

67th ANNUAL
REPORT 2021-2022

ELECTROSTEEL



ELECTROSTEEL
CASTINGS LIMITED

Corporate Information

Chairman	Mr. Pradip Kumar Khaitan
Directors	Mr. Binod Kumar Khaitan Mr. Amrendra Prasad Verma Dr. Mohua Banerjee Mr. Rajkumar Khanna Mr. Shermadevi Yegnaswami Rajagopalan Mr. Vyas Mitre Ralli Mr. Bal Kishan Choudhury (w.e.f. 10 February, 2022) Mr. Virendra Sinha (w.e.f. 14 February, 2022)
Managing Director	Mr. Umang Kejriwal
Joint Managing Director	Mr. Mayank Kejriwal
Whole-time Directors	Mr. Uddhav Kejriwal Mrs. Radha Kejriwal Agarwal (w.e.f. 14 February, 2022) Mrs. Nityangi Kejriwal Jaiswal (w.e.f. 14 February, 2022) Mr. Madhav Kejriwal (w.e.f. 14 February, 2022) Mrs. Priya Manjari Todi (w.e.f. 14 February, 2022) Mr. Mahendra Kumar Jalan (upto 31 December, 2021)
Chief Executive Officer and Whole-time Director	Mr. Sunil Katial
Whole-time Director and Chief Financial Officer	Mr. Ashutosh Agarwal (w.e.f. 3 January, 2022)
Company Secretary	Mr. Indranil Mitra
Auditors	Singhi & 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 Punjab National Bank RBL Bank Limited SBM Bank (India) Limited Standard Chartered Bank Union Bank of India Yes Bank Limited

Works	Khardah, West Bengal Haldia, West Bengal Bansberia, West Bengal Elavur, Tamil Nadu Srikalahasthi, Andhra Pradesh
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 Seventh Annual Report together with Audited Annual Financial Statements (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended 31 March, 2022.

FINANCIAL RESULTS

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from Operations	5014.82	3,075.71	5280.95	3,474.20
Earnings Before Interest, Taxes, Depreciation, Amortisation and Exceptional Item	716.44	449.18	753.65	486.57
Less: Finance Costs	185.27	198.89	194.68	208.37
Less: Depreciation and Amortisation Expense	112.58	78.67	114.68	89.99
Profit Before Exceptional Item & Tax	418.60	171.62	444.29	188.21
Less: Exceptional Item	-	-	-	(244.23)
Profit / (Loss) Before Tax	418.60	171.62	444.29	(56.02)
Less: Tax Expense	93.00	40.67	96.72	40.21
Profit / (Loss) After Tax	325.60	130.96	347.57	(96.23)
Share of Profit / (Loss) in Associates and Joint Ventures	-	-	-	5.42
Profit / (Loss) After Tax including share of Associate and Joint Ventures	325.60	130.96	347.57	(90.81)
Attributable to:				
Owners of the Parent	-	-	347.28	(91.20)
Non-Controlling Interest	-	-	0.29	0.39
Other Comprehensive Income (Net of Tax)	52.20	25.80	57.04	27.31
Total Comprehensive Income	377.80	156.76	404.61	(63.50)
Attributable to:				
Owners of the Parent	-	-	404.32	(63.89)
Non-Controlling Interest	-	-	0.29	0.39
Opening balance in Retained Earnings	1396.18	637.17	1452.80	921.19
Closing Balance in Retained Earnings	1696.19	1396.18	1773.28	1452.80

DIVIDEND

The Directors are pleased to recommend a dividend of Re. 0.80 per Equity Share of face value of Re. 1 each for the Financial Year ended 31 March, 2022. 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 2021-22 would amount to Rs. 47.57 Crore.

The Company had declared dividend of Re. 0.25 per Equity Share of face value of Re. 1 each for the Financial Year ended 31 March, 2021.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy of the Company is 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 has transferred Rs. 15,58,212 (Rupees Fifteen Lakh Fifty Eight Thousand Two Hundred and Twelve Only) to the IEPF, during the Financial Year 2021-22, being unpaid/unclaimed dividend amounts relating to the Financial Year 2013-14.

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, 2021 (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 the Company, in respect of which dividend was unpaid or unclaimed for the Financial Year 2013-14 and onwards, has been transferred to the Demat Account of the IEPF Authority maintained with National Securities Depository Limited, during the Financial Year 2021-22.

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 2014-15 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 603,751 MT, as against 503,048 MT in the previous year. The production of Cast Iron (CI) Pipes at Elavur was 19,049 MT in 2021-22 as against 37,413 MT in the previous year.

The Financial year 2021-22 was another challenging year for our Organization 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, having undertaken numerous business strategies in the 2nd half of the year with the surge in Pig Iron selling price, our organization could recover the situation and delivered strong financial result despite of 2nd wave of Global Pandemic (COVID-19). All the management cadres, frontline employees and factory workers of the Organization have put up a strong show to minimize impact of the global crisis.

The Company produced DI Fittings & Accessories 20,684 MT in 2021-22 as against 14,903 MT in 2020-21. Both Khardah and Haldia Fitting Units have demonstrated a strong performance by increasing production and productivity by approximately 38% compared to previous year which helped in extending terrific support to our experienced Marketing



Report of the Directors (Contd.)

team to penetrate both domestic and international market. Both Domestic and Export dispatch of Fittings from the Haldia and Khardah Plants have increased inspite of numerous challenges like increase in raw material prices along with 2nd wave of COVID-19 pandemic.

At Srikalahasthi Works, the shutdown of Mini Blast Furnace (MBF) to complete commissioning of new Blast Furnace, additional Hot Blast Stoves, raw material handling system to increase the capacity from 3,00,000 TPA to 4,00,000 TPA, which was planned to be completed in the 1st quarter of FY 2021-22 was delayed due to 2nd wave of the pandemic and consequent non-availability of resources. However, the new Blast Furnace was successfully commissioned on 11 August, 2021, thereby increasing the capacity of the Blast Furnace and capacity of DI Pipe from 3,00,000 TPA to 4,00,000 TPA.

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

The Amalgamation of Srikalahasthi Pipes Limited (SPL) with the Company was approved by the Board of Directors of the respective Companies on 5 October, 2020 with "Appointed Date" of 1 October, 2020. The National Company Law Tribunal (NCLT), Amravati had approved the said amalgamation vide its orders dated 22 November, 2021 and 14 December, 2021. The said amalgamation was also approved by the NCLT Cuttack vide its order dated 09 December, 2021. Consequent to the approval of the Scheme, the certified true copies of the NCLT orders were made effective from the Appointed Date, i.e., 1 October, 2020, by filing at the portal of the Ministry of Corporate Affairs on 31 December, 2021 ('Effective Date') by both the companies and SPL has amalgamated with the Company and has ceased to exist.

Other than the above, 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.

Even while facing adverse situations, the Company is taking all adequate steps to honour all its commitments.

There has been no change in the nature of business.

IMPACT OF COVID-19 OUTBREAK

During the quarter ended 30 June, 2021, few state governments had imposed certain restrictions due to surge in Covid 19 cases. However, there has been no significant impact on the Company's operation/result during the year.

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 2021-22, and is annexed as Annexure 1.

FUTURE PROSPECTS

The Company is having comfortable order book for supply of Ductile Iron pipes and Fittings. 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 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. With enhanced production capacity, the Company should be able to serve more customers and will capture more market share. The Company shall be expanding its DI pipe export market to make its mark across the globe.

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.

The Company as one of the major players in the world DI pipe market continues to maintain its dominant position in the export market against competitors. After the gradual abatement of the COVID-19 pandemic, the world economy is on the revival phase and a large portion of our production is being exported to more than 50 countries across 5 continents. The Company, after entrenching itself in the discerning European and gulf markets as pipe maker of international quality, is also continuously expanding its business to new countries like Tanzania, Zambia, Congo, Nigeria, Senegal, Morocco in Africa, Vietnam, Cambodia, Myanmar in South East Asia. The subsidiary in USA is also doing well.

SHARE CAPITAL

During the financial year under review, the Authorised Share Capital of the Company increased from Rs. 50,02,00,000/- comprising of 50,02,00,000 Equity Shares of Re. 1.00 each to Rs. 103,02,00,000/- comprising of 103,02,00,000 Equity Shares of Re. 1.00 each by virtue of final order passed by NCLT approving the Scheme of Amalgamation of Srikalahasthi Pipes Ltd with and into the Company. The authorized share capital as on the date of this Report is Rs. 103,02,00,000/- comprising of 103,02,00,000 Equity Shares of Re . 1.00 each.

During the year under review, the Company had issued and allotted 16,16,50,538 Equity Shares of face value of Re.1.00 each to the shareholders of Srikalahasthi Pipes Ltd pursuant to the approval of Scheme of Amalgamation of Srikalahasthi Pipes Ltd with and into the Company. Pursuant to the above allotment, the Issued, Subscribed and Paid-up Share Capital of the Company has increased to Rs..59,46,05,247/- comprising of 59,46,05,247 Equity Shares of Re.1.00 each. 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. As on 31 March 2022, the Company had no outstanding instruments convertible into Equity Shares of the Company.

CREDIT RATING

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

CRISIL has assigned the Company's Long-Term Issuer Rating of 'CRISIL A+' and for Short-Term borrowings of "CRISIL A1". The Outlook was Stable.

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

During the year under review, there were no significant or material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

1. However, earlier, 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 which was under advanced stage of implementation, had been cancelled w.e.f. 1 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 1 April, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL). The Company also understand that SAIL has handed over back the said coal block to the custody of BCCL. The Ministry of Coal has once again put up the Parbatpur Coal Block in the list of mines to be auctioned (for



Report of the Directors (Contd.)

commercial mining) and the auction is likely to be concluded soon subject to receiving adequate qualified bids. It is significant to note that the Company will receive the settled compensation amount from the new successful bidder.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on 9 March, 2017. Accordingly based on the said judgement, the Company has claimed Rs.15,31,76.00 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 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. 1,80.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed 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 and the process of valuation is under progress as per the available information. As per information available, the recommendation of the valuer read together with the recommendation of the Chief Advisor Cost, Ministry of Finance, has concurred with the valuation of almost Rs. 4,88,51 lakhs for one significant asset. The Company has also approached the newly appointed Nominated Authority / Ministry of Coal 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).

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, thereby imposing a 'moratorium' under IBC.

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, whereby the moratorium ceased to have further effect.

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. 10.00 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. Company filed a "Leave to Sue application" at Madras High Court, upon grant of leave from Hon'ble High Court. Hearing on "Leave to Sue application" was completed and the Hon'ble High Court opined that only DRT has jurisdiction to hear ECL's application.

Simultaneously, 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 validity of Deed of Assignment.

Company 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 Company's application.

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, Company should file an application at DRT for undoing such SARFAESI actions and again come back to civil court for release of title deeds.

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

Hon'ble Supreme Court directed the Company to file application under SARFAESI Act, against UVARCL & 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 Ltd) is concerned;
- b. that there is no amount due and payable by the plaintiff– appellant (i.e. Electrosteel Castings Ltd) herein on the ground that in view of the proceedings under IBC against the corporate debtor (i.e. Electrosteel Steels Ltd) 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 application before DRT, Chennai.

DRT, Chennai dismissed Company's application on 8 April 2022. The dismissal order was uploaded on website on 27 April 2022. Company immediately filed appeal before DRAT Chennai.

3. During the year under review, 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 although there was no debt due. 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 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, entire admitted debt of ESL was paid and discharged in the form of cash and allotment of Equity shares of ESL.

The Company is of view that since company has never extended any Corporate Guarantee to the said lender, the application under IBC is not maintainable.

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, integrity and reliability of reporting. There is adequate MIS (Management



Report of the Directors (Contd.)

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 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, 2022:

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

During the year under review, Srikalahasthi Pipes Limited ceased to be a Subsidiary Company on 31 December, 2021 pursuant to the Scheme of Amalgamation of Srikalahasthi Pipes Ltd with and into the Company which became effective from 31 December, 2021.

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 statement of subsidiaries, associate companies and joint ventures, for the Financial Year ended 31 March, 2022, 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.

STATUS OF AMALGAMATION OF SRIKALAHASTHI PIPES LIMITED WITH THE COMPANY

The Board of Directors of the Company, at its meeting held on 5 October, 2020, based on the Report of the Audit Committee, had, inter alia, approved the Scheme of Amalgamation ('Scheme') of Srikalahasthi Pipes Limited ('SPL') with and into Electrosteel Castings Limited ('the Company'). The Board of Directors of SPL, too, had, inter alia, approved the Scheme at its meeting held on 5 October, 2020. The Competition Commission of India ('CCI') had accorded its approval to the said proposed Amalgamation on 27 November, 2020. BSE Limited and the National Stock Exchange of India Limited (NSE) had also issued their observations/no-objections to both the Companies, vide their respective letters dated 25 February, 2021.

Upon receipt of the aforesaid Observation Letters from BSE and NSE, both, SPL and the Company, had filed applications with the concerned National Company Law Tribunals ('NCLT/s'), seeking directions for calling and conducting meetings of their respective creditors or class of creditors, or of the members or class of members, as the case may be.

NCLT, Amaravati Bench, vide order dated 30 April, 2021, had directed that the meetings of shareholders and creditors be held on 16 June, 2021 for, inter alia, approving the Scheme. The meetings of shareholders and creditors of SPL were duly held on 16 June, 2021. The Scheme had been approved with requisite majority of equity shareholders and unanimously by secured creditors and unsecured creditors of SPL.

NCLT, Cuttack Bench, vide order dated 26 July, 2021, had directed that the meetings of shareholders and creditors of the Company be held on 10 September, 2021 for, inter alia, approving the Scheme. The meetings of shareholders and creditors of ECL were duly held on 10 September, 2021. The Scheme had been approved with requisite majority of equity shareholders and unanimously by secured creditors and unsecured creditors of the Company.

The Company Petition for sanctioning of the Scheme had been filed by SPL before the NCLT, Amaravati Bench, on 26 June 2021. NCLT, Amaravati Bench, vide order dated 22 November, 2021 and amendment order dated 14 December, 2021 had approved the Scheme of Amalgamation of SPL with and into the Company.

The Company Petition for sanctioning of the Scheme had been filed by ECL before the NCLT, Cuttack Bench, on 15 September, 2021. NCLT, Cuttack Bench, vide its order dated 9 December, 2021, had approved the Scheme of Amalgamation of SPL with and into the Company.

Consequent to approval of the Scheme, the certified true copies of the NCLT orders were made effective from the Appointed Date, i.e., 1 October, 2020, by filing at the portal of the Ministry of Corporate Affairs on 31 December, 2021 ('Effective Date') and SPL has amalgamated with the Company and has ceased to exist.

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 2021-22, 5 (five) Board Meetings were held, the details of which are given in the Corporate Governance Report, forming part of this Report and annexed as Annexure 3.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Mahendra Kumar Jalan (DIN: 00311883), Whole-time Director, has resigned from the Board of Directors of the Company, with effect from 31 December, 2021, due to his personal reasons. The Board places on record its appreciation



Report of the Directors (Contd.)

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 Meetings held on 3 January, 2022, vide Postal Ballot Notice dated 3 January, 2022, have -

- 1) re-appointed Mr. Umang Kejriwal (DIN : 00065173) as the Managing Director of the Company for a term of 5 consecutive years with effect from 1 April, 2022,
- 2) re-appointed Mr. Mayank Kejriwal (DIN : 00065980) as the Joint Managing Director of the Company for a term of 5 consecutive years with effect from 1 April, 2022.
- 3) appointed Mr. Ashutosh Agarwal (DIN : 00115092) as a Whole-time Director and Chief Financial Officer of the Company for a term of 3 consecutive years with effect from 3 January, 2022
- 4) appointed Mr. B K Choudhury (DIN : 00766032) as an Independent Director of the Company for a term of 5 consecutive years with effect from 10 February, 2022.

The Members of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors at their Meetings held on 14 February, 2022, vide Postal Ballot Notice dated 14 February, 2022, have -

- 1) appointed Mr. Virendra Sinha (DIN : 03113274) as an Independent Director of the Company for a term of 5 consecutive years with effect from 14 February, 2022.
- 2) appointed Mrs. Radha Kejriwal Agarwal (DIN : 02758092) as a Whole-time Director of the Company for a term of 3 consecutive years with effect from 14 February, 2022
- 3) appointed Mrs. Nityangi Kejriwal Jaiswal (DIN : 07129444) as a Whole-time Director of the Company for a term of 3 consecutive years with effect from 14 February, 2022
- 4) appointed Mr. Madhav Kejriwal (DIN : 07293471) as a Whole-time Director of the Company for a term of 3 consecutive years with effect from 14 February, 2022
- 5) appointed Mrs. Priya Manjari Todi (DIN : 01863690) as a Whole-time Director of the Company for a term of 3 consecutive years with effect from 14 February, 2022
- 6) approved the change in designation of Mr. Vyas Mitre Ralli (DIN: 02892446), Non-Executive Director to Independent Director of the Company with effect from 8 May, 2022
- 7) approved the change in designation of Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Non-Executive Director to Independent Director of the Company with effect from 8 May, 2022

Mr. Uddhav Kejriwal (DIN : 00066077) and Mr Sunil Katial (DIN : 07180348) 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.

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, 2022, 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 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.

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. Shermadevi Yegnaswami Rajagopalan, Mr. Vyas Mitre Ralli and Mr. Virendra Sinha, 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)(iia) of the Companies (Accounts) Rules, 2014, as amended, the Board of Directors state that in the opinion of the Board, Mr. B K Choudhury, Mr. Shermadevi Yegnaswami Rajagopalan, Mr. Vyas Mitre Ralli and Mr. Virendra Sinha, whose appointments as Independent Directors of the Company have been approved by the Shareholders during the year, are persons of integrity and possess relevant expertise and experience. Further, Mr. Choudhury, Mr. Rajagopalan, Mr. Ralli and Mr. Sinha have 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, 2022, 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 Board of Directors of the Company, at their Meeting held on 3 January, 2022 have dissolved the Amalgamation Committee constituted by the Board on 5 October, 2020 pursuant to the amalgamation of Srikalahasthi Pipes Ltd with and into the Company with effect from 31 December, 2021.

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 March, 2022. 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



Report of the Directors (Contd.)

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. Mahendra Kumar Jalan and Dr. Mohua Banerjee, as its members as on 31 March, 2021.

