in the nature of loans granted to Promoters, Directors, Key Managerial Personal or any other related party (as per Companies Act 2013) either severally or jointly with any other persons, during the year/previous year.
3. In respect of the above parties, there is no provision for doubtful debt as on March 31, 2023 except as disclosed above and no amount has been written off or written back during the year in respect of debt due from/ to them.

C. Details of compensation paid to KMP during the year are as follows: (Rs. in lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Short-term employee benefits;	**22,21.82**	22,68.81
Post-employment benefits*	**1,31.69**	1,13.54
Other long-term benefits*	**43.43**	–

* Post-employment benefits and other long-term benefits is being disclosed based on actual payment made including those on retirement /resignation of services, but does not includes provision made on actuarial basis as the same is available for all employees together.

D. Terms and conditions of transactions with related parties

a. The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms. For the year ended March 31, 2023, the Group has not recorded impairment of receivable relating to amount owned by the parties. The measurement is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b. The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.

c. The remuneration of directors is determined by the Nominations & Remuneration Committee having regard to the performance of individuals and market trends.

56.1 Details of Loans, Investments and Guarantees covered u/s 186(4) of the Companies Act, 2013:

a) Details of Loans and Investments are given under the respective heads (refer note no. 8,9,10,15 and 19).

b) Details of Standby Letter of Credit given by the Parent are as follows: (Rs. in lakhs)

Name of the Company	Purpose	As at March 31, 2023	As at March 31, 2022
Electrosteel Europe SA	Fund based facility from bank	**8,90.59**	16,77.18
Electrosteel Algerie SPA	Fund based facility from bank	**6,16.23**	9,09.45
Electrosteel Castings (UK) Ltd.	Fund based facility from bank	**20,26.68**	19,90.63
Electrosteel USA LLC	Fund based facility from bank	**20,54.12**	18,94.69

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

57. The Group operates mainly in one business segment viz Pipes & Fittings being primary segment and all other activities revolve around the main activity. The secondary segment is geographical, information related to which is given as under:

(Rs. in lakhs)

Particulars	2022-23			2021-22		
	Within India	**Outside India**	**Total**	Within India	Outside India	Total
Sales (gross)	**53,82,91.85**	**18,63,54.04**	**72,46,45.89**	38,30,67.05	14,34,09.83	52,64,76.88
Non-Current Assets other than financial instruments	**39,74,56.46**	**1,08,69.41**	**40,83,25.87**	39,04,85.70	89,97.68	39,94,83.38

58. The group has opted for continuing accounting policy in respect of exchange difference arising on reporting of long term foreign currency monetary items in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". The unamortised balance in the carrying amount of Property, Plant and Equipments / capital work in progress is Rs 2,80,06.55 lakhs (previous year Rs 2,83,40.19 lakhs).

59. The financial statements of Electrosteel Brasil Ltda. Tubos e Conexoes Duteis for the year ended March 31, 2023 has not been subjected to audit by their auditor.

60. Disclosure of Transactions with Struck Off Companies

Based on the information available with Parent from the website of Ministry of Corporate Affairs and on certification from an independent professional hired for identification of such companies, the details of transactions are as follows:

(Rs. in lakhs)

Name of the struck off company	Nature of transactions with struck off company	**As at March 31, 2023**	Relationship with the struck off company, if any, to be disclosed	As at March 31, 2022	Relationship with the struck off company, if any, to be disclosed
Deccan Articulations Private Limited	Payables	**–**	–	–	–
Dhona Instruments Private Limited	Payables	**–**	–	–	–
Elbi Consultancy India Private Limited	Payables	**–**	–	–	–
Holiday Inn Kolkata Airport	Payables	**–**	–	–	–
Msc Mediterranean Shipping Company	Payables	**–**	–	–	–
RBC Bearings Private Limited	Payables	**0.14**	–	–	–
RCL Feeder Pte Ltd	Payables	**(0.14)**	–	–	–
Safety Perfect Private Limited	Payables	**4.77**	–	–	–
SVRS Exports Private Limited	Payables	**1.47**	–	–	–
Borewell Equipment Company Private Limited	Receivables	**2.51**	–	–	–
Geo Miller & Company Private Limited	Payables	**0.08**	–	–	–
M D Trade Links Private Limited	Payables	**–**	–	2.20	–
Kolaghat Thermal Power	Receivables	**–**	–	0.27	–
Sew Eurodrive India Private Limited	Payables	**–**	–	–	–
Skylark Express Private Limited	Receivables	**–**	–	–	–
National Refractories	Payables	**–**	–	–	–
Shubhrajyoti Logistics Private Limited	Payables	**–**	–	–	–
Igus (India) Private Limited	Payables	**–**	–	–	–
RBC Bearings Private Limited	Payables	**–**	–	–	–