Consequent upon the resignation of Mr. Mahendra Kumar Jalan from the Board of Directors of the Company with effect from 31 December, 2021, the Board of Directors of the Company at their meeting held on 3 January, 2022 reconstituted the Governance Committee by nominating Mr. Sunil Katial, Whole-time Director & CEO of the Company in place of Mr. Mahendra Kumar Jalan, the other Committee members remaining the same. 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.

Vigil Mechanism

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. 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 organizational 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, its Committees and of individual Directors was found to be satisfactory.

Meeting of Independent Directors: The Independent Directors of the Company 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.



Report of the Directors (Contd.)

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 2021-22 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 pertaining to the remuneration of Directors, KMP and employees 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. Singhi & Co., Chartered Accountants (Firm Registration Number: 302049E), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 62nd Annual General Meeting ('AGM') till the conclusion of the 67th 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, 2022 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 (j)(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 Statement, 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. 8A.2 of the Standalone Financial Statement, which are self-explanatory;
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 matter 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 Product – Si. Mn 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, Kolkata, were appointed as the Cost Auditors of the Company for Financial Year 2021-22.

The Cost Audit Report for the Financial Year 2020-21 was filed on 27 August, 2021.

M/s. Narasimha Murthy & Co., Cost Accountants in Practice, were appointed as Cost Auditors of Srikalahasthi Pipes Limited ('SPL') to audit the cost records of SPL, by the Board of Directors of SPL at its meeting held on 4 May, 2021, for the Financial Year 2021-22.

Pursuant to the Amalgamation of SPL with and into the Company with effect from 31 December, 2021, the draft Consolidated Cost Audit Report and its related annexures, of the Company and SPL, for the Financial Year 2021-22, will be approved by the Board of Directors of the Company.

For Financial Year 2022-23, M/s. S G & Associates, Cost Accountants, and M/s. Narasimha Murthy & Co., Cost Accountants have been 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 2022-23 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. K. Arun & Co., Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the Financial Year 2021-22. 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.

The Board of Directors of the Company, at their Meeting held on 10 May, 2022 have appointed M/s MKB & Associates, as the Secretarial Auditor of the Company for the Financial Year 2022-23 under the provisions of Section 204 of the Companies Act, 2013.

INTERNAL AUDITOR

In terms of the provisions of Section 138 of the Act, M/s. Ernst & Young LLP were appointed as the Internal Auditor of the Company for the Financial Year 2021-22. 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.

The Board of Directors of the Company, at their Meeting held on 14 February, 2022 have appointed M/s Chaturvedi & Co. as the Internal Auditor of the Company for the Financial Year 2022-23 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 2021-22, 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. 55.3 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, 2021, 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, 2022, will be duly uploaded on the website of the Company, at <https://www.electrosteel.com/investor/shareholder-information-annual-return.php>, upon filing of the same with the Registrar of Companies, under Section 92(4) of the Act.



Report of the Directors (Contd.)

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 2021-22.

RELATED PARTY TRANSACTIONS

The Company has entered into contracts/arrangements with the related parties during the Financial Year 2021-22, 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. 55 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. There were no pecuniary relationship or transactions entered into by any Independent Director with the Company during the year under review.

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 in compliance 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) An application at NCLT, Cuttack against the company is pending under the Insolvency and Bankruptcy Code, 2016, details of which are mentioned above in Directors Report; 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, especially during the unprecedented COVID-19 pandemic environment.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 10 May, 2022

Pradip Kumar Khaitan
Chairman
DIN: 00004821



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

At present the country faces immense problem of drinking water supplies and has poor transmission and distribution networks for water. In addition, there is fast growing demand from Irrigation sector. To cater to these growing needs, a humongous effort is initiated by the Indian Government in the form of 'Jal Jeevan Mission (JJM)', which led to unprecedented push to provide piped drinking water to every household by 2024. This itself is a huge challenge given the sheer numbers involved – 150 million households across 0.5 Million villages will have to be brought under the scheme. Considering above aspects, time bound completion of schemes is being monitored by Jal Shakti Ministry to achieve the goal of providing tap connection to every rural household. Significant priority to cover water quality affected habitations is also taken up under Jal Jeevan Mission. Apart from the above, the State Government spending on water is expected to increase to fulfill the mission. At the same time the world demand for DI pipes is also gradually looking up after the pandemic. As a result, the use of ductile iron pipes in water and wastewater application is observing a healthy growth, backed by huge governmental initiative.

India is set for a major expansion in water supply and distribution infrastructure with the government planning to spend Rs 3.6 lakh crore in a span of 5 years to provide tap water connections to every household by 2024. Government of India has recently launched, Jal Jeevan Mission (urban) / AMRUT 2.0 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 holds. It will also include 4,378 statutory small towns.

The Drinking Water and Sewerage Sector

Sewerage disposal in many cities and town are not up to the mark. With increasing urbanisation, draining out dirty water and keeping the cities clean is a matter of increasing concern. A number of new sewerage schemes are coming in many of the towns and cities which will require DI pipes, though mainly for the force mains. A number of projects are already under implementation under 'Namami Gange' and other state Government schemes.

Irrigation Sector

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 minimize the transmission loss due to percolation and evaporation and to avoid the complication of land acquisition, now 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 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.

« Industrial Water

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 industrialization, 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 Industrial water.

« Demand Drivers for DI Pipes

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

1. The determination of the Central Government to provide drinking water and sanitation facility to 100% of the population and making funds available to achieve it under the "Jal Jeevan Mission" and "Swachh Bharat Mission".
2. The 500 numbers of AMRUT schemes and 100 Smart Cities Mission launched by the Government are under various stages of implementation.
3. Increasing demand in piped irrigation network.
4. Rising demand for industrial water and process water.
5. Low cost rural housing is picking up in a big way under the "Pradhan Mantri Abas Vikas Yojna".
6. More utilities are focussing on life cycle cost rather than initial cost to have a more durable water supply solution.
7. Rising opportunity of pipe export to new regions like Africa.
8. Due to superior quality, product certification by international agencies, followed by dependable after sales service, the Company continues to maintain its position in the export market against competitors.

« FY 2021-22 vs. FY 2020-21

The Company's Revenue from Operations was reported at Rs. 5014.83 Crore during the year under review as compared to Rs. 3075.71 Crore reported in the previous year. There was an increase of around 45.16% in Export Sales from Rs. 804.58 Crore in 2020-21 to Rs. 1167.97 Crore in 2021-22. The Company's profit in 2021-22 was Rs. 325.60 Crore as against profit of Rs. 130.96 Crore in 2020-21.

B. PRODUCT WISE PERFORMANCE

« Ductile Iron (DI) Pipes

The Ductile Iron Pipe Plant, produced 603,751 MT of DI Pipes during the year 2021-22 compared to 503,048 MT in 2020-21. The Production increased due to change in business strategies mainly 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 organization.

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. Iron Ore for Srikalahasthi unit i.e for Southern India operation is procured through auction conducted by Monitoring Committee. Coke is captively produced at Haldia for Eastern India operation and captively produced 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.



Management Discussion (Contd.)

◀◀ **Cast Iron (CI) Pipes**

The Cast Iron Pipe Plant, with a total capacity of 90,000 TPA produced 19,049 MT of CI Pipe during the Financial Year 2021-22 compared to 37,413 MT in the Financial Year 2020-21. The capacity utilization was much lower compared to previous year because of production suspension in January 2022 of the fourth quarter. Business slowdown was existing thereafter and demand for Cast Iron Pipes remained low.

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 20,684 MT of DI Fittings in the Financial Year 2021-22 as against 14,903 MT in the Financial Year 2020-21. The production, productivity and overall performance have improved because the Company's operation and marketing teams have focussed on forward looking efforts and taken initiatives for higher productivity and utilization 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 2021-22, the new power plant has generated 20.28 million units even after lower generation in the third quarter against 17.73 million units in the previous year.

With old 12 MW power plant & new 5 MW Power Plant together, Haldia has generated 114.15 million units of power, out of which 16.66 million units were transmitted to SEB grid in 2021-22 as against 101.43 million units generation and transmission of 23.48 million units in 2020-21. Higher consumption of power in HW-Fittings and Ferro Alloy Plant has reduced export to grid in 2021-22.

During the year under review, at Srikalahasthi Unit, in addition to the existing 12.0 MW Captive Power Plant, 7.5 MW capacity Captive Power Plant has been commissioned, which is also being operated using the generation of steam from the waste gases of Coke Oven Plant. The new Power Plant has stabilized its operations and started generating 3.50 MW – 4.00 MW power on an average from August, 2022.

With the existing 12 MW power plant & new 7.5 MW Power Plant together, Srikalahasthi Unit has generated 14.34 MW per hour as against 13.11 MW in the FY 2020-21.

◀◀ **Captive Coke Oven Plant**

The Coke Oven Plant, with a total capacity of 2,25,000 TPA at Haldia, produced 1,81,035 MT of Metallurgical Coke in 2021-22 against 1,50,468 MT in 2020-21, mainly for captive consumption in Blast Furnace at Khardah Works. The production was higher compared to previous year mainly because of lifting of various restrictions and due to higher demand from Blast Furnace operation of Khardah works.

The Coke Oven Plant at Srikalahasthi unit, has produced 2,03,467 MT of Metallurgical Coke in 2021-22 against 1,68,499 MT in 2020-21, mainly for captive consumption in Blast Furnace. The production was higher by 20.75% compared to previous year catering to the increased requirement of Blast Furnace.

◀◀ **Ferro Alloy Plant**

The Company's Ferro Alloy Plant at Haldia Works has produced Prime Si Mn. 14,059 in 2021-22 against 9,928 MT in 2020-21. The production increased by 42% mainly due to increase in operations & stable power supply to the unit.

Ferro Alloy Plant at Srikalahasthi Unit has produced Prime Ferro Silicon of 15,271 MT in 2021-22 against 7,623 MT in 2020-

21. The production has doubled compared to previous year, due to operation of both the furnaces, owing to increased global demand for Ferro Silicon.

◀◀ **Cement Plant**

Cement Plant at Srikalahasthi Unit has produced Portland Slag Cement of 91,797 MT in 2021-22 compared to 81,788 MT in 2020-21, registering an increase of 12.23%.

◀◀ **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 has also 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 hectare by the State Government of Jharkhand for Iron and Manganese Ores 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 Minister 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 (Arcelor Mittal). 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 on 4 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.

As required the Forest Department of the Government of Jharkhand is preparing a fresh report on Mining activities in the Saranda Forest Division. It is expected that the Company's Kodolibad Iron Mine Area will form a part of Mining Zone as per this new Report. This however is a critical issue and dependent on State Government's Report. Further this report has to be accepted by the Indian Council of Forestry Research and Education (ICFRE) and subsequently by the committee formed by MoEFCC.

◀◀ **Exports**

In the FY 2021-22, the pandemic situation was still quite prevalent with some respite coming towards the end. However, the Ukraine war has created another upheaval in international trade. Both these factors are still looming large with direct effect on input cost, logistic cost, foreign exchange rates and disruptions as well as the economic impact in various countries leading to the reduced order flow.

The Company has been working hard to find workarounds by diving deep into markets that are less affected and by



Management Discussion (Contd.)

making sincere efforts to work transparently with customers to share the rising input and logistic costs. We have had encouraging results due to the Company's goodwill with respect to quality, consistency and transparency.

The Company is sure to come out stronger after the disruptions make way for a more economically favourable climate across the globe, as we have stuck with our customers through thick and thin.

Quality and Approvals

The Company is committed to provide top notch quality products and services since 27 years and is striving forward to maintain the same in years to come. Our aim is to achieve 'Quality Right the First Time'. Electrosteel 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 the certifying bodies have been visiting Electrosteel's manufacturing facilities every year, since decades, to verify the system and products, as a part of their surveillance audit. Considering the changed situation due to COVID-19, most of the audits are now being performed via virtual means. Recently, auditors from UL (USA), FM (USA) and DVGW (Germany) have audited our plants through virtual mode. 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 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. ECL has always remained the distinct choice for water engineers and domain experts in Ductile Iron Pipes and Fittings.

Threats

Though the 'Jal Jeevan Mission' can bring about considerable growth in the water and waste water sector, consistent funding, professional implementation and persistent monitoring is required to achieve the goal of 'Har ghar Nal se Jal'. Timely allocation of resources, efficient planning and proper project implementation is to be ensured to maintain sustainability of pipe demand.

A matter of major concern is the steep increase in the cost of raw materials as the market price is not escalating at the same pace, putting considerable stress over the profitability. Increasingly higher input and overhead cost, expensive pipe transportation and shipping logistics are creating pressure on margins. On the other side, a number of new DI pipe manufacturers had entered into fray in recent years making the DI pipe market more complex with a negative effect on the overall profitability.

The export market continues to be very challenging due to slow down of economy in various parts of the world mainly due to COVID. The political instability with present clash between Russia and Ukraine is also a matter of concern. Anti-dumping/Anti-subsidy duties imposed on Indian DI Pipes by European Commission in EU countries has put us in a difficult spot as well.

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, 2022 and 31 March, 2021 are as under:

a) Financials

(Rs. in Crore)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Gross Sales & Income from Operations	5014.83	3,075.71
Profit before Interest, Depreciation & Exceptional Items	716.45	449.18
- Finance Expenses	185.27	198.89
- Depreciation	112.58	78.67
Profit before Tax	418.60	171.62
Tax Expenses	93.00	40.67
Profit after Tax	325.60	130.95

b) Company's Sales mix

(Rs. in Crore)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from sale of Product		
D.I. Spun Pipes	3524.50	2087.15
Ferro Products	301.55	104.08
D.I. Fittings	252.22	208.82
C.I. Spun Pipes	116.49	187.71
Cement	19.67	9.02
Others	784.21	455.60

Other Financial Matters

During the year:

1. Net Worth of the Company increased to Rs. 3927.97 Crore as at 31 March, 2022 from Rs. 3577.42 Crore as at 31 March, 2021.
2. Gross Fixed Assets including Work in Progress & Capital Advances as at 31 March, 2022 increased to Rs. 3,902.50 Crore from Rs. 3,889.31 Crore as at 31 March, 2021.

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



Management Discussion (Contd.)

regularly reviews scope, observations and suggestions of the Internal Auditors and takes the necessary corrective actions.

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 (SA) 8000 certification from British Standard Institute (BSI). The SA 8000:2014 audit was conducted successfully by BSI for the Financial Year 2021-22 and recommended for continuation of the Certificate. The Company is taking initiatives to maintain TPM excellence on a continuous basis.

« Safety & Health

Occupational Health and Safety (OH&S) Management System is prime focus in our Company keeping up with the same pace of production. This existing management system provides safe and healthy workplace, eliminate hazards and minimizes OH&S risk towards the objective of zero accident & zero health impairment. This 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 monitored for compliance through MIS on regular basis.

The Company:

- has established and maintained process for identification of accidental hazards (HIRA) on ongoing and proactive 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 established a process to identify & eliminate work related hazard at their workplace through departmental / contractor safety risk register and this is being discussed in department wise safety committee meeting by consultation and participation of employees at all applicable levels and function to initiate, resolve and mitigate high level risk on fast track basis.
- 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 formulated on-site emergency plan and conduct 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, periodical & follow-up action by specialised doctor for all level of employees at regular interval as per statutory requirement to prevent health impairment. Health check-up camps are also organized for ECL Family and local communities as a part of CSR activities.

- has arranged free Vaccination for COVID for employees & contract workmen in all factory units & offices and promoted for this at all levels through different campaign.
- has full proof system to impart various training (induction/shop floor/In-house/external) to workmen and staff for improving safety skills and increasing awareness. These trainings' efficacy is reviewed through proper feedback system. Covid awareness training is imparted to all in different training platforms.
- has various system of Plant inspection daily inspection/Electrical Safety inspection, Fire safety inspection, Top management Safety walk down as per schedule on monthly basis) by OH&S team along with senior officials to identify workplace potential hazard in respect of electrical appliances, fire system and any deviation from the existing system. Outcomes of the inspection report is communicated to the respective departments and also reviewed in monthly review meeting on regular basis in corporate MIS.
- has conducted safety audit through external competent authority for assessing our ongoing safety management system and has implemented suggestions for further improvement.
- 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.
- Celebrates National Safety Day/Week/Month in every year through various activities like Safety Campaign, 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.

Being an ISO 45001:2018 and SA 8000:2014 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 established a documented Environmental Management System that balance in all spheres by optimizing the natural resources and to meet applicable legal and other statutory requirements.

- All the activities are assessed via aspect-impact analysis matrix. Mitigation measures are taken to minimize the impact on environment in and around the factory premises. Environmental risk and opportunity are also identified related to activities. All the activities are analyzed in life cycle perspective from raw material acquisition to end of the life of the product.
- Eco friendly advance technology is adopted wherever applicable to reduce the pollution level and minimizing the usage of natural resources.
- Waste heat recovery system and green fuel technology is adopted which reduces the greenhouse gas emission and carbon foot print.
- Ambient air quality monitoring, Stack monitoring are done regularly to control emissions.
- Key characteristics of environmental parameters are monitored and evaluated on continuous basis to improve the environmental performance and to comply with the environmental performance indicators.
- Plant inspection is carried out on regular basis to identify any deviation, if any from 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 in and around the factory premises to increase the foliage area and to provide greener environment in the locality including plant area.
- Biodiversity is also maintained in Children's park in the nearby location of the factory premises promoted by the Company.



Management Discussion (Contd.)

- Imparted different trainings like environmental awareness, statutory requirements and on OCPs on regular basis for sustained and enhanced environmental performance.
- World Environment Day is celebrated every year and different awareness programmes are organized like poster competition, quiz competition, etc.
- Environmental performance is also getting boost up through TPM activities like good housekeeping practices including 5S & Audits, kaizens, etc.
- The environmental performance and implementation of effective environmental management system are continuously evaluated by internal audit systems and also by certification agencies.

Waste Minimization

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

Some of the important initiatives are:

- 4R methodology (recycle, reuse, reprocess, reduction) is adopted for waste management system towards sustainable usage of natural resources.
- Packaging wastes are utilized for different purposes as a part of the process of recycling waste.
- Some of the process waste has been re-utilized 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.
- Reuse / recycling of mould cooling and pipe testing water

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')

For Electrosteel, Corporate Social Responsibility is a setup of planned activities, taking into consideration the capabilities of the Company and the place where it stands with a target on the significant positive impact on its local community & surrounding areas. The initiative of the Company is an aim to strengthen its operating foundation and to enhance continuously its corporate value in line with CSR activities.

The Company takes into account issues of concern related to stakeholders and also various range of programs that aim at Social & Environmental issues. 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 and society.

Electrosteel Initiatives

- ❖ Setting up 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 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 people of local area.
- ❖ Providing financial help to needy people against their appeals.

The implementation and monitoring of the CSR activities is in compliance with the CSR objectives of the Company.

Information Technology

The Company has executed Project “Sangmishran” - to implement, configure, integrate SAP system for two of their legal entities (Electrosteel Castings Limited and Srikalahasthi Pipes Limited) into single new greenfield S4 Hana system for standardization/improvement of processes at the organization. The modules implanted were finance and controlling, production planning, material management, sales and distribution, quality, project system, plant maintenance, treasury, human capital management and payroll, FIORI. The system went live on 4 March, 2022.

The Company has implemented security mechanisms to mitigate information security risks, like firewall log analyzer to prevent intrusions and other security risks, etc.

G. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

- i. Debtors Turnover ratio witnessed an increase from around 3.68 times in the Financial Year 2020-21 to around 5.64 times in the Financial Year 2021-22 i.e. an increase of 54% on account of improvement in average accounts receivable, reflecting faster collection of dues from debtors together with higher net credit sales.
- ii. Interest Coverage ratio witnessed an increase from around 1.86 in the Financial Year 2020-21 to around 3.26 in the Financial Year 2021-22 i.e. an increase of 75% due to increase in profit after taxes during the year.
- iii. Debt Equity ratio witnessed an increase from around 0.53 times in the Financial Year 2020-21 to around 0.69 times in the Financial Year 2021-22 i.e. an increase of 31% due to increase in working capital borrowings.
- iv. Net Profit Margin (%) witnessed an increase from around 4.29% in the Financial Year 2020-21 to around 6.51% in the Financial Year 2021-22 i.e. an increase of 52% on account of sales mix which has resulted in higher return on equity ratio.
- v. Return on Net Worth (%) witnessed an increase from around 4.23% in the Financial Year 2020-21 to around 8.54% in the Financial Year 2021-22 i.e. an increase of 102% on account of higher profit after tax during the year.

H. OUTLOOK

Electrosteel Castings is the pioneer in manufacturing Ductile Iron Pipes and Fittings in India and South Asia. The Company is amongst the top manufacturers of the product in the World, regularly exporting to more than 90 countries across 5 continents. The Company has its presence in the most discerning markets in Western Europe, UK, USA, Middle-east and Gulf, Asia and Africa.

Apart from the strong global footprint, the Company is the leader in Ductile Iron Pipes and Fittings in India. The post covid demand is expected to be robust with minor hiccups. In India, Jal Jeevan Mission under the Ministry of Jal Shakti is driving demand of our products under the Department of Drinking Water and Sanitation. The Government of India has taken up the mission of piped drinking water across the country on priority which augurs well for continued demand of our products. Financial Year 2022-23 promises good order flow leading to a comfortable position for the Company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's estimates, predictions, 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 for 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 point 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 recognizing 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 liaisons 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 arises 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 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), 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 company in the international platform.

Risk arises 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 as well as to comply the statutory requirement. Outcome of all monitoring results are evaluated and combat mechanism system has been 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 and disposal of waste in environmentally safe manner and also comply the regulatory directives. Good housekeeping practices and effective TPM practice are also there to help to minimize 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. Implementation of 4R (reuse, recycle, reduction, reprocess) methodology, use of green fuel, minimizing the existing fuel consumption have a great impact towards reduction of greenhouse gas emission and also carbon foot print.

Environment Management Cell is also aware to minimize the water consumption to the extent possible limit 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



Management Discussion (Contd.)

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

Place: Kolkata
Date: 10 May, 2022

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Annexure – 2

Report on Performance and Financial Position of the Subsidiaries and Joint Ventures of the Company for the year ended 31 March, 2022

There are 11 Subsidiaries and 2 Joint Venture (JV) companies of the Company as on 31 March, 2022. 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, 2022 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 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 2022-23 will remain challenging due to external factors like the Ukraine Russia war, stagflation in EU.

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 2022-23 is expected to remain good.

3. Electrosteel Algeria SPA, Algeria

Electrosteel Algeria SPA is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Algeria and other African countries. The current year has shown marginal profits due to servicing of orders in North West Africa. The Financial Year 2022-23 is expected to remain challenging due to surging prices of raw materials, increasing logistic costs and strong competition.

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 improved resulting in higher turnover and profitability. The outlook for the Financial Year 2022-23 in respect of volume and profitability is expected to be positive.

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 is breakeven. The outlook for the Financial Year 2022-23 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



Subsidiaries and Joint Ventures (Contd.)

business activity of this subsidiary has shown sign of slight slowdown in comparison to last year due to lesser projects in market which is because of the advent of FIFA World Cup in 2022 December. The outlook of the Company for the next Financial Year 2022-23 appears challenging as there will be slowdown in the construction work due to scheduled FIFA World Cup in December 2022.

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 improved resulting in higher turnover and profitability. The outlook of the Company for the next Financial Year 2022-23 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 improved resulting in higher turnover and profitability. The Financial Year 2022-23 is expected to remain 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, 2022.

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, 2022.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 10 May, 2022

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Annexure – 3

Report on Corporate Governance of the Company

for the year ended 31 March, 2022

[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.
- Policy & Manual/Procedure of Sexual Harrassment at Workplace.



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, 2022

The Board of Directors of the Company consisted of 18 (eighteen) members as on 31 March, 2022, which comprised of:

- Nine Independent, Non-Executive Directors, including one Independent Woman Director;
- Seven Promoter, Executive Directors; and
- Two Non-Promoter, Executive Directors.

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

The composition of the Board as on 31 March, 2022 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, 2022 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	7	2	3	Dalmia Bharat Limited (Independent, Non-Executive) India Glycols Limited (Independent, Non-Executive) Graphite India Limited (Independent, Non-Executive) Emami Limited (Independent, Non-Executive) CESC Limited (Non-Independent, Non-Executive) Firstsource Solutions Limited (Non-Independent, Non-Executive)
Mr. Binod Kumar Khaitan DIN: 00128502	1	1	–	The Phosphate Co. Ltd. (Non-Independent, Non-Executive)
Mr. Amrendra Prasad Verma DIN: 00236108	4	4	2	Solar Industries India Limited (Independent, Non-Executive)
				SIS Limited (Independent, Non-Executive)
Dr. Mohua Banerjee (Woman Director) DIN: 08350348	–	–	–	–

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	–	–	–	–
Mr. Shermadevi Yegnaswami Rajagopalan DIN: 00067000	–	–	–	–
Mr. Vyas Mitre Ralli DIN: 02892446	–	–	–	–
Mr. Bal Kishan Choudhury DIN: 00766032	1	–	–	–
Mr. Virendra Sinha DIN: 03113274	2	1	–	Texmaco Rail & Engineering Limited (Independent, Non-Executive)
Non-Independent, Executive Directors (Managing Directors & Whole-time Directors)				
Mr. Umang Kejriwal DIN: 00065173	2	–	–	–
Mr. Mayank Kejriwal DIN: 00065980	4	–	–	–
Mr. Uddhav Kejriwal DIN: 00066077	2	–	–	–
Mr. Sunil Katial DIN: 07180348	–	–	–	–
Mr. Ashutosh Agarwal DIN: 00115092	2	–	–	–
Mrs. Radha Kejriwal Agarwal DIN: 02758092	3	–	–	–
Mrs. Nityangi Kejriwal Jaiswal DIN: 07129444	–	–	–	–
Mr. Madhav Kejriwal DIN: 07293471	4	–	–	–
Mrs. Priya Manjari Todi DIN: 01863690	–	–	–	–

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.



Corporate Governance (Contd.)

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, 2022 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. Mahendra Kumar Jalan (DIN: 00311883) has ceased to be a Director of the Company, with effect from 31 December, 2021, due to resignation.
6. Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Non-Executive Director, has been appointed as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 8 May, 2022.
7. Mr. Vyas Mitre Ralli (DIN: 02892446), Non-Executive Director, has been appointed as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 8 May, 2022.
8. Mr. Bal Kishan Choudhury (DIN: 00766032) has been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 10 February, 2022.
9. Mr. Virendra Sinha (DIN: 03113274) has been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 14 February, 2022.
10. Mr. Ashutosh Agarwal (DIN: 00115092) has been appointed as a Whole-time Director and CFO of the Company, for a term of 3 (three) consecutive years, with effect from 3 January, 2022.
11. Mrs. Radha Kejriwal Agarwal (DIN: 02758092) has been appointed as a Whole-time Director of the Company, for a term of 3 (three) consecutive years, with effect from 14 February, 2022.
12. Mrs. Nityangi Kejriwal Jaiswal (DIN: 07129444) has been appointed as a Whole-time Director of the Company, for a term of 3 (three) consecutive years, with effect from 14 February, 2022.
13. Mr. Madhav Kejriwal (DIN: 07293471) has been appointed as a Whole-time Director of the Company, for a term of 3 (three) consecutive years, with effect from 14 February, 2022.
14. Mrs. Priya Manjari Todi (DIN: 01863690) has been appointed as a Whole-time Director of the Company, for a term of 3 (three) consecutive years, with effect from 14 February, 2022.

2.2 Attendance of Directors at the Board Meetings during the Financial Year ended 31 March, 2022 and at the last Annual General Meeting

During the Financial Year ended 31 March, 2022, 5 (five) 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 3 September, 2021
Mr. Pradip Kumar Khaitan	5	5	No
Mr. Binod Kumar Khaitan	5	5	Yes
Mr. Amrendra Prasad Verma	5	5	Yes

Name of the Director	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at the last AGM held on 3 September, 2021
Dr. Mohua Banerjee	5	5	Yes
Mr. Rajkumar Khanna	5	5	Yes
Mr. Bal Kishan Choudhury ¹	1	1	N.A.
Mr. Umang Kejriwal	5	5	No
Mr. Mayank Kejriwal	5	5	No
Mr. Uddhav Kejriwal	5	5	No
Mr. Mahendra Kumar Jalan ²	3	3	No
Mr. Sunil Katial	5	5	Yes
Mr. Ashutosh Agarwal ³	1	1	Yes
Mr. Shermadevi Yegnaswami Rajagopalan	5	5	No
Mr. Vyas Mitre Ralli	5	5	Yes

Notes :

1. Mr. Bal Kishan Choudhury (DIN: 00766032) has been appointed as an Independent Director of the Company, with effect from 10 February, 2022.
2. Mr. Mahendra Kumar Jalan (DIN: 00311883) has ceased to be a Director of the Company, with effect from 31 December, 2021.
3. Mr. Ashutosh Agarwal (DIN: 00115092) has been appointed as a Whole-time Director and CFO of the Company, with effect from 3 January, 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 2021-22, 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.

2.4 Details of Meeting-wise attendance of Board Members

Date of the Board Meeting	Board Strength	No. of Directors Present
20 May, 2021	12	12
13 August, 2021	12	12
12 November, 2021	12	12
3 January, 2022	11	11
14 February, 2022	13	13



Corporate Governance (Contd.)

2.5 Details of shares/convertible instruments held by the Non-Executive or Independent Directors of the Company as on 31 March, 2022 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 ²	Nil
Mr. Virendra Sinha ³	Nil
Mr. Shermadevi Yegnaswami Rajagopalan	10,100
Mr. Vyas Mitre Ralli	5,000

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, 2022.
2. Mr. Bal Kishan Choudhury (DIN: 00766032) has been appointed as an Independent Director of the Company, with effect from 10 February, 2022.
3. Mr. Virendra Sinha (DIN: 03113274) has been appointed as an Independent Director of the Company, with effect from 14 February, 2022.

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/1613636990familiarisation-programme-for-id.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 list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board are:

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

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. Shermadevi Yegnaswami Rajagopalan	a) Operations and Management Experience b) Finance and Accounting c) Corporate Governance and Ethics d) Compliance and Legal / Regulatory Experience
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. 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



Corporate Governance (Contd.)

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. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Non-Executive Director, has been appointed as an Independent Director of the Company with effect from 8 May, 2022.
2. Mr. Vyas Mitre Ralli (DIN: 02892446), Non-Executive Director, has been appointed as an Independent Director of the Company with effect from 8 May, 2022.
3. Mr. Bal Kishan Choudhury (DIN: 00766032) has been appointed as an Independent Director of the Company, with effect from 10 February, 2022.
4. Mr. Virendra Sinha (DIN: 03113274) has been appointed as an Independent Director of the Company, with effect from 14 February, 2022.
5. Mr. Ashutosh Agarwal (DIN: 00115092) has been appointed as a Whole-time Director and CFO of the Company, with effect from 3 January, 2022.
6. Mrs. Radha Kejriwal Agarwal (DIN: 02758092) has been appointed as a Whole-time Director of the Company, with effect from 14 February, 2022.
7. Mrs. Nityangi Kejriwal Jaiswal (DIN: 07129444) has been appointed as a Whole-time Director of the Company, with effect from 14 February, 2022.
8. Mr. Madhav Kejriwal (DIN: 07293471) has been appointed as a Whole-time Director of the Company, with effect from 14 February, 2022.
9. Mrs. Priya Manjari Todi (DIN: 01863690) has been appointed as a Whole-time Director of the Company, with effect from 14 February, 2022.

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, none of the Independent Director(s) of the Company resigned.

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.

The Committee comprised of the following Directors as its members, as on 31 March, 2022:

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

Mr. Mahendra Kumar Jalan (DIN: 00311883) has ceased to be a Member of the Committee, due to his resignation from the directorship of the Company, with effect from 31 December, 2021.

Mr. Sunil Katial (DIN: 07180348) has been inducted as a Member of the Committee with effect from 3 January, 2022.

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 66th Annual General Meeting of the Company held on 3 September, 2021 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;



Corporate Governance (Contd.)

- 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 or rights issue, 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. 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;
- xxiii. To perform such other functions as may be necessary or appropriate for the performance of its duties;

xxiv. 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.

During the Financial Year 2021-22, 5 (five) Audit Committee meetings were held on 20 May, 2021, 13 August, 2021, 12 November, 2021, 3 January, 2022 and 14 February, 2022. Attendance at the meetings held during the year is given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	5	5
Mr. Pradip Kumar Khaitan	5	5
Mr. Rajkumar Khanna	5	5
Mr. Amrendra Prasad Verma	5	5
Mr. Mahendra Kumar Jalan ¹	3	3
Mr. Sunil Katial ²	1	1

Notes:

1. Mr. Mahendra Kumar Jalan (DIN: 00311883) has ceased to be a Member of the Committee, due to his resignation from the directorship of the Company, with effect from 31 December, 2021.
2. Mr. Sunil Katial (DIN: 07180348) has been inducted as a Member of the Committee with effect from 3 January, 2022.

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, 2022:

Mr. Binod Kumar Khaitan, Chairman – Independent Director
 Mr. Pradip Kumar Khaitan – Independent Director
 Mr. Shermadevi Yegnaswami Rajagopalan – Independent Director
 Mr. Rajkumar Khanna – Independent Director



Corporate Governance (Contd.)

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 66th Annual General Meeting of the Company held on 3 September, 2021 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. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iii. devising a policy on diversity of board of directors;
- iv. 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;
- v. 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;
- vi. recommend to the board, all remuneration, in whatever form, payable to senior management;
- vii. 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;
- viii. 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 2021-22, 3 (three) NRC meetings were held on 20 May, 2021, 3 January, 2022 and 14 February, 2022. Attendance at the meetings held during the year is provided below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	3	3
Mr. Pradip Kumar Khaitan	3	3
Mr. Shermadevi Yegnaswami Rajagopalan	3	3
Mr. Rajkumar Khanna	3	3

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.

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, 2022:

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. Mahendra Kumar Jalan (DIN: 00311883) has ceased to be a Member of the Committee, due to his resignation from the directorship of the Company, with effect from 31 December, 2021.

Mr. Ashutosh Agarwal (DIN: 00115092) has been inducted as a Member of the Committee with effect from 3 January, 2022.

Mr. Binod Kumar Khaitan, Independent, Non-Executive Director is the Chairperson of the Committee. Mr. Khaitan was present at the 66th Annual General Meeting of the Company held on 3 September, 2021 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.



Corporate Governance (Contd.)

- 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 2021-22, 4 (four) Stakeholders' Relationship Committee meetings were held on 20 May, 2021, 13 August, 2021, 12 November, 2021 and 14 February, 2022. 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	2
Mr. Vyas Mitre Ralli	4	4
Mr. Mahendra Kumar Jalan ¹	3	3
Mr. Ashutosh Agarwal ²	1	1

Notes:

- Mr. Mahendra Kumar Jalan (DIN: 00311883) has ceased to be a Member of the Committee, due to his resignation from the directorship of the Company, with effect from 31 December, 2021.
- Mr. Ashutosh Agarwal (DIN: 00115092) has been inducted as a Member of the Committee with effect from 3 January, 2022.

At the beginning of the year under review, there was no complaint remaining unresolved. During the period under review, 17 (seventeen) 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, 2022:

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 2021-22, 2 (two) Risk Management Committee meetings were held on 13 August, 2021 and 20 January, 2022. Attendance at the said meetings are provided below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	2	2
Mr. Vyas Mitre Ralli	2	2
Mr. Sunil Katial	2	2

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, 2022, the CSR Committee of the Company was headed by Mr. Shermadevi Yegnaswami Rajagopalan, Independent and Non-Executive Director, as the Chairman, with Mr. Pradip Kumar Khaitan, Independent Director and Mr. Umang Kejriwal, Managing Director, as other members of the Committee.

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.



Corporate Governance (Contd.)

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 2021-22 forms a part of the Report of the Directors.

During the Financial Year 2021-22, 3 (three) CSR Committee meetings were held on 9 April, 2021, 20 May, 2021 and 13 August, 2021. Attendance at the meetings held during the year is provided below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Shermadevi Yegnaswami Rajagopalan	3	3
Mr. Pradip Kumar Khaitan	3	2
Mr. Umang Kejriwal	3	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 10 May, 2022, 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/1608020082nominationRemunerationPolicy.pdf>.