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

61. Additional Information pursuant to amendments made in Schedule III to the extent applicable to the Parent (Other than those that have been disclosed under the respective Notes to the consolidated financial statements:

(A) Utilisation of borrowed funds and share premium

(i) The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(B) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(C) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(D) Compliance with number of layers of companies

The group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

62. Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013

(Rs. in lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2022-23		2022-23		2022-23		2022-23	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/ Loss	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent	**97.44**	**42,70,45.52**	**1,05.95**	**3,34,76.35**	**2,13.32**	**(29,16.17)**	**1,01.14**	**3,05,60.18**
Subsidiaries								
Foreign								
Electrosteel Castings (UK) Limited	**0.65**	**28,42.40**	**2.37**	**7,56.27**	**(5.33)**	**72.89**	**2.72**	**8,29.16**
Electrosteel Europe S.A.	**2.29**	**1,00,32.75**	**5.65**	**18,00.93**	**(37.37)**	**5,10.91**	**7.58**	**23,11.84**
Electrosteel Algeria SPA	**(0.04)**	**(1,75.53)**	**0.94**	**3,00.03**	**3.40**	**(46.53)**	**0.83**	**2,53.50**
Electrosteel USA, LLC	**1.18**	**51,64.44**	**7.53**	**23,99.20**	**(19.35)**	**2,64.54**	**8.73**	**26,63.74**
Electrosteel Trading, S.A.	**0.04**	**1,58.24**	**0.08**	**25.71**	**(0.68)**	**9.29**	**0.11**	**35.00**
Electrosteel Doha For Trading LLC	**0.69**	**30,37.83**	**4.04**	**12,89.18**	**(21.55)**	**2,94.54**	**5.19**	**15,83.72**
Electrosteel Castings Gulf FZE	**0.43**	**18,68.41**	**0.32**	**1,00.44**	**(14.15)**	**1,93.50**	**0.96**	**2,93.94**
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	**(0.02)**	**(91.48)**	**–**	**–**	**0.39**	**(5.34)**	**(0.02)**	**(5.34)**
Electrosteel Bahrain Holding W.L.L	**0.72**	**31,65.36**	**(0.46)**	**(1,45.35)**	**(18.68)**	**2,55.33**	**0.36**	**1,09.98**
Non controlling interest in all subsidiaries	**(0.02)**	**(1,09.52)**	**(0.14)**	**(43.11)**	**–**	**–**	**(0.14)**	**(43.11)**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 *(Contd.)*

(Rs. in lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2021-22		2021-22		2021-22		2021-22	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/ Loss	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent	97.18	39,87,42.77	93.76	3,25,60.29	91.53	52,20.46	93.44	3,77,80.75
Subsidiaries								
Foreign								
Electrosteel Castings (UK) Limited	0.49	20,13.24	(0.54)	(1,87.80)	0.96	54.63	(0.33)	(1,33.17)
Electrosteel Europe S.A.	1.88	77,20.91	0.34	1,16.44	3.03	1,72.98	0.72	2,89.42
Electrosteel Algeria SPA	(0.10)	(4,29.03)	0.05	17.89	0.24	13.57	0.08	31.46
Electrosteel USA, LLC	0.61	25,00.69	1.82	6,32.35	–	(0.14)	1.56	6,32.21
Electrosteel Trading, S.A.	0.03	1,23.24	0.02	5.97	(0.05)	(2.82)	0.01	3.15
Electrosteel Doha For Trading LLC	1.03	42,34.24	2.58	8,95.99	2.21	1,26.02	2.53	10,22.01
Electrosteel Castings Gulf FZE	0.50	20,69.80	1.52	5,29.01	1.33	75.89	1.5	6,04.90
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	(0.02)	(86.14)	–	–	0.03	1.93	–	1.93
Electrosteel Bahrain Holding W.L.L	0.74	30,55.39	2.87	9,95.84	0.72	41.01	2.56	10,36.85
Non controlling interest in all subsidiaries	(0.03)	(1,40.08)	(0.08)	(29.26)	–	–	(0.07)	(29.26)

62.1. The financial statements of Domco Private Limited and North Dhadhu Mining Company Private Limited have not been consolidated for reasons referred to in note no. 8.1 and 8.2.

62.2. Figures given herein above are as per standalone financial statements of the respective companies included in the Group and hence effect of inter company and other adjustments carried out on consolidation has not been considered for the purpose of above disclosure.

63. These consolidated financial statements have been approved by the Board of Directors of the Company on May 17, 2023 for issue to the shareholders for their adoption.