Details of remuneration paid to Directors for the Financial Year 2021-22

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	6,50,000	10,00,000	16,50,000
Mr. Binod Kumar Khaitan	8,70,000	10,00,000	18,70,000
Mr. Amrendra Prasad Verma	5,70,000	10,00,000	15,70,000
Dr. Mohua Banerjee	3,20,000	10,00,000	13,20,000
Mr. Rajkumar Khanna	6,30,000	10,00,000	16,30,000
Mr. Bal Kishan Choudhury ³	1,00,000	–	1,00,000
Mr. Shermadevi Yegnaswami Rajagopalan	4,10,000	10,00,000	14,10,000
Mr. Vyas Mitre Ralli	3,90,000	10,00,000	13,90,000
Total	39,40,000	70,00,000	1,09,40,000

Notes :

- The amount of sitting fees for attending Board and Audit Committee meeting was 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.
- 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.

3. Mr. Bal Kishan Choudhury (DIN: 00766032) has been appointed as an Independent Director of the Company, with effect from 10 February, 2022.

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	1,35,60,000	1,04,83,982	1,60,00,000	4,00,43,982	Tenure of 5 years w.e.f. 1 April, 2022
Mr. Mayank Kejriwal, Joint Managing Director	3,00,000	7,16,788	–	10,16,788	Tenure of 5 years w.e.f. 1 April, 2022
Mr. Uddhav Kejriwal, Whole-time Director	1,02,00,000	1,00,18,208	–	2,02,18,208	Tenure of 5 years w.e.f. 16 June, 2018
Mr. Mahendra Kumar Jalan, Whole-time Director	43,20,000	1,38,89,317	–	1,82,09,317	Tenure of 5 years w.e.f. 22 January, 2020
Mr. Sunil Katial, Chief Executive Officer and Whole-time Director	80,10,000	1,67,51,152	–	2,47,61,152	Tenure of 3 years w.e.f. 1 April, 2020
Mr. Ashutosh Agarwal, Chief Financial Officer and Whole-time Director	11,59,516	26,62,874	–	38,22,390	Tenure of 3 years w.e.f. 3 January, 2022
Mrs. Radha Kejriwal Agarwal, Whole-time Director	1,53,571	3,15,041	–	4,68,612	Tenure of 3 years w.e.f. 14 February, 2022
Mrs. Nityangi Kejriwal Jaiswal, Whole-time Director	5,83,571	12,45,994	–	18,29,565	Tenure of 3 years w.e.f. 14 February, 2022
Mr. Madhav Kejriwal, Whole-time Director	5,83,571	12,45,994	–	18,29,565	Tenure of 3 years w.e.f. 14 February, 2022
Mrs. Priya Manjari Todi, Whole-time Director	6,17,357	13,41,256	–	19,58,613	Tenure of 3 years w.e.f. 14 February, 2022
Total	3,94,87,586	5,86,70,606	1,60,00,000	11,41,58,192	

Notes:

- The appointments of Mr. Umang Kejriwal, Mr. Mayank Kejriwal, Mr. Sunil Katial, Mr. Ashutosh Agarwal, Mrs. Radha Kejriwal Agarwal, Mrs. Nityangi Kejriwal Jaiswal, Mr. Madhav Kejriwal and Mrs. Priya Manjari Todi can be terminated by either party by giving 3 (three) months' notice in writing and that of Mr. Uddhav Kejriwal can be terminated by either party by giving 1 (one) months' notice in writing. There is no separate provision for payment of severance fees.
- Mr. Mahendra Kumar Jalan (DIN: 00311883) has ceased to be a Director of the Company, with effect from 31 December, 2021, due to resignation.
- Mr. Ashutosh Agarwal (DIN: 00115092) has been appointed as a Whole-time Director and CFO of the Company, with effect from 3 January, 2022.
- Mrs. Radha Kejriwal Agarwal (DIN: 02758092) has been appointed as a Whole-time Director of the Company, with effect from 14 February, 2022.



Corporate Governance (Contd.)

5. Mrs. Nityangi Kejriwal Jaiswal (DIN: 07129444) has been appointed as a Whole-time Director of the Company, with effect from 14 February, 2022.
6. Mr. Madhav Kejriwal (DIN: 07293471) has been appointed as a Whole-time Director of the Company, with effect from 14 February, 2022.
7. Mrs. Priya Manjari Todi (DIN: 01863690) has been appointed as a Whole-time Director of the Company, with effect from 14 February, 2022.
8. 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, 2022.

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
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)
2019-20	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	15 September, 2020	11.30 A.M.	Yes, 1 (One)
2018-19	Rathod Colony, Rajgangpur Sundergarh, Odisha - 770 017	20 September, 2019	11.30 A.M.	Yes, 4 (Four)

*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 3 September, 2021 and submitting Report thereon.

- b. During the Financial Year 2021-22, a Postal Ballot Process was conducted by the Company vide Notice dated 3 January, 2022 to propose the Ordinary/Special Resolutions detailed hereinbelow, which were passed by the members of Electrosteel Castings Limited on 10 February, 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.	Amendment/Alteration of Object Clause of the Company.	99.97	0.03	Special Resolution
2.	To approve adoption of amended and restated Articles of Association of the Company.	99.97	0.03	Special Resolution
3.	Re-appointment of Mr. Umang Kejriwal (DIN: 00065173) as the Managing Director of the Company.	99.77	0.23	Special Resolution
4.	Re-appointment of Mr. Mayank Kejriwal (DIN: 00065980) as the Joint Managing Director of the Company.	99.75	0.25	Special Resolution
5.	Increase in the maximum number of Directors to 20 (twenty).	99.75	0.25	Special Resolution
6.	Appointment of Mr. Ashutosh Agarwal (DIN: 00115092) as a Whole-time Director and Chief Financial Officer of the Company and remuneration thereof.	99.78	0.22	Special Resolution
7.	Appointment of Mr. B. K. Choudhury (DIN: 00766032) as an Independent Director of the Company.	99.98	0.02	Special Resolution
8.	Approval for appointment of Mr. Madhav Kejriwal, related party, as Senior Executive Director (not being on the Board of Directors) in the Company and payment of remuneration thereof.	99.75	0.25	Ordinary Resolution

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

c. Procedure of Postal Ballot:

The Company had, on Monday, 10 January, 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 Wednesday, 12 January, 2022 [9:00 A.M. (IST)] and ended on Thursday, 10 February, 2022 [5:00 P.M. (IST)].

The Scrutinizer, upon completion of the scrutiny of votes cast through electronic means, submitted her Report, dated 12 February, 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 12 February, 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.



Corporate Governance (Contd.)

- d. During the Financial Year 2021-22 a Postal Ballot Process was conducted by the Company vide Notice dated 14 February, 2022 to propose the Ordinary/Special Resolutions detailed hereinbelow, which were passed by the members of Electrosteel Castings Limited on 8 May, 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.	Appointment of Mr. Virendra Sinha (DIN: 03113274) as an Independent Director of the Company	99.97	0.03	Special Resolution
2.	Appointment of Mrs. Radha Kejriwal Agarwal (DIN: 02758092) as a Whole-time Director of the Company	99.56	0.44	Special Resolution
3.	Appointment of Mrs. Nityangi Kejriwal Jaiswal (DIN: 07129444) as a Whole-time Director of the Company	99.56	0.44	Special Resolution
4.	Appointment of Mr. Madhav Kejriwal (DIN: 07293471) as a Whole-time Director of the Company.	99.57	0.43	Special Resolution
5.	Appointment of Mrs. Priya Manjari Todi (DIN: 01863690) as a Whole-time Director of the Company.	99.58	0.42	Special Resolution
6.	Change in designation of Mr. Vyas Mitre Ralli (DIN: 02892446), Non-Executive Director to Independent Director of the Company	99.57	0.43	Special Resolution
7.	Change in designation of Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Non-Executive Director to Independent Director of the Company	99.56	0.44	Special Resolution
8.	Payment of Commission to Mrs. Priya Manjari Todi as Non-Executive Director of Srikalahasthi Pipes Ltd	99.53	0.47	Special Resolution

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

- e. Procedure of Postal Ballot:

The Company had, on Friday, 8 April, 2022, 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, 9 April, 2022 at 09:00 A.M., IST and ended on Sunday, 8 May, 2022 at 05:00 P.M., IST.

The Scrutinizer, upon completion of the scrutiny of votes cast through electronic means, submitted her Report, dated 10 May, 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 10 May, 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.

- 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, Financial Express (all editions, in English) and Lokakatha/Utkal Mail (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.

12. General Shareholder Information

a) Date, time and venue of the next Annual General Meeting	16 September, 2022, 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, 2021 to 31 March, 2022
c) Dividend payment date	Dividend for the Financial Year ended 31 March, 2022, if any, declared by the shareholders at the ensuing AGM will be paid to the shareholders on or after 16 September, 2022.
d) Listing at Stock Exchanges Equity Shares & its Stock Codes at Stock Exchanges	<p>a) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (Scrip Code – 500128)</p> <p>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</p>
e) Listing Fee to Stock Exchanges	Annual Listing Fees have been paid to BSE and NSE within stipulated timelines.



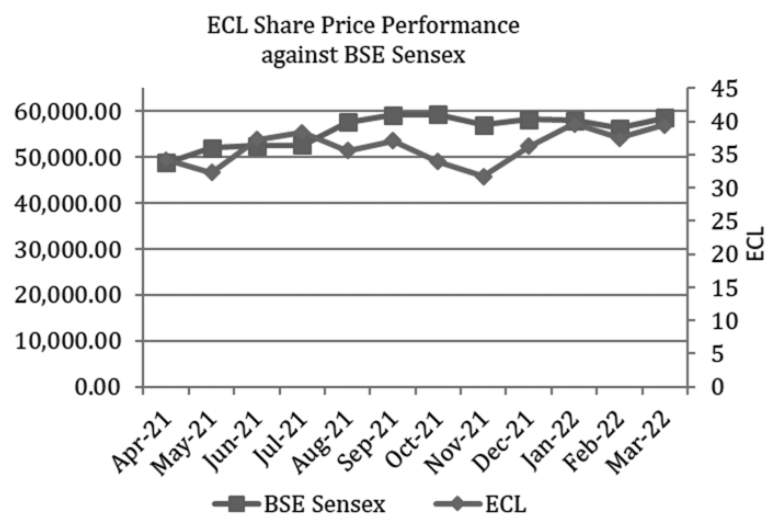
Corporate Governance (Contd.)

f) Market Price data for the Scrip of the Company during the Financial Year 2021-22:

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-21	35.00	24.90	35,08,079	35.00	24.80	3,57,30,859
May-21	37.00	31.10	23,90,765	37.00	31.00	2,13,76,042
Jun-21	40.25	31.40	36,15,794	40.35	31.80	3,14,82,336
Jul-21	39.90	35.45	23,41,757	39.90	35.45	1,60,15,627
Aug-21	41.60	32.90	23,66,114	41.70	33.00	1,99,01,068
Sep-21	44.20	35.05	26,96,294	44.30	35.05	2,19,35,983
Oct-21	37.80	32.10	12,87,127	37.90	32.15	1,01,96,755
Nov-21	37.65	31.30	7,51,103	37.65	31.10	69,16,032
Dec-21	38.00	31.10	17,33,040	38.20	31.05	1,48,16,684
Jan-22	48.00	34.50	61,62,961	48.00	34.40	4,40,98,708
Feb-22	44.45	33.20	44,82,721	44.55	33.05	3,72,80,029
Mar-22	42.65	35.35	26,55,716	42.70	35.35	1,67,72,936

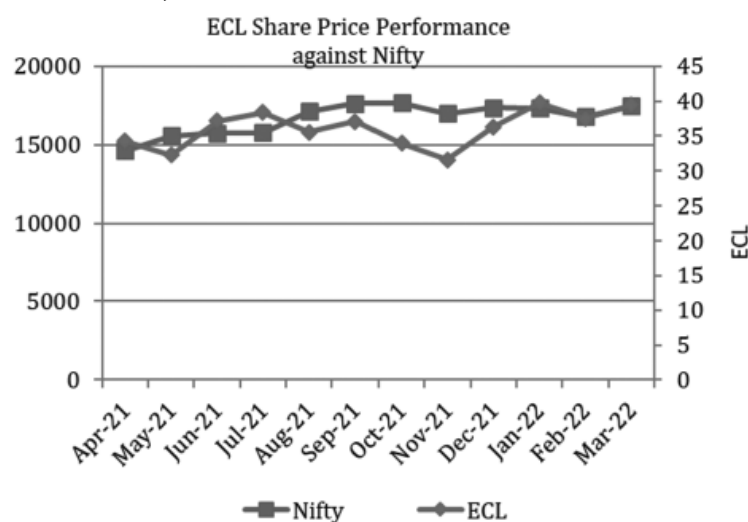
g) Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty for the Financial Year 2021-22:

i) In comparison with BSE Sensex #



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

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.



Corporate Governance (Contd.)

k) Distribution of shareholding as on 31 March, 2022:

Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Shares held
Upto 500	59,614	65.65	97,13,132	1.63
501 to 1,000	13,205	14.54	1,02,66,154	1.73
1,001 to 2,000	7,852	8.65	1,19,23,174	2.01
2,001 to 3,000	3,113	3.43	81,69,529	1.37
3,001 to 4,000	1,238	1.36	44,81,935	0.75
4,001 to 5,000	1,142	1.26	53,63,407	0.90
5,001 to 10,000	2,328	2.56	1,68,93,274	2.84
10,001 and Above	2,313	2.55	52,77,94,642	88.76
Total	90,805	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, 2022, 99.62% 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, 2022.
n) Commodity price risk or foreign exchange risk and hedging activities	<p>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.</p> <p>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.</p> <p>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.</p>
o) Plant locations:	<p>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</p>

	<p>Unit 2 : Gummidipoondi Taluk, P.O. Elavur, District Tiruvallur, Tamil Nadu 601 201</p> <p>Unit 3 : Vill: Kashberia, P.O. Shibramnagar, Haldia, Purba Medinipur, West Bengal 721 635</p> <p>Unit 4 : Works: Chak Bansberia, Saptagram Gram Panchayat, P.O. Adconagar, Hooghly 712 121 West Bengal</p> <p>Unit 5 : Srikalahasthi Works Rachagunneri - 517641, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh</p>
p) Address for Correspondence:	<p>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</p>

q) List of Credit Ratings

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

CRISIL has assigned the Company's Long-Term Issuer Rating of 'CRISIL A+' and for Short-Term borrowings of "CRISIL A1". The Outlook was 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



Corporate Governance (Contd.)

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 and Chief Executive Officer are separate. Mr. Pradip Kumar Khaitan, Independent Director, is the Chairman and Mr. Sunil Katial is the Chief Executive Officer of the Company. Mr. Khaitan is not related to Mr. Katial.

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 2021-22, the Company had not raised funds through preferential allotment or qualified institutions placement.

I. Certificate from the Practicing Company Secretary

The Company has received a certificate from M/s. K Arun & Co, Company Secretaries, certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing 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 2021-22, 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 2021-22 was Rs. 91.92 Lakhs. No fee was paid by the Company for the Financial Year 2021-22 to the network firm/entity of which the Statutory Auditor was a part. Further, Electrosteel Doha for Trading LLC, a subsidiary of the Company, has paid a fees of around Rs. 8.98 Lakhs to an entity in the network firm/network entity of which the statutory auditor is 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. 100.90 Lakhs, for the Financial Year 2021-22.

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 2021-22 - NIL
- b) number of complaints disposed of during the Financial Year 2021-22 - NIL
- c) number of complaints pending as on end of the Financial Year 2021-22 – 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.

- 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.



Corporate Governance (Contd.)

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, 2022, there were no shares lying in the demat suspense account/unclaimed suspense account.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 10 May, 2022

Pradip Kumar Khaitan
Chairman
DIN: 00004821

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 2021-22.

For Electrosteel Castings Limited

Place: Kolkata
Date: 10 May, 2022

Sunil Katial
Chief Executive Officer and Whole-time Director



Independent Auditors' Certificate

on Corporate Governance

To
The Members of
Electrosteel Castings Limited

This Certificate is issued in accordance with the terms of our engagement with **Electrosteel Castings Limited** ('the Company').

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2022 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.

We further state that such compliance 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.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose.

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

(Gopal Jain)
Partner
Membership No. 59147
UDIN: 22059147AISBGK1243

Place : Kolkata
Dated : May 10, 2022



Annual Report on Corporate Social Responsibility (“CSR”) Activities for the Financial Year 2021-22

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. Shermadevi Yegnaswami Rajagopalan	Chairperson - Independent Director	3	3
(ii)	Mr. Pradip Kumar Khaitan	Member - Independent Director	3	2
(iii)	Mr. Umang Kejriwal	Member - Managing Director	3	2

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:

On the website of the Company, www.electrosteel.com,

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>

The CSR projects to be approved by the Board will be duly disclosed at the website of the Company.

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the Financial Year, if any (in Rs.)
		NIL	

6. Average net profit of the Company as per Section 135(5) : Rs. 14410.92 lakhs

7. a) Two percent of average net profit of the Company as per Section 135(5) : Rs. 288.22 lakhs

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

c) Amount required to be set off for the Financial Year, if any : Rs. 0.85 lakhs

d) Total CSR obligation for the Financial Year (7a+7b-7c) : Rs. 287.37 lakhs

8. (a) 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
Rs. 3,75,47,958					NIL

(b) Details of CSR amount spent against ongoing projects for the Financial Year :

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the Project (in Rs.)	Amount spent in the current Financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
Not Applicable												

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the Project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Legal Research and Studies Promotion Foundation	Clause (i) of the Schedule VII to the Companies Act, 2013; Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water Clause (ii) of the Schedule VII to the Act; promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	West Bengal	Kolkata	20,00,000	Yes		
2.	Organizing Medical camps in nearby villages and contribution for medical relief/assistance	Clause (i) of the Schedule VII to the Companies Act, 2013 – Medical and health care Clause (x) of the Schedule VII to the Companies Act, 2013 – Rural Development projects	Yes	Andhra Pradesh West Bengal	Chittoor District Kolkata	83,647	Yes		
3.	School/College Building Development, Infrastructure facilities, Educational assistance, etc.	Clause (ii) of the Schedule VII to the Companies Act, 2013 – Promoting education etc.	No	Gujarat	Chhotila	3,00,00,000	Implementing Agency	Shri Jagatbharti Education and Charitable Trust Reg. No : CSR00007065	



Corporate Social Responsibility (“CSR”) (Contd.)

4.	School/College Building Development, Infrastructure facilities, Educational assistance, etc.	Clause (ii) of the Schedule VII to the Companies Act, 2013 – Promoting education etc.	Yes	Andhra Pradesh	Chittoor District	2,50,436	Yes	
5.	Local Village development	Clause (x) of the Schedule VII to the Companies Act, 2013 – Rural Development projects	Yes	Andhra Pradesh	Chittoor District	9,25,827	Yes	
6.	Skill Development - Women empowerment	Clause (iii) of the Schedule VII to the Companies Act, 2013 – Women empowerment	Yes	Andhra Pradesh	Chittoor District	16,800	Yes	
7.	Contribution to animal shelters and rehabilitation center.	Clause (iv) of the Schedule VII to the Companies Act, 2013 – Animal Welfare Clause (x) of the Schedule VII to the Companies Act, 2013 – Rural Development projects	Yes No	Andhra Pradesh Rajasthan	Chittoor District Jalore	14,24,817	Yes	
8.	Contribution towards Covid-19 Relief	Clause (i) of the Schedule VII to the Companies Act, 2013 – Medical and health care Clause (x) of the Schedule VII to the Companies Act, 2013 – Rural Development projects	Yes	Andhra Pradesh	Chittoor District Srikakulam District	28,46,431	Yes	
	TOTAL					3,75,47,958		

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 3,75,47,958

(g) Excess amount for set off, if any :

Sl. No.	Particulars	Amount (in Rs.)
i.	Two percent of average net profit of the Company as per Section 135(5)	282.22 Lakh
ii.	Total amount spent for the Financial Year	375.48 Lakh
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	87.26 Lakh
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)]	87.26 Lakh

9. (a) 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							

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

Sl. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total amount allocated for the Project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details) :**(a) Date of creation or acquisition of the capital asset(s) :** Not Applicable**(b) Amount of CSR spent for creation or acquisition of capital asset :** NIL**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. :** Not Applicable**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) :** Not Applicable**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) :** Not Applicable

Place : Kolkata
Date : 10 May, 2022

Umang Kejriwal
Managing Director
DIN: 00065173

Shermadevi Yegnaswami Rajagopalan
Chairman of CSR Committee
DIN: 00067000



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 2021-22 is as under:

Name of the Director	Ratio of remuneration of each Director to Median remuneration
Mr. Pradip Kumar Khaitan, Chairman, Independent Director	4.65
Mr. Binod Kumar Khaitan, Independent Director	5.27
Mr. Amrendra Prasad Verma, Independent Director	4.42
Dr. Mohua Banerjee, Independent Director	3.72
Mr. Rajkumar Khanna, Independent Director	4.59
Mr. Shermadevi Yegnaswami Rajagopalan, Independent Director	3.97
Mr. Vyas Mitre Ralli, Independent Director	3.92
Mr. Bal Kishan Choudhury, Independent Director	0.28
Mr. Virendra Sinha, Independent Director	0.00
Mr. Umang Kejriwal, Managing Director	112.80
Mr. Mayank Kejriwal, Joint Managing Director	2.86
Mr. Uddhav Kejriwal, Whole-time Director	56.95
Mr. Mahendra Kumar Jalan, Whole-time Director (up to 31 December, 2021)	51.29
Mr. Sunil Katial, Chief Executive Officer and Whole-time Director	69.75
Mr. Ashutosh Agarwal, Whole-time Director and Chief Financial Officer	10.77
Mrs Radha Kejriwal Agarwal, Whole-time Director	1.32
Mrs Nityangi Kejriwal Jaiswal, Whole-time Director	5.15
Mr. Madhav Kejriwal, Whole-time Director	5.15
Mrs Priya Manjari Todi, Whole-time Director	5.52

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the Financial Year 2021-22 is as under:

Name	% increase in Remuneration during the Financial Year 2021-22
Mr. Pradip Kumar Khaitan, Chairman, Independent Director	22.22
Mr. Binod Kumar Khaitan, Independent Director	36.50
Mr. Amrendra Prasad Verma, Independent Director	(23.03)
Dr. Mohua Banerjee, Independent Director	32.00
Mr. Rajkumar Khanna, Independent Director	40.52

Name	% increase in Remuneration during the Financial Year 2021-22
Mr. Shermadevi Yegnaswami Rajagopalan, Independent Director	34.29
Mr. Vyas Mitre Ralli, Independent Director	32.38
Mr. Bal Kishan Choudhury, Independent Director	N.A.
Mr. Virendra Sinha, Independent Director	N.A.
Mr. Umang Kejriwal, Managing Director	38.06
Mr. Mayank Kejriwal, Joint Managing Director	16.90
Mr. Uddhav Kejriwal, Whole-time Director	4.58
Mr. Mahendra Kumar Jalan, Whole-time Director	5.58
Mr. Sunil Katial, Chief Executive Officer and Whole-time Director	13.59
Mr. Ashutosh Agarwal, Whole-time Director and Chief Financial Officer	10.90
Mrs Radha Kejriwal Agarwal, Whole-time Director	N.A.
Mrs Nityangi Kejriwal Jaiswal, Whole-time Director	N.A.
Mr Madhav Kejriwal, Whole-time Director	N.A.
Mrs Priya Manjari Todi, Whole-time Director	N.A.
Mr. Indranil Mitra, Company Secretary	12.05

Notes :

1. Mr. Mahendra Kumar Jalan (DIN: 00311883) has ceased to be a Director of the Company, with effect from 31 December, 2021 due to resignation.
2. Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Non-Executive Director, has been appointed as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 8 May, 2022.
3. Mr. Vyas Mitre Ralli (DIN: 02892446), Non-Executive Director, has been appointed as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 8 May, 2022.
4. Mr. Bal Kishan Choudhury (DIN: 00766032) has been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 10 February, 2022.
5. Mr. Virendra Sinha (DIN: 03113274) has been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 14 February, 2022.
6. Mr. Ashutosh Agarwal (DIN: 00115092) has been appointed as a Whole-time Director and CFO of the Company, for a term of 3 (three) consecutive years, with effect from 3 January, 2022.
7. Mrs. Radha Kejriwal Agarwal (DIN: 02758092) has been appointed as a Whole-time Director of the Company, for a term of 3 (three) consecutive years, with effect from 14 February, 2022.
8. Mrs. Nityangi Kejriwal Jaiswal (DIN: 07129444) has been appointed as a Whole-time Director of the Company, for a term of 3 (three) consecutive years, with effect from 14 February, 2022.
9. Mr. Madhav Kejriwal (DIN: 07293471) has been appointed as a Whole-time Director of the Company, for a term of 3 (three) consecutive years, with effect from 14 February, 2022.



10. Mrs. Priya Manjari Todi (DIN: 01863690) has been appointed as a Whole-time Director of the Company, for a term of 3 (three) consecutive years, with effect from 14 February, 2022.

(iii) The percentage increase in the median remuneration of employees in the Financial Year 2021-22: (14.25)%.

(iv) The number of permanent employees on the rolls of Company: 2,879 as on 31 March, 2022.

(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 % decrease in salaries (median remuneration) of employees, other than managerial personnel in the last financial year i.e. 2021-22 of around 14.33% in comparison to a percentage increase in managerial remuneration for the said financial year of around 29.35%. 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

Place : Kolkata
Date : 10 May, 2022

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Annexure – 6

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2022

[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
CIN: L27310OR1955PLC000310

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 Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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 and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion, the Company has, during the audit period for the financial year ended **31st March, 2022**, 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 **31st March, 2022** according to the provisions of:

- I. The Companies Act, 2013(the Act)and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- III. The Depositories Act, 1996 and the 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 to the extent applicable to the Company;
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- 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:
 - i. The Factories Act, 1948 and Rules
 - ii. The Explosives Act, 1884



- iii. The Petroleum Act, 1934
- iv. The West Bengal Fire Services Act, 1950

We have also examined the compliance by the Company of the following statutory provisions/standards/regulations:

- i. The uniform Listing Agreements entered into by the Company, with **BSE Limited & National Stock Exchange of India Limited**.
- ii. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. The Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, Committees' Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case of shorter notices, required compliances have been made thereof. Further, 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. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of 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 as also represented by the management.

We further report that:

During the period under review, the Hon'ble National Company Law Tribunal, Cuttack Bench, approved the Scheme of Amalgamation of Srikalahasthi Pipes Limited with the Company with effect from 01st October, 2020. Accordingly 16,16,50,538 shares have been allotted to the shareholders of Srikalahasthi Pipes Limited as per the exchange ratio mentioned in the Scheme.

Further, during the period under review, Mr. Ashutosh Agarwal has been appointed as the Wholetime Director of the Company with effect from 03rd January, 2022. Further, Mr. Bal Krishna Choudhary has been appointed as the Non-Executive, Independent Director of the Company, with effect from 10th February, 2022. Post amalgamation of Srikalahasthi Pipes Limited with the Company, Mrs. Priya Manjhari Todi, Mrs. Radha Kejriwal Agarwal, Mr. Virendra Sinha, Mrs. Nityangi Kejriwal Jaiswal, Mr. Madhav Kejriwal have been appointed as the Additional Director in the Board of the Company with effect from 14th February, 2022. Further, Mr. Mahendra Kumar Jalan, Whole-time Director, has resigned from the Board of Directors of the Company, due to his personal reasons, with effect from 31st December, 2021.

For K. Arun & Co
Company Secretaries

Arun Kumar Khandelia
Partner

FCS: 3829

C.P. No.: 2270

UDIN: F003829D000475511

Place: Kolkata
Date: 10.05.2022

Annexure – 7

Business Responsibility & Sustainability Report

for the year ended 31 March, 2022

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	594605247
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. Ashutosh Agarwal (Whole Time Director & CFO) 033-22839990/71034400 ashutosh@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	2021-22

II. Products/services

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

14.	S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
		Manufacturing	Metal and Metal Products	77.76

Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

15.	S. No.	Product/Service	NIC Code	% of total Turnover contributed
	1.	Ductile Iron Pipes	24311	70.51
	2.	Cast Iron Pipes	24311	2.33
	3.	Ductile Iron Fittings	24311	4.93



Business Responsibility & Sustainability Report (Contd.)

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)	The Company's products have national as well as global presence.
International (No. of Countries)	The Company's products have national as well as global presence.

b) What is the contribution of exports as a percentage of the total turnover of the entity? 23.37%

c) A brief on types of customers

CUSTOMER PROFILE

	Type of customer	Approximate percentage
1.	Direct State Govt. departments like PHED/Water supply	20%
2.	Direct Central Govt departments like MES/Railways etc.	5%
3.	Govt./ Semi Govt. City Water supply / Sewerage boards (like KMDA)	10%
4.	City/Town municipalities/or Municipal corporations	5%
5.	Private small local contractors who work for Govt. Semi Govt. agencies	10%
6.	Big Turn-key contractors like L&T, Megha, NCC etc.	50%

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)	1300	1281	98.54%	19	1.46%
2.	Other than Permanent (E)	19	19	100%	NIL	NIL
3.	Total employees (D + E)	1319	1300	98.55%	19	1.45%
WORKERS						
4.	Permanent (F)	1580	1580	100.00	0	0
5.	Other than Permanent (G)	10693	10692	100.00	1	0.00
6.	Total workers (F + G)	12273	12272	100.00	1	0.00

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)	3	3	100	0	0
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	Total employees (D + E)	3	3	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	6	3	50%

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

	FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.25%	25%	16.72%	11.66%	7.14%	11.66%	6.58%	16.66%	6.82%
Permanent Workers	4.36%	0	4.36%	2.63%	0	2.63%	2.55%	0	2.55%

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 Algerie Spa	Subsidiary	100%	No
3.	Electrosteel Castings (UK) Limited	Subsidiary	100%	No
4.	Electrosteel USA, LLC	Subsidiary	100%	No
5.	Waterfab LLC	Subsidiary of Electrosteel USA, LLC	100%	No



Business Responsibility & Sustainability Report (Contd.)

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)
6.	Electrosteel Trading, S.A.	Subsidiary	100%	No
7.	Electrosteel Doha for Trading LLC	Subsidiary	49%	No
8.	Electrosteel Castings Gulf FZE	Subsidiary	100%	No
9.	Electrosteel Brasil Ltda Tubos e Conexoes Duteis	Subsidiary	100%	No
10.	Electrosteel Bahrain Holding W.L.L	Subsidiary	100%	No
11.	Electrosteel Bahrain Trading W.L.L	Subsidiary of Electrosteel Bahrain Holding W.L.L	100%	No
12.	North Dhadhu Mining Company Private Limited	Joint Venture	48.98%	No
13.	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.) : 501482.77 Lakhs
(iii) Net worth (in Rs.) : 398742.77 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 2021-22 Current Financial Year			FY 2020 -21 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	0	0	0	Nil	0	0	Nil
Investors (other than shareholders)	NA	NA	NA	Nil	NA	NA	Nil
Shareholders	Yes As per SEBI LODR Regulations	17	0	Nil	11	0	Nil
Employees and workers	Yes	0	0	Nil	0	0	Nil

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 2021-22 Current Financial Year			FY 2020 -21 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
Customers	Customer complaint is handled as per the documented procedure PCC-01 in accordance with clause 8.2.1 of ISO 9001:2015.	7	0	Nil	11	0	Nil
Value Chain Partners	0	0	0	Nil	0	0	0
Other (please specify)	NA	NA	NA	Nil	NA	NA	NA

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	Economic Performance	Risk		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 on an ongoing process.	The Company is in process of analysing and calculating the Financial implications of the identified risks or opportunities



Business Responsibility & 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)
2	Competition	Risk and Opportunity	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 point 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	The Company is in process of analysing and calculating the Financial implications of the identified risks or opportunities
3	Labour Management	Risk		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 Company is in process of analysing and calculating the Financial implications of the identified risks or opportunities

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, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	N	N	N	N	N	N	N	N	N
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	N	N	N	N	N	N	N	N	N
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)									
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.	Response to this question is the same as to question no. 8								
10. Details of Review of NGRBCs by the Company:	Attached as Annexure A								
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.									

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 / Key Managerial Personnel	During this financial year, the Board of Directors and KMPs were familiarized on topics like ESG, Human Rights, Ethical business conduct through various awareness programmes as and when required.		100%
Employees other than BoD and KMPs	55 Covid 19 (2 nd Wave) Refresher Training Program	16 topics + Covid 19 (2 nd Wave) Refresher Training Program, Covid-19 Awareness & SOP, Welfare under factories Act - Chapter V, Electrical Safety & Energy Conservation, 7QC Tools, EMS Hydraulic Basic. Fire Fighting & Rescue, First Aid, Fire Prevention & Protection, Critical Equipment Operations, Safe Handling of Gas Cylinders	100%
Workers	4864	Covid-19 Awareness & SOP, Welfare under factories Act-Chapter V, Electrical Safety & Energy Conservation, 7QC Tools, EMS Hydraulic Basic. Fire Fighting & Rescue, First Aid, Fire Prevention & Protection, Critical Equipment Operations, Safe Handling of Gas Cylinders, QMS, EMS & 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
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 Business Responsibility Policy as approved by the Board of Directors of the Company prohibit inducements and require compliance with the anti-corruption and anti-bribery laws. Copy of the Business Responsibility Policy is available on the website of the Company in the link <https://www.electrosteel.com/admin/pdf/1608017904business-responsibility-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 2021-22	FY 2020-21
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2021-22		FY 2020-21	
	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



Business Responsibility & Sustainability Report (Contd.)

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.

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%	0.03%	Nil
Capex	0.73%	0.51%	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.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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.	N.A.	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).

Name of Product / Service	Recycled or re-used input material to total material	
	FY 2021-22	FY 2020-21
	Nil	Nil

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: (SWPL)

	FY 2021-22			FY 2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						2 MT
E-waste			0.80 MT			0.90 MT
Hazardous waste						
a) Zinc Dust			550.7 MT			392.46 MT
b) Waste/Used Oil	9.013 KL		5.84 KL	1.783 KL		
c) Lead Acid batteries			309 Nos			78 Nos
Other waste						
Sinter return		77111 MT			63151 MT	
BF Slag		47501 MT			39680 MT	
Magnesium Oxide		50 MT			38.6 MT	

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
	Nil

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	1391	1199	86.20%	1391	100%	0	0	0	0	0	0
Female	23	23	100%	23	100%	0	0	0	0	0	0
Total	1414	1222	86.42%	1414	100%	0	0	0	0	0	0
Other than Permanent employees											
Male	26	26	100%	26	100%	0	0	0	0	0	0
Female	0	0	100%	0	0	0	0	0	0	0	0
Total	26	26	100%	26	100%	0	0	0	0	0	0



Business Responsibility & Sustainability Report (Contd.)

1. 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	1579	1336	84.61%	1515	95.95%		0		0		0
Female	0	0	0	0	0		0		0		0
Total	1579	1336	84.61%	1515	95.95%		0		0		0
Other than Permanent employees											
Male	9430	5720	60.66%	7889	83.66%		0		0		
Female	0	0	0	0	0		0		0		
Total	9430	5720	60.66%	7889	83.66%		0		0		

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

Benefits	FY 2021-22			FY 2020-21		
	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. **Yes**

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 COO; Meeting COO with prior appointment;
Other than Permanent Workers	
Permanent Employees	Representing issues through Division heads, HOD AND HR department
Other than Permanent Employees	NIL

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

Category	FY 2021-22			FY 2020-21		
	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	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0
Total Permanent Workers	1588	1588	100%	1583	1583	100%
- Male	1588	1588	100%	1583	1583	100%
- Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2021-22					FY 2020-21				
	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	1164	1164	100%	823	70.70%	1208	1208	100%	488	40.40%
Female	16	13	81%	1	6.25	18	15	83.33%	0	0
Total	1180	1177	99.75%	824	69.83%	1226	1223	99.76%	488	40.40%
Workers										
Male	7275	2201	30.25%	3083	42.37%	7049	2184	30.99%	2170	30.79%
Female	0	0	0	0	0	0	0	0	0	0
Total	7275	2201	30.25%	3083	42.37%	7049	2184	30.99%	2170	30.79%



Business Responsibility & Sustainability Report (Contd.)

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

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	583	159	27.27%	1322	825	62.41%
Female	7	0	0	21	12	57.14%
Total	590	159	26.95%	1343	837	62.32%
Workers						
Male	5147	621	12.06%	5033	467	9.27%
Female	0	0	0	0	0	0
Total	5147	621	12.06%	5033	467	9.27%

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 Observations tool.

- c) 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 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.7	0
	Workers	10.28	7.76
Total injury recordable	Employees	02	0
	Workers	25	24
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	1
	Workers	0	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 audit		

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

	FY 2021-22			FY 2020-21		
	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	11	2	Nil	10	0	Nil
Health & Safety	14	4	Nil	11	3	Nil

13. 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%



Business Responsibility & Sustainability Report (Contd.)

14. 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.

1.	Providing Proxy sensor to the Tipper while lifting the body for unloading , it will alarm to the driver in cabin- Under Progress
2.	Damaged roof sheets to be closed on shed at cold zone and Hot zone in Dip section - Under Progress
3.	Ensure Vehicle not to park on road side in all divisions -Taken decision to shift PGI, Now it in in progress
4.	Counter weight Limit switch to be provided to all the cranes even if sequence changed limits to act in DIP division -Work in Progress

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 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	0	0	0	0
Workers	1	1	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**

Yes. The Company encourage its employees through a broad range of initiatives directed towards their holistic growth. It believes in continuous learning and keeping abreast of the latest lechnologies and processes.

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	100%
Working Conditions	100%
Health and safety practices	50% of major value chain partners
Working Conditions	50% of major value chain partners

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:

1.	Water Points required at identified places - Rectified
2.	Drainage problem at PCM area - Rectified
3.	There Is no sitting provision at Main gate for Transport drivers - Under Progress
4.	There Is no Toilet and washing point at Main gate for Transport drivers -Under Progress
5.	Fumes extraction system for quenching system - Under Progress
6.	Dedusting system for AF-03, socket cleaning area - Yet to implement
7.	Heat resistant suit for Owken workmen working at Over Area - Yet to procure
8.	Sufficient toilets for workmen at COP- CPP area -under Progress
9.	Ensuring use of personal protective equipment by them.

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

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.
The Company has mapped its internal and external stakeholders.
- 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 advertisements, meetings	Ongoing basis – as and when required	Business related matters
Shareholders	No	As needed: Press releases email advisories; facility visits; in-person meetings; investor conferences; conference calls	Quarterly: Financial statements in IndAS and IFRS; earnings call; exchange notifications; press conferences • Half Yearly: CEO message on half-yearly financial performance and summary of significant events • 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. • Understanding shareholder expectations
Employees	No	Letters, emails, website of the Company, pamphlets, 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



Business Responsibility & Sustainability Report (Contd.)

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.

There is no formal direct consultation process between various stakeholders and the Board. The senior management of the Company maintains a constant and proactive engagement with the stakeholders on various matters including economic, environmental and social matters.

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.

No

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

Not applicable

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 2021-22			FY 2020-21		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	619	619	100%	32	32	100%
Other than permanent	0	0	0	0	0	0
Total Employees	619	619	100%	32	32	100%
Workers						
Permanent	662	269	40.63%	673	362	53.79%
Other than permanent	4069	81	1.99%	3923	124	3.16%
Total Workers	4731	350	7.39%	4596	486	10.57%

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

Category	FY 2021-22					FY 2020-21				
	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	565	0	0	555	98.23%	539	0	0	539	100%
Female	6	0	0	6	100%	6	0	0	6	100%
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	1483	0	0	1483	100%	1476	0	0	1476	100%
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	4069	195	4.79%	3874	95.20%	3923	194	4.95%	3729	95.05%
Female	0	0	0	0	0	0	0	0	0	0

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	1739783	4	1574783
Key Managerial Personnel	3	3844106	3	2093757
Employees other than BoD and KMP	1351	511152	14	476492
Workers	1590	324216	–	–

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)

The employees can raise their concerns related to human rights issues with the HR function.

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 Resources 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 2021-22			FY 2020-21		
	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)
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/introduce 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?

Yes, all premises and offices are accessible to differently abled visitors.

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 2021-22	FY 2020-21
Total electricity consumption (A)	1697.56 TJ	1746.98 TJ
Total fuel consumption (B)	2162.98 TJ	1864.78 TJ
Energy consumption through other sources (C)	0.064 TJ	0.059 TJ
Total energy consumption (A+B+C)	3860.604 TJ	3611.819 TJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)		
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.



Business Responsibility & Sustainability Report (Contd.)

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

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	1303660 KL	1196209 KL
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others SEWAGE WATER	1139264 KL	875482 KL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2442924 KL	2071691 KL
Total volume of water consumption (in kilolitres)	971053 KL	1392770 KL
Water intensity per rupee of turnover (Water consumed / turnover)		
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. **No**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation : **No**
5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
NOx	mg /Nm3	115.53	121.16
SOx	mg /Nm3	118.76	114.30
Particulate matter (PM)	mg /Nm3	54.37	53.73
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: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency : **Monitoring is carried out quarterly by WBPCB APPROVED AGENCY (M/S Envirocheck)**

SWPL unit have 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 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	N.A.	N.A.
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	N.A.	N.A.
Total Scope 1 and Scope 2 emissions per rupee of turnover		N.A.	N.A.
Total Scope 1 and Scope 2 emission intensity (<i>optional</i>) – 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, 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 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	–	2
E-waste (B)	1.3	2.4
Bio-medical waste (C)	0.1129	0.1016
Construction and demolition waste (D)	–	–
Battery waste (E)	0.75	0.50
Radioactive waste (F)	Nil	Nil

Other Hazardous waste. Please specify, if any. (G)	Zn Dust - 520 Spent Oil – 13 Waste Oil – 1 ETP Sludge – 34 Used asbestos- 3 Flue Dust- 0.1 Waste paint- 3 Discarded container-8	Zn Dust -550 Spent Oil -10 Waste Oil -0.5 ETP Sludge – 35 Used asbestos- 2 Flue Dust- 0.1 Discarded container-8
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Business Responsibility & Sustainability Report (Contd.)

Other Non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Granulated Slag-115380 Cement Slurry - 8950 Coke Fines-6130 Iron ore Fines-40000 GCP Sludge-7200 Metal Scrap-15450 Ladle Slag- 3000	Granulated Slag-98000 Cement Slurry -6200 Coke Fines-4900 Iron ore Fines-22500 GCP Sludge-6300 Metal Scrap-14000 Ladle Slag-2600
Total (A + B + C + D + E + F + G + H)	196694.26	155110.60
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	57942	39297
(ii) Re-used		
(iii) Other recovery operations		
Total	57942	39297
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NIL	NIL
(ii) Landfilling		
(iii) Other disposal operations	580*	605*
Total		

*Disposed to authorized reprocessor

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; **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. For Non Hazardous wastes it is stored in designated places and some of the wastes recycled or reused in the process and rest sold or disposed to outside agency.

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.

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 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 2021-22	FY 2020-21
From renewable sources		
Total electricity consumption (A)	64 GJ	59 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	64 GJ	59 GJ
From non-renewable sources		
Total electricity consumption (D)	1697.56 TJ	1746.98 TJ
Total fuel consumption (E)	2162.98 TJ	1864.78 TJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	3860.54 TJ	3611.76 TJ

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



Business Responsibility & Sustainability Report (Contd.)

2. Provide the following details related to water discharged:

Parameter	FY 2021-22	FY 2020-21
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NIL	NIL;
- No treatment		
- With treatment – please specify level of treatment	108620.0 KL	106249.0 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		
(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)	108620.0 KL	106249.0 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 2021-22	FY 2020-21
Water discharge by destination and level of treatment (in kilolitres)		
(i) Surface water		
(ii) Groundwater	–	–
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others((Sewage water)	–	–
Total volume of water withdrawal (in kilolitres)	–	–
Total volume of water consumption (in kilolitres)	–	–
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NIL	NIL;
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(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)	NIL	NIL

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 & its intensity, in the following format:

Not applicable

Parameter	Unit	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs)	<i>Metric tonnes of CO₂ equivalent</i>	N.A	N.A.
Total Scope 3 emissions per rupee of turnover		N.A.	N.A.
Total Scope 3 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.

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



Business Responsibility & Sustainability Report (Contd.)

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
1	LDO Consumption reduction	Replacing existing oil burners with dual fuel burners in DIW Main annealing Furnace and replacing LDO with Blast Furnace Gas (a process By-product) as fuel	LDO Consumption has been reduced by 4 KL/Day

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
No
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: Not applicable

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

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.

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

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)

3. Describe the mechanisms to receive and redress grievances of the community.
The company has systems in place to receive and redress grievances of various stakeholder groups. The stakeholders can register their grievances through various modes as listed in the website. The Company has a mechanism in place to monitor the implementation of the CSR projects and the concerns of the beneficiary community.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY Current Financial Year(21-22)		FY Previous Financial year (20-21)	
	MSME	SMALL PRODUCER	MSME	SMALL PRODUCER
Directly sourced from MSMEs/ small producers	0.71%	1.86%	0.69%	1.37%
	Within District	Neighboring District	Within District	Neighboring District
Sourced directly from within the district and neighbouring districts	6.18%	25.91%	3.06%	26.49%

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.

Details of negative social impact identified	Corrective action taken

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:



Business Responsibility & Sustainability Report (Contd.)

Please refer to the Annexure 4 relating to Annual Report on CSR

S. No.	State	Aspirational District	Amount spent (In INR)
			NIL

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
No
- (b) From which marginalized /vulnerable groups do you procure? Not applicable
- (c) 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

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share

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

Name of authority	Brief of the Case	Corrective action taken

6. Details of beneficiaries of CSR Projects:
Please refer to the Annexure 4 relating to Annual Report on CSR

S. No.	CSR Project	No. of persons benefitted	% of beneficiaries from vulnerable and marginalized groups

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:** Customer complaint is received vide verbal or electronic communication by the concerned subsidiary or sales or territory in-charge. Depending upon the nature and severity of the complaint, they solve the issue or forward it to the technical team. Technical team analyses the problem to probe in to the root cause and proposes correction and corrective action accordingly. 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 turnover
Environmental and social parameters relevant to the product	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% Note: 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.

3. Number of consumer complaints in respect of the following:

	FY 2021-22		Remarks	FY 2020-21		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	
Forced recalls	0	

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 risk in place.**

Web Link: <https://s3-ap-south-1.amazonaws.com/empwin-live-new/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.



Business Responsibility & Sustainability Report (Contd.)

The following Cyber Security & Data Privacy measures are implemented at Electrosteel.

- 1) Implementation of Perimeter Security (Firewall) in between external network (Internet) & internal corporate network (LAN)
- 2) Implementation of End Point Security Protection (Anti-Virus) for each & every Server & Workstation connected to corporate LAN
- 3) Blocking of USB Ports for end user's workstation (End Point DLP)
- 4) Web Filtering & Application Control
- 5) Active Directory & 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 & Computers from Ransomware, Phishing Attacks, Business Email Compromise (BEC), Advanced Persistent Threats (APT) and Spam Protection.
- 8) Restriction on Cloud Data Storage Access & 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 & 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.

** 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:
 - We provide Technical data sheet (TDS), Standard operating procedure (SOPs) , user's guide, Brochures, video related to safe handling, installation etc.
 - Information related to safe and responsible use of products are also available @our official website (www.electrosteel.com).
 - We also impart training to the customers.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. Not applicable
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) : Not applicable
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 A

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, BR policies of the Company are reviewed periodically or on a need basis by department heads, business heads and Executive Directors.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non- compliances	Statutory compliance certificate on applicable laws is provided by the CEO & Company Secretary to the Board of Directors									Quarterly								



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:
 - Dual fuel burners have been installed in Khardah DIW Annealing Furnace to eliminate fuel oil consumption totally by injecting additional Blast Furnace Gas (a process by product), thus reducing diesel oil usage by approx. 120 kl/month.
 - Existing oil burners of Khardah Coating Plant (Line-2) heating ovens have been replaced with high efficiency two stage burners to reduce fuel oil consumption by 35% approx.
 - Cooling tower fan aluminium blades have been replaced with FRP blades at Khardah induction furnace utilities. Electrical energy consumption has been reduced by approx 30% due to this measure.
 - Installation of energy efficient LED lights replacing conventional lamps in at Khardah, Bansberia, Haldia Works & Kolkata corporate office have resulted in reduction of energy consumption by approx 40% for these lighting systems.
 - All the new equipment (continuous duty) installed during the year in Khardah, Bansberia & Haldia Works have been equipped with energy efficient (IE3 class) motors.
 - Actions have been initiated for reduction of fuel oil consumption for ladle/hopper heating systems at Khardah Works by automation of burners.
- ii) The steps taken by the Company for utilising alternate sources of energy:
 - In 2021-22, 17,888 KWH solar energy was utilized at Khardah, Bansberia & Haldia Works taken together.
- iii) The capital investment on energy conservation equipments:

The Company has made a total capital investment amounting to Rs. 66 lakh during the Financial Year 2021-22 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 2021-22 amounted to Rs. 2.09 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. 1167.97 Crore

Foreign Exchange Outgo: Rs. 1412.85 Crore

For and on behalf of the Board of Directors

Pradip Kumar Khaitan

Chairman

DIN: 00004821

Place: Kolkata

Date: 10 May, 2022



Ten Years

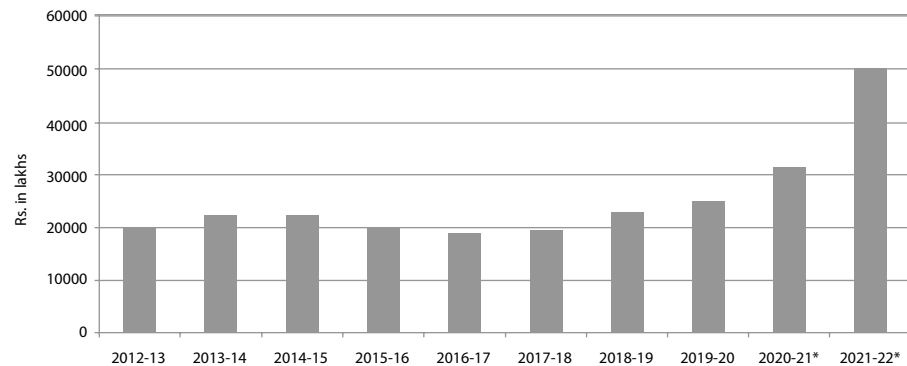
Financial Summary

Rs. in Lakhs

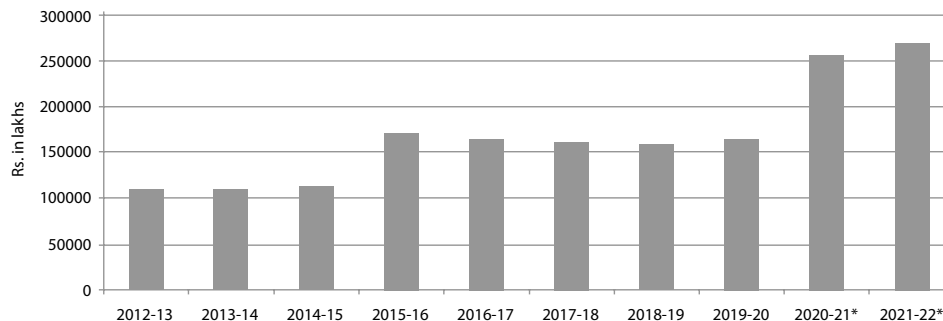
Year	Revenue from Operation	Earnings before Depreciation, Finance cost and Tax Expense (EBDIT)	Interest	Depreciation	Tax	Profit after Tax	Gross Block	Net Block	Capital Employed
2012-13	198231.53	28530.93	11124.18	5308.68	2375.36	9722.71	158917.71	109450.41	465227.91
2013-14	223509.05	32475.39	13581.96	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

* In view of amalgamation of Srikalahasthi Pipes Ltd w.e.f October 01, 2020 the figures have been regrouped/reclassified wherever 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 accompanying standalone financial statements of Electrosteel Castings Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as the "standalone financial statement").

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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 , as amended (Ind As) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

Attention is drawn to the following notes to the accompanying standalone financial statement:

- a) Note no. 48 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter and the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
- b) Note No. 8A.2 in respect to Company's investment amounting to Rs. 8298.26 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the Company which is mortgaged in favour of a Lender of ESL, who has assigned

their rights to another entity and the symbolic possession has been taken in the earlier years, has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

Impacts with respect to (a) & (b) above are presently not ascertainable and as such cannot be commented upon by us.

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

Emphasis of Matter

We draw attention to Note 63 of the accompanying standalone financial statements in respect of the Scheme of Arrangement of Srikalahasthi Pipes Limited (SPL) with the Company as approved by the Hon'ble National Company Law Tribunal, Cuttack Bench, wherein the financial information has been restated from the appointed date in line with guidance of General Circular No. 09/2019 dated August 21, 2019 as issued by Ministry of Company Affairs and not from the beginning of the earliest date presented as required in accordance with guidelines of Appendix C of Ind AS 103.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone 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 as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.

Independent Auditors' Report *(Contd.)*

Key audit matters	How our audit addressed the key audit matter
Provision for Taxation, litigations and disclosures of contingent liabilities	
<p>The Company is exposed to different laws, regulations and interpretations thereof. The company is also subject to number of significant claims and litigations. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature.</p> <p>As on March 31, 2022, the Company has carried forward non-current income tax liabilities of Rs. 6215.64 Lakhs [Refer Note 28 to the financial statements]. Further, the Company has disclosed significant pending legal cases with respect to Kodilabad mines [Refer Note 49 to the financial statements] and other material contingent liabilities [Refer Note 54 to the financial statements].</p> <p>We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.</p>	<p>Our audit procedures included among others:</p> <ol style="list-style-type: none"> Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; Analyzed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change; Discussed the status of significant known actual and potential litigations with the management & noted that information placed before the board for such cases and Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.
Recoverability of Government Grant	
<p>The company has been entitled for various sales tax incentives under Industrial promotion scheme issued by the State Governments. The company had complied with the conditions of such scheme and incentives were accounted for in the books in earlier years. A sum of Rs. 5883.07 Lakhs (grouped under other financial assets in note no. 18) is outstanding against said incentive as on 31st March 2022.</p> <p>We determined this to be a matter of significance to our audit due to the quantum of the government grant outstanding, compliance requirement of the scheme and also because of recovery pattern of the same.</p>	<ol style="list-style-type: none"> Evaluating eligibility requirements of 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. Considering the relevant notifications to ascertain the basis for determination, completion of performance obligation and assessing the appropriateness of the management estimates for accounting of government grant and timing of recognition & past receipt of the grants.

Key audit matters	How our audit addressed the key audit matter
Inventory measurement	
<p>The company deals with various types of bulk material & Finished goods such as ductile Iron pipes, pipe fittings, coal, coke & Iron Ore etc. The total inventory of such materials amounts to Rs.1,65,762.37 Lakhs as on March 31, 2022. (refer note no. 12).</p> <p>The measurement of these inventories involved certain estimations/assumption and also involved volumetric measurements. Measurement of some of these inventories also involved consideration of handling loss, moisture loss/gain, spillage etc. and thus required assistance of technical expertise.</p> <p>We determined this to be a matter of significance to our audit due to quantum of the amount & estimation involved.</p>	<ol style="list-style-type: none"> Obtained the understanding of the management with regards to internal financial controls relating of Inventory management. The company has deployed an independent agency for verification of bulk Materials in which our team were also present to oversee the process of entire materials being verified. We have also reviewed the internal verification process followed by the management for certain inventory items. We have also reviewed the report submitted by external agency and obtained reasons/explanation for such differences and also confirmed the adjustment made by the company in accordance with the policy confirmed by the Board of Directors.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, for example Board's Report, Report on Corporate Governance, Management Discussion & Analysis Report etc., but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's 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 standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive



Independent Auditors' Report *(Contd.)*

income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh

Independent Auditors' Report *(Contd.)*

the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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 appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and Statement of Changes in Equity 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 (Ind AS) specified under section 133 of the Act read with Companies (Indian 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 Company;
 - f) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
 - 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
 - h) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements;
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the matters dealt with in the Basis of Qualified Opinion paragraph impact whereof are presently not ascertainable, impacts of pending litigations (other than those already recognized in the accounts) on the financial position of the Company have been disclosed in the standalone financial statement as required in terms of the Ind AS and provisions of the Companies Act, 2013 - Refer Note No. 54 to the standalone financial statements.
 - ii. The Company has 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. 46 to the standalone financial statements; and
 - 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 it's knowledge and belief, as disclosed in the note no. 58 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of it's knowledge and belief, as disclosed in



Independent Auditors' Report *(Contd.)*

the note no. 58 to the financial statements, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material mis-statement.

- 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 22.8 to 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 Act, as applicable.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

(Gopal Jain)
Partner

Place : Kolkata
Date : May 10, 2022

Membership No. : 059147
UDIN: 22059147AISASQ7050

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date)

- I. a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except in case of furniture and fixture.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- b. During the year, Property, Plant and Equipment have been physically verified by the management according to a programme of verification at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets except in respect of fixed assets located at Parbatpur Coal Block for reasons stated in Note No. 48(a). As informed, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except as detailed below: (Refer Note no. 5.7 of the standalone financial statements)

Description of Property	Gross carrying value (Amount Rs. In Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Property held since when	Reason for not being held in the name of the Company
Freehold land	3,35.81	Various owners having small plots	No	Between 2008-09 to 2014-15	Refer note no. 48 to the financial statement.
Freehold land	18,89.04	Mahadev Vyapaar Pvt. Ltd.	No	01-04-2014	Transfer in the name of the company is in the process. Refer note no. 5.7 to the financial statement.
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	

- d. The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- II. a. As informed, the inventories of the Company except for materials in transit, finished goods lying with third parties

and inventories lying at Parbatpur Coal Block for reasons stated in Note no. 48(a), have been physically verified by the management at the reasonable intervals. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on physical verification between the physical stocks and the books records were not in excess of 10% in the aggregate for each class of inventory and have been properly dealt with in the books as per the policy followed by the company.

- b. As the Company's inventory of raw materials comprises mostly of bulk materials such as Coal, Coke, Iron ore, Manganese ore etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. Considering the above, in our opinion, the coverage and procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company for the respective quarters.
- III. The Company has advanced loan to four companies other than its subsidiaries & joint ventures. The company has also advanced financial guarantees to its subsidiaries during the year.
- a. In our opinion and according to the information and explanations given to us, the Company has not provided 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:

(Amount Rs. In Lakhs)

Particulars	Guarantees	Loans
Aggregate Amount granted/ provided during the year		
: Subsidiaries	6,471.95	—
: Others	—	20,000.00
Balance outstanding as at balance sheet date in respect of above cases		
: Subsidiaries	6,471.95	—
: Others	—	5,308.00

**ANNEXURE “A” TO THE AUDITORS' REPORT OF EVEN DATE** (Contd.)

- b. In our opinion and according to the information and explanations 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 explanations 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.
- IV. In our opinion and according to the information and explanations 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. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.
- V. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are 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. According to the information and explanations given to us and on the basis of our examination of the books of account:
- a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Services tax, Duty of customs, Duty of excise, Value Added Tax, Cess and Other Statutory Dues applicable to it. In our opinion, no undisputed amounts payable

in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- b. Details of statutory dues referred to sub clause (a) above which have not been deposited as on March 31, 2022 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	2010-11	Commercial Taxes Tribunal, Ranchi
		4198.97	2007-09, 2015-16, 2017-18	West Bengal Appellate & Revisional Board
		338.15	2013-15	Additional Commissioner, Commercial Taxes, West Bengal
		60.61	2014-16	Joint Commissioner (Appeal) Sales Tax, Dhanbad Circle, Dhanbad
		13.24	2009-10	Hon'ble Jharkhand High Court
		1.62	2012-13	Deputy Commissioner, Sales Tax, Bokaro Circle, Bokaro
		829.63	2000-01, 2003-06	Sales Tax Appellate Tribunal, Hyderabad
		214.91	2005-06, 2011-12, 2013-14	Sales Tax Appellate Tribunal, Vishakhapatnam
		427.28	2000-01, 2010-11, 2014-15	High Court of Andhra Pradesh
		64.85	2012-13	Assistant Commissioner, Chittor
		169.39	2013-14	Appellate Dy. Commissioner, Tirupati
Andhra Pradesh Tax on Entry of Goods into Local Area Act 2001.	Entry Tax	221.66	2014-15 to 2017-18	Appellate Deputy Commissioner
West Bengal Tax on Entry of Goods into Local Area Act 2012.	Entry Tax	8434.08	2011-12 to 2017-18	West Bengal Appellate & Revisional Board
Goods & Service Tax Act 2017	GST	62.24	Transitional Credit	The Additional Commissioner- Audit Ranchi
		18.44	2017-18	The Assistant Commissioner- CGST & CX Khardah division.

ANNEXURE “A” TO THE AUDITORS' REPORT OF EVEN DATE (Contd.)

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the Amount relates	Forum where dispute is pending
Goods & Service Tax Act 2017	GST	62.24	Transitional Credit	The Additional Commissioner- Audit Ranchi
		18.44	2017-18	The Assistant Commissioner- CGST & CX Khardah division.
Central Excise Act	Excise Duty	11.86	2005-06	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
		10.77	2008-09	Additional Director General, Director of Revenue Intelligence, New Delhi
		1910.34	2002-03 to 2004-05, 2005-07	Commissioner of Goods & Service Tax & Central Excise
		3.76	2014-16	Assistant Commissioner Central Tax- Tirupati
		8.25	2007-09	CESTAT, Hyderabad
		51.34	2006-07	Office of the commissioner of Central Tax & Customs (A) Guntoor
Central Excise Act	Service Tax	20.29	2004-05 to 2007-08	Hon'ble Madras High Court
		470.84	2007-08 to 2011-16	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
		149.7	2006-2012	Commissioner of Central Excise , Chennai II Commissionerate
		377.76	2002-03 to 2006-07	CGST & Cx Khardah Division Kolkata North Commissionerate
		1246.85	2016-17	Director General of G.S.T. Intelligence, Zonal Unit, Patna.
		306.41	2006-07 to 2014-15	Commissioner of Central Tax- Tirupati
The Income Tax Act, 1961	Income Tax	44.27	2007-08, 2014-15 & 2015-16	Additional Commissioner of Central Tax - Tirupati
		641.47	2017-18 & 2018-19	CIT (Appeals), Income Tax

VIII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- IX. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender during the year.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or government authority.
- c. In our opinion and according to the information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained.
- d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, 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.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- X. a. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- XI. a. 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 explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, 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

**ANNEXURE “A” TO THE AUDITORS' REPORT OF EVEN DATE** (Contd.)

- information and explanation given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c. As represented to us by the management, there were no whistle blower complaints received by the Company during the year.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 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, the transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- XIV. a. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- XV. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, 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.
- XVI. a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) & (b) of the Order is not applicable to the Company.
- b. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- c. Based on the information and explanations provided by the management of the Company, the Group does not have any CIC's, which are part of the Group. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- XVII. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
- XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- XIX. According to the information and explanations given to us and on the basis of the financial ratios (refer note – 56 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- XX. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

(Gopal Jain)
Partner

Place : Kolkata
Date : May 10, 2022

Membership No. : 059147
UDIN: 22059147AISASQ7050

ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid standalone 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 the standalone financial statements of Electrosteel Castings Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the standalone 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 the standalone 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 the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the aforesaid standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 the standalone financial statements.

Meaning of Internal Financial Controls with reference to the standalone financial statements

A company's internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to the standalone financial statements

Because of the inherent limitations of internal financial controls with reference to the standalone 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 the standalone financial statements to future periods are subject to the risk that the internal financial control with reference to the standalone 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 the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

(Gopal Jain)
Partner

Place : Kolkata
Date : May 10, 2022

Membership No. : 059147
UDIN: 22059147AISASQ7050



Standalone Balance Sheet as at March 31, 2022

(Amount Rs. in lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	26,45,43.39	25,12,17.05
(b) Capital work-in-progress	51	12,07,69.92	13,28,26.11
(c) Other Intangible assets	6	3,37.40	1,73.39
(d) Right-of-use assets	7	38,97.17	43,29.68
(e) Investments in subsidiaries, associates and joint ventures	8	63,68.05	63,68.05
(f) Financial Assets			
(i) Investments	8A	95,06.13	45,72.13
(ii) Other financial assets	9	42,56.02	78,32.20
(g) Non-current tax assets (Net)	10	14,43.89	17,46.88
(h) Other non-current assets	11	9,37.82	7,05.16
		41,20,59.79	40,97,70.65
Current assets			
(a) Inventories	12	18,33,58.03	9,65,23.09
(b) Financial Assets			
(i) Investments	13	3,61,72.87	1,56,60.59
(ii) Trade receivables	14	10,41,88.79	7,29,49.72
(iii) Cash and cash equivalents	15	1,52,14.34	1,53,28.75
(iv) Bank balances other than (iii) above	16	3,05,04.10	2,97,48.29
(v) Loans	17	53,08.00	17,30.00
(vi) Other financial assets	18	1,74,56.87	2,12,30.79
(c) Other current assets	19	1,55,14.20	1,06,04.30
(d) Assets classified as held for disposal	20	7,72.50	–
		40,84,89.70	26,37,75.53
Total Assets		82,05,49.49	67,35,46.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	21	59,46.05	43,29.55
(b) Equity Share Suspense	21A	–	16,16.50
(c) Other Equity	22	39,27,96.72	35,77,42.08
		39,87,42.77	36,36,88.13
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	8,38,19.52	7,91,14.81
(ii) Lease liabilities	24	17,93.76	23,06.04
(b) Provisions	25	41,57.19	36,60.45
(c) Deferred tax liabilities (Net)	26	3,56,32.74	3,68,12.82
(d) Other non-current liabilities	27	34,60.75	47,48.85
(e) Non-current tax liabilities (Net)	28	62,15.64	63,60.02
		13,50,79.60	13,30,02.99
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	29	18,66,97.97	10,69,62.60
(ii) Lease liabilities	24	5,63.58	4,05.12
(iii) Trade payables	30		
(a) Total Outstanding dues of Micro enterprises and small enterprises: and		26,63.11	26,60.59
(b) Total Outstanding dues of creditor other than Micro enterprises and small enterprises		5,33,69.38	3,73,98.34
(iv) Other financial liabilities	31	37,46.24	79,48.05
(b) Other current liabilities	32	3,79,15.70	1,94,62.44
(c) Provisions	33	14,26.59	13,61.68
(d) Current Tax Liabilities (Net)	34	3,44.55	6,56.24
		28,67,27.12	17,68,55.06
Total Equity and Liabilities		82,05,49.49	67,35,46.18

Significant accounting policies and other accompanying notes (1 to 67) form an integral part of the standalone financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 10, 2022

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Indranil Mitra
Company Secretary

Sunil Katial
Wholtime Director & Chief Executive Officer
(DIN : 07180348)

Ashutosh Agarwal
Wholtime Director & Chief Financial Officer
(DIN : 00115092)

Standalone Statement of Profit and Loss for the year ended March 31, 2022

(Amount Rs. in lakhs unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue From Operations	35	50,14,82.77	30,75,70.68
Other Income	36	80,32.93	62,31.77
Total income		50,95,15.70	31,38,02.45
EXPENSES			
Cost of materials consumed	37	27,52,94.38	14,01,75.04
Purchases of stock-in-trade	38	22.47	2,37.85
Changes in inventories of finished goods, stock-in-trade and work-in-progress	39	(2,45,03.06)	54,86.60
Employee benefits expense	40	3,25,91.17	2,35,39.41
Finance costs	41	1,85,26.53	1,98,89.28
Depreciation and amortisation expense	42	1,12,57.67	78,66.60
Other expenses	43	15,44,66.27	9,94,45.31
Total expenses		46,76,55.43	29,66,40.09
Profit before tax		4,18,60.27	1,71,62.36
Tax expense :	44		
Current tax		1,04,00.00	49,06.21
Deferred tax		(6,43.34)	(6,14.02)
Related to earlier year		(4,56.68)	(2,25.47)
Profit for the year		3,25,60.29	1,30,95.64
Other Comprehensive Income	45		
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(1,74.28)	1,14.63
b) Equity instruments through other comprehensive income		53,50.86	25,04.14
(ii) Income tax relating to items that will not be reclassified to profit or loss	44.2	43.88	(38.28)
B Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year (net of tax)		52,20.46	25,80.49
Total Comprehensive Income for the year		3,77,80.75	1,56,76.13
Earnings per equity share of par value of Re. 1 each.	52		
(1) Basic (Rs.)		5.48	2.55
(2) Diluted (Rs.)		5.48	2.55

Significant accounting policies and other accompanying notes (1 to 67) form an integral part of the standalone financial statements.

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
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Kolkata
May 10, 2022

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Wholtime Director & Chief Financial Officer
(DIN : 00115092)



Standalone Statement of changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2021	Changes in equity share capital during the current year	Balance as at March 31, 2022
	–	43,29.55	16,16.50	59,46.05

(Amount Rs. in lakhs)

	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2020	Changes in equity share capital during the current year	Balance as at March 31, 2021
	–	43,29.55	–	43,29.55

(Amount Rs. in lakhs)

B. Equity Share Suspense

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	16,16.50	–
As on October 1, 2020	–	16,16.50
Issued during the year	16,16.50	–
Closing Balance	–	16,16.50

(Amount Rs. in lakhs)

Note : During the year the Company has issued 161650538 equity shares of Re.1 each pursuant to the scheme of amalgamation (Refer Note no. 63).

C. Other Equity

As at March 31, 2022

(Amount Rs. in lakhs)

Particulars	Reserve & Surplus					Items of other comprehensive income		Total
	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	Equity Instrument through Other Comprehensive Income	
Balance 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 (net of tax)	–	–	–	–	3,25,60.29	(1,30.41)	53,50.87	3,77,80.75
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)	–
Balance 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

Standalone Statement of changes in Equity for the year ended March 31, 2022 (Contd.)

C. Other Equity (Contd.)

As at March 31, 2021

(Amount Rs. in lakhs)

Particulars	Reserve & Surplus					Items of other comprehensive income		
	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	Equity Instrument through Other Comprehensive Income	Total
Balance as at April 01, 2020	41,48.28	(14,86.46)	8,38,30.26	10,10,07.51	6,37,16.72	(67.95)	(6,23.20)	25,05,25.16
Addition on account of merger during the year (Refer note no. 63)	-	-	2,39,40.81	4,75,00.00	6,40,51.95	(1,13.76)	-	13,53,79.00
Total Comprehensive Income for the year (net of tax)	-	-	-	-	-	85.78	24,94.70	1,56,76.12
Dividend on Equity shares	-	-	-	-	(12,98.86)	-	-	(12,98.86)
Capital Reserve on merger of SPL (Refer Note no 63)	-	(4,25,39.34)	-	-	-	-	-	(4,25,39.34)
Transferred to Retained Earnings on disposal of Equity shares through OCI	-	-	-	-	52.37	-	(52.37)	-
Balance as at March 31, 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

Refer Note no. 22 for nature and purpose of reserves.

Significant accounting policies and other accompanying notes (1 to 67) form an integral part of the standalone financial statements.

As per our report of even date
For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Umang Kejriwal
Managing Director
(DIN : 00065173)

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Gopal Jain
Partner
(Membership No. 059147)

Indranil Mitra
Company Secretary
Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

Kolkata
May 10, 2022



Standalone Statement of Cash Flow for the year ended March 31, 2022

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	4,18,60.27	1,71,62.36
Add : Depreciation and amortisation expenses	1,12,57.67	78,66.60
Sundry balances /Assets / Advances written off	17,88.36	38.07
Bad Debts	-	67.27
Credit loss allowances on trade receivables/advances/Others	2,09.09	95.20
Provision for obsolescence of Stores & Spares	2,42.40	-
(Profit)/Loss on sale / discard of Fixed Assets (Net)	4,40.53	2,47.46
Finance cost	1,85,26.53	1,98,89.28
	3,24,64.58	2,82,03.88
	7,43,24.85	4,53,66.24
Less : Interest income	32,02.28	29,62.58
Dividend income from investments	25,65.24	13,52.14
Deferred Income	25.64	12.82
Net gain / (loss) on Fair valuation of Current Investments	94.54	60.58
Net gain /(loss) on derecognition of financial assets at amortised cost	1.25	0.12
Fair Valuation of derivative instruments through Profit & Loss	7,02.31	4,11.28
Unrealised foreign exchange fluctuation and translation	7,46.95	(7,76.13)
Profit / (Loss) on sale of Current Investment	1,66.07	1,35.21
Profit on sale of Non Current Investment	7,84.52	16.63
Provisions / Liabilities no longer required written back	9,49.32	6,97.97
	92,38.12	48,73.20
Operating Profit before Working Capital changes	6,50,86.73	4,04,93.04
Movements in working capital		
Less : Increase/(Decrease) in Inventories	8,70,77.34	82,44.70
Increase/(Decrease) in Trade Receivables	3,06,08.56	(1,47,84.42)
Increase/(Decrease) in Loans & Advances, other financial and non-financial assets	18,97.43	(36,01.63)
(Increase)/Decrease in Trade Payables, other financial and non financial liabilities and provisions	(3,28,46.57)	(6,03.98)
	8,67,36.76	(1,07,45.33)
Cash generated From Operations	(2,16,50.03)	5,12,38.37
Less : Direct Taxes paid (Net)	1,08,77.79	40,49.04
Net cash flow from Operating Activities (A)	(3,25,27.82)	4,71,89.33
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	(1,90,76.37)	(1,15,92.66)
Realisation of Property, Plant and Equipment, Intangible Assets	8,93.70	66.40
(Purchase) / Sale of Current investment (Net)	(2,02,51.67)	59,00.85
Sale of Non Current Investment	12,01.32	69.05
Increase / (Decrease) in Inter Corporate Deposits	(35,78.00)	18,50.00
Interest received	32,66.53	34,78.75
Dividend received	25,65.24	13,52.14
Movement in bank balances other than cash and cash equivalents	43,34.28	1,47,33.98
	(3,06,44.97)	1,58,58.51
Net Cash flow from Investing Activities (B)	(3,06,44.97)	1,58,58.51

Standalone Statement of Cash Flow for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from short term borrowings (net)	7,72,18.18	(1,79,65.39)
Repayment of Long term borrowings	(3,56,22.57)	(3,97,78.77)
Proceeds from Long term borrowings	4,16,80.00	2,61,56.70
Interest and other borrowing cost paid	(1,69,25.13)	(2,06,20.01)
Interest paid on Lease Liability	(5,65.99)	(1,45.44)
Dividend paid	(27,26.11)	(12,98.86)
Net cash flow from Financing Activities (C)	6,30,58.38	(5,36,51.77)
D. Net increase / (decrease) in Cash and Cash equivalents (A+B+C)	(1,14.41)	93,96.07
E. Cash and Cash equivalents at the beginning of the year	1,53,28.75	22,23.55
F. Cash and Cash equivalents as on 30th September 2020 of Srialahasthi Pipes Ltd	-	37,09.92
G. Add/(Less): Unrealised exchange gain/(loss) on bank balances	-	(0.79)
H. Cash and Cash equivalents at the end of the year	1,52,14.34	1,53,28.75

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'.
- (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 flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet of liabilities arising from financing activities, to meet the disclosure requirements.

Particulars	As at 31.03.2021	Cash Flows	Non Cash Changes		As at 31.03.2022
			Foreign Exchange Movement, Amortised Cost & Other Adjustments	Current / Non Current classification	
Borrowings-Non Current	7,91,14.81	2,24,44.95	15,54.09	(1,92,94.33)	8,38,19.52
Borrowings-Current	10,69,62.60	6,08,30.66	(3,89.62)	1,92,94.33	18,66,97.97

Significant accounting policies and other accompanying notes (1 to 67) form an integral part of the standalone financial statements.

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 10, 2022

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Indranil Mitra
Company Secretary

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)



Notes to Standalone Financial Statements for the year ended March 31, 2022

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 and produces and supplies Pig Iron, in the process. It also produces Metallurgic Coke, Sinter, Cement, Ferro products and Power for captive consumption. The company caters to the needs of Water Infrastructure Development. 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, 2022 on May 10, 2022.

The National Company Law Tribunal (NCLT) of Judicature Cuttack Bench vide their order dated 09th December 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, pursuant to the provisions of section 230 to 232 and other provisions of the Companies Act, 2013 for the amalgamation of SPL with the Company with effect from the appointed date i.e. October 1, 2020. SPL has been engaged in the business of manufacture and supply of Ductile Iron (DI) Pipes and in process produces Pig Iron and Cement. It also produces Metallurgic Coke, Sinter, Ferro Alloys and Power for captive consumption. This financial statement has been prepared by amalgamating the performance of SPL w.e.f. 01.10.2020 by restating the previous year results of the Company for the year ended March 31, 2021. (refer note no. 63)

1A Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The spread of COVID-19 pandemic has severely impacted businesses around the globe, including India. The Company's operations and financial results in the initial two months of previous year were adversely impacted due to stoppage of operations due to outbreak of COVID-19 pandemic. Thereafter it took nearly another two months for attaining back full production level. In the current financial year various State Governments had imposed partial lock down, however, there was no significant impact on the functioning of the Company. The management has considered various internal and external sources of information up to the date of approval of the standalone financial statements by the Board of Directors in determining the impact of pandemic on the various elements of standalone financial statements. The management has also evaluated its liquidity position for the next financial year and used the principles of prudence in applying judgments, estimates & assumptions and based on the current estimates, it expects to fully recover the carrying amount of various non current & current assets. However considering the uncertainties involved, the eventual outcome of impact of the pandemic may be different from those estimated as on the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes in future economic conditions.

2A Recent Accounting Developments

2A.1 The amendments to Schedule III of the Companies Act 2013, are applicable to the Company with effect from April 01, 2021. The Company has given effect of the amendments by inclusion of the relevant disclosure by way of additional notes or explanatory notes where ever required.

On 23rd March 2022, The Ministry of Corporate Affairs has brought out certain amendments in Ind AS 103 "Business Combination", Ind AS 16 "Property Plant & Equipment" and Ind AS 37 "Provision, Contingent Liabilities and Contingent Assets". The Company is in the process of evaluating the impact of these amendments 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 the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period and certain class of Property, Plant and Equipment i.e. freehold land and building and Investment in Associates which as on the date of transition have been fair valued to be considered as deemed cost.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

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: Inputs are 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 values. 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 and comprises purchase price of assets or its construction cost including duties and taxes (net of recoverable taxes), inward freight and other expenses incidental to acquisition or installation and 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. For major projects, interest and other costs incurred on / related to borrowings to finance such projects or fixed assets during construction period and related pre-operative expenses are capitalized. 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-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss when incurred.

Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, construction and erection materials, advances etc. Such items 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 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are 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 respect of Plant and Equipments and Office Equipments at all location of the Company except Elavur Plant of the Company and on written down value method on all other assets including Plant and Equipments and Office Equipments at Elavur Plant. Further to respect to SPL, depreciation on PPE except as stated below, is provided as per schedule of Companies Act, 2013 on straight line method in respect of all its PPEs. Certain Plant and Equipment's 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 mother plant / fixed assets.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 *(Contd.)*

Leasehold Land held under finance lease including leasehold land are depreciated over their expected lease terms. No depreciation is charged on Freehold land. Assets costing rupees five thousand or less are being depreciated fully in the year of addition/acquisition.

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 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

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes (net of recoverable taxes) less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, 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.

Research cost are not capitalized and the related expenditure is recognized in the statement of profit and loss in the period in which the expenditure is incurred.

Depreciation methods, useful lives and residual values and are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible and Intangible assets

An item of PPE 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 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 Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

3.5 Leases

(i) Company as a lessee

The Company's lease asset classes primarily consist of leases for Land and Buildings. 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.

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. 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.

3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible 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



Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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.

3.7 Financial Assets and Financial Liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) 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 within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments 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 statement of profit and loss.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(vi) Equity Instruments measured at FVTOCI and FVTPL

Equity instruments which are, held for trading are classified as at FVTPL are measured at Fair Value as per Ind AS 109. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment.

(vii) Investment in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries or the loss of significant influence over associates, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

(viii) Derivative and Hedge Accounting

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, 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 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.

If the hedging instrument 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 till that time remains 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 Statement of profit and loss.

(ix) 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 measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument 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.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(x) Derecognition of financial instruments

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.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.



Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

(xi) 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 that are directly attributable to the issuance of the guarantee. 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.

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 represents prime cost, and includes appropriate portion of overheads.

Cost in respect of process stock represents, cost incurred up to the stage of completion.

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

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

Non monetary items which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate as at the date of transaction.

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 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are 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.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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 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.

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

Short Term Benefits

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

Other Long Term Employee Benefits

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

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.

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, a defined contribution plan is made in accordance with the company's policy and is recognised in the Statement of profit and loss.



Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

3.13 Revenue

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. 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.

3.14 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs 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 and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

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 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 or substantively 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

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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 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 reduced 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 reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments 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 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 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

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



Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher 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 change estimated in future periods.

4.2 Impairment on Investments in Subsidiaries, Associates and Joint Ventures

Investments in Subsidiaries, Associates and Joint Ventures are being carried at cost or deemed cost. The company has tested for impairment at year end based on the market value where the shares are quoted, P/E ratio of similar sector company along with premium/discount for nature of holding and Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

4.3 Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

4.4 Claims and Compensation

Claims including insurance claims / arbitration claim are accounted for on determination of certainty of realisation thereof. Compensation receivable against acquisition of 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.

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.

4.7 Defined benefit obligation (DBO)

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, 2022 (Contd.)

5. Property, Plant and Equipment :

(Amount 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	15,51,13.72	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

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Railway Siding	Live stock	Total
Gross Block									
As at April 1, 2020	11,99,63.35	1,33,82.75	4,83,04.80	2,38.78	10,48.16	4,36.31	33,63.20	1.11	18,67,38.46
Addition on account of merger as at October 01, 2020 (refer note no. 63)	3,51,50.37	90,53.55	6,50,37.32	1,72.93	4,59.78	3,12.80	–	–	11,01,86.75
Additions	–	13,92.38	70,25.94	53.82	57.50	59.95	–	–	85,89.59
Disposal/adjustments	–	–	(9,55.54)	(1,26.39)	(1,00.66)	1,57.20	–	–	(10,25.39)
As at March 31, 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
Accumulated Depreciation									
As at April 1, 2020	–	54,71.97	1,69,91.90	1,44.73	7,01.97	2,10.33	24,28.28	–	2,59,49.18
Addition on account of merger as at October 01, 2020 (refer note no. 63)	–	20,58.69	1,79,95.59	25.82	1,86.09	2,27.50	–	–	2,04,93.69
Charge for the period	–	9,89.38	58,29.39	22.18	1,39.81	82.65	4,79.69	–	75,43.10
Disposal/adjustments	–	–	(6,25.73)	(0.53)	(82.09)	(5.26)	–	–	(7,13.61)
As at March 31, 2021	–	85,20.04	4,01,91.15	1,92.20	9,45.78	5,15.22	29,07.97	–	5,32,72.36
Net carrying amount									
As at March 31, 2021	15,51,13.72	1,53,08.64	7,92,21.37	1,46.94	5,19.00	4,51.04	4,55.23	1.11	25,12,17.05

Notes :

- 5.1 Plant and Equipments of Rs. 4,08.22 lakhs (previous year Rs. 4,08.73 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) in respect of which the execution of conveyance deeds is pending. 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".
- 5.4 Freehold land also includes Rs. 18,89.04 lakhs (previous year Rs.18,89.04 lakhs), acquired through merger with Mahadev Vyapar Private Limited, the transfer of the same in the name of the Company is in process.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 *(Contd.)*

Freehold land also includes Rs.3,51,50.37 lakhs (previous year Rs.3,51,50.37 lakhs) acquired on account of merger with Srialahasthi Pipes Limited (SPL) and transfer of the same in the name of the Company is in process.

- 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 and are mortgaged in the favour of lender to Electrosteel Steels Limited, an erstwhile associate of the Company. (Also refer note no.8A.2)
- 5.6 The Company has not revalued its Property, Plant & Equipment, Right of Use Assets and Intangible Assets during the year.
- 5.7 The title deeds of immovable property are not held in the name of the Company in the following cases.

Details as on March 31, 2022

(Amount 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	Srialahasthi Pipes Limited	No	01/10/2020	#
Leasehold Land	3,60.15	Srialahasthi 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.

Details as on March 31, 2021

(Amount 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	Srialahasthi Pipes Limited	No	01/10/2020	#
Leasehold Land	3,72.03	Srialahasthi Pipes Limited	No	01/10/2020	#

Mahadev Vyapaar Pvt. Ltd. was merged with the Company in an earlier year. The transfer of the respective lands including of Srialahasthi Pipes Ltd. 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 Refer note no. 48 dealing with coal mine assets and note no. 49 in respect of Iron-ore and manganese ore mine.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

6. Other Intangible Assets

(Amount Rs. in lakhs)

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 Depreciation				
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

Particulars	Computer Softwares	Mining Rights	Right to Use under wagon investment scheme	Total
Gross Block				
As at April 1, 2020	3,56.60	8.13	8,65.14	12,29.87
Addition on account of merger as at October 01, 2020 (refer note no. 63)	2,07.40	–	–	2,07.40
Additions	31.82	–	–	31.82
Disposal	(32.87)	–	–	(32.87)
As at March 31, 2021	5,62.95	8.13	8,65.14	14,36.22
Accumulated Depreciation				
As at April 1, 2020	2,20.31	7.66	8,65.14	10,93.11
Addition on account of merger as at October 01, 2020 (refer note no. 63)	1,63.76	–	–	1,63.76
Charge for the year	36.27	0.47	–	36.74
Disposal	(30.78)	–	–	(30.78)
As at March 31, 2021	3,89.56	8.13	8,65.14	12,62.83
Net carrying amount				
As at March 31, 2021	1,73.39	–	–	1,73.39

Notes :

- 6.1 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 against priority over availability of the wagons for transportation as and when required.
- 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, 2022 *(Contd.)***7. Right of Use**

(Amount 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

(Amount Rs. in lakhs)

Particulars	Land	Building	Plant & Equipments	Total
Gross Carrying Amount				
As at April 1, 2020	19,50.40	6,91.06	–	26,41.46
Addition on account of merger as at October 01, 2020 (refer note no. 63)	1,09.26	1,45.44	21,59.86	24,14.56
Additions	22.32	2,13.84	–	2,36.16
Disposal/ Adjustment	–	–	–	–
As at March 31, 2021	20,81.98	10,50.34	21,59.86	52,92.18
Accumulated Depreciation				
As at April 1, 2020	1,44.47	1,38.21	–	2,82.68
Addition on account of merger as at October 01, 2020 (refer note no. 63)	5.25	1,28.63	2,59.18	3,93.06
Charge for the year	31.72	1,68.64	86.40	2,86.76
Disposal/ Adjustment	–	–	–	–
As at March 31, 2021	1,81.44	4,35.48	3,45.58	9,62.50
Net carrying amount				
As at March 31, 2021	19,00.54	6,14.86	18,14.28	43,29.68

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, 2022 (Contd.)

8. Investment in Subsidiaries, Associates and Joint Ventures

(Fully paid up except otherwise stated)

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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 (formerly Electrosteel Bahrain Holding S.P.C.Company) (Face value of BHD 100 each)	2500	4,14.83	2500	4,14.83
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 Pvt Ltd (Face value of Rs.10/- each) (Refer note no. 8.2)	8228053	8,22.81	8228053	8,22.81
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				
#Towards 100% Capital Contribution		63,68.05		63,68.05
Aggregate amount of Unquoted Investments		63,68.05		63,68.05
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. 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 the earlier years. The other venturers since not providing the financial statements of DPL, and thereby necessary disclosures 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, Adhunik Alloys & Power Limited (AAP), Jharkhand Ispat Pvt. Ltd. (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.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 *(Contd.)*

(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 and deduction of Bank Guarantee of Rs.56,03.00 lakhs issued for the same. The Company's share in the Bank Guarantee is Rs.27,45.00 lakhs. On a writ petition filed by the Company for quashing the order, stay in the matter together with encashment of bank guarantee has been granted by the Hon'ble High Court of Jharkhand. The Company has also 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 the previous year. During the year the above bank guarantee has been released.

8.3 Particulars of investments as required in terms of section 186(4) of the Companies Act, 2013 have been disclosed under note 8, 8A & 13.

8.4 **Details of Subsidiaries 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, 2022	At at March 31, 2021
Subsidiary			
Electrosteel Europe SA	France	100.00%	100.00%
Electrosteel Algeria 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 L.L.C	Qatar	97.00%	97.00%
Electrosteel Brasil LTDA. Tubos e Conexoes Duteis	Brazil	100.00%	100.00%
Electrosteel Baharain Holding WLL (formerly Electrosteel Baharain Holding S.P.C. Company)	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, 2022 (Contd.)

8A. Non Current Investment

(Fully paid up except otherwise stated)

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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 Ltd. (Face value of SGD 1 each)	25000	20.92	25000	21.25
N Marshall Hi-tech Engineers Pvt. Ltd. (Face value of Rs.10/- each)	50000	8.86	50000	8.58
Electrosteel Steels Ltd. (Face value Rs. 10/-each) (Refer note no. 8A.1 and 8A.2)	19796000	94,76.34	21796000	45,42.29
		95,06.13		45,72.13
		95,06.13		45,72.13
Investments in Preference Shares				
Mukand Limited (0.01% Cumulative Redeemable Preference Shares face value of Rs. 10/-each)*	–	–	16	0.00
		–		–
Total - Non-Current Investments		95,06.13		45,72.13
Aggregate amount of Quoted Investments		–		–
Aggregate amount of Market value of Quoted Investments		–		–
Aggregate amount of Unquoted Investments		95,06.13		45,72.13
Aggregate amount of Impairment in value of Investments		–		–

*figures below rounding off limit

8A.1 The company has fair valued the equity shares of Electrosteel Steels Limited (ESL) based on the fair valuation report obtained and a gain of Rs. 53,50.86 lakhs has been accounted for in Other Comprehensive Income.

8A.2 17334999 equity shares (previous year 17334999) of Rs 10/- each fully paid up of Electrosteel Steels Limited (ESL) have been pledged in favour of lenders of Electrosteel Steels Limited for securing financial assistance to ESL.

Further the notices issued by the consortium of lenders of ESL for invocation of pledge of company's investment of 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 82,98.26 lakhs was set aside by the Hon'ble High Court at Calcutta. The plea of the Company for release of the pledge is pending before the Hon'ble Court.

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 Nadu, were mortgaged to a lender (SREI Infrastructure Finance Limited) of ESL and the lender 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. Further in an earlier year, the ARC had taken the symbolic possession of such land against their alleged claim against the Company as per the notice issued under SARFESI Act. The Company had disputed the assignment of the loan by the lender at 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 SARFESI action and release of the title deeds. The DRT vide its order dated April 8, 2022 uploaded on the website on April 27, 2022 had dismissed the application of the Company. The Company has filed the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT and the matter is pending before DRAT. The ARC has also filed an application before the National Company Law Tribunal (NCLT), Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) against the Company and the matter is pending before the NCLT, Cuttack. Pending finalization of the matter, these assets