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

As per our report of even date
For Lodha & Co.
Chartered Accountants
(Firm's Registration No. 301051E)

R. P. Singh
Partner
(Membership No. 052438)

Kolkata
May 17, 2023

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary
(Membership No. A20387)

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Consolidated Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in lakhs)

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	736042.76	Not Ascertainable
2.	Total Expenditure	694502.50	
3.	Net Profit/(Loss) (including other comprehensive income)	30256.28	
4.	Earnings Per Share	5.31	
5.	Total Assets	851860.88	
6.	Total Liabilities	851860.88	
7.	Net Worth (Equity Share Capital plus Other Equity)	438263.60	
8.	Any other financial item(s) (as felt appropriate by the management)	–	–

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31st March 2023 –

Sub Para (a): Note no. 4 regarding cancellation of coal block allotted to the parent in earlier year and adjustments required to be carried out in respect of the claim received so far and carrying value of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account for the reasons stated therein. Impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

Sub Para (b): Note No. 5 in respect of parent investment in ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Calcutta and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land had been taken by the said party. The matter has been disputed by the parent and is currently pending before DRAT and Hon'ble High Court at Madras. Impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

b. **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~.

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 4 since financial year 2014-15 and Note no. 5 since financial year 2017-18.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** N.A

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:** N.A

(ii) **If management is unable to estimate the impact, reasons for the same:**

Sub Para (a) – In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the parent Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the parent Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination, compensation of Rs. 8312.14 lakhs was received. The parent company also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCCL.

Following a petition filed by the parent Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly and based on the said judgement, the parent Company has claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the parent Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the amount of compensation to be paid to the parent company. Earlier the Nominated Authority had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the said decision. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated November 11, 2019. The parent company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same is under consideration and a final compensation is yet to be decided. The parent company had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets. Pending such decision, in the meantime, the Ministry vide notification dated November 03, 2022 had included the said Parbatpur Coal Block in the "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and JSW Steel Limited (JSW) has emerged as successful bidder in the said auction. Accordingly, the claim for compensation in this respect therefore is to be determined on receipt of order for vesting of the said mine to JSW. The parent company's management however, is pursuing to revise and determine the amount of entire compensation for coal block in terms of the aforesaid judgement passed by the Hon'ble High Court of Delhi.

Pending finalisation of the matter as above;

(i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the parent Company has continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2090.04 lakhs have been adjusted.

Necessary disclosures and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

Sub Para (b) - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by ESL Steel Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the parent Company during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the parent Company had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.

The parent Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. During the year, the parent company has fair valued the equity share of ESL and a loss of Rs. 2915.95 lakhs has been accounted for in other comprehensive income.

Investment in ESL include 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 5744.81 lakhs as on March 31, 2023 have been pledged with the consortium of lenders of ESL (lenders). The notices issued by the lenders for invocation of pledge of parent company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the parent company's plea for release of such pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs of the parent company, situated at Elavur, Tamil Naidu, were mortgaged to another lender SREI Infrastructure Finance Limited (SREI) of ESL and SREI had subsequently assigned the right of the said property to an Asset Reconstruction Company (ARC) although the claims of the said lender were fully discharged by the ESL as per the Resolution Plan approved by NCLT, Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land against alleged claim in SARAFESI Notice in an earlier year. The parent Company had disputed the alleged assignment of the loan by the lender at Hon'ble Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, the parent Company had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARAFESI actions and release of the title deeds of such land. The DRT vide its order dated April 08, 2022 uploaded on April 27, 2022 had dismissed the application of the parent Company. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the parent Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs and was of the view that at admission stage it cannot go in to the merits of the case hence, cannot give any relief on the pre-deposit. The parent Company then has filed revision application at Hon'ble Madras High Court under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution challenging provisions of pre-deposit under SARAFESI Act. The matter is now pending before Hon'ble Madras High Court.

Earlier, the ARC had also filed an application before the National Company Law Tribunal, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) process against the parent Company which has been decided in the favour of the Company vide NCLT order dated June 24, 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack and the matter is pending before National Company Law Appellate Tribunal (NCLAT), New Delhi.

Pending finalization of the matter, these assets have been carried forward at their book value.

(iii) **Auditors' Comments on (i) or (ii) above:**

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by us.

III. Signatories :

CEO / Managing Director	Sunil Katial *(Chief Executive Officer & Whole-time Director)*
CFO	Ashutosh Agarwal *(Whole-time Director and Chief Financial Officer)*
Audit Committee Chairman	Binod Kumar Khaitan (Audit Committee Chairman)
Statutory Auditor	For Lodha & Co. *Chartered Accountants* Firm's Registration No: 301051E R. P. Singh *(Partner)* Membership No: 052438

Place : Kolkata
Date : May 17, 2023

Notes

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ELECTROSTEEL CASTINGS LIMITED

www.electrosteel.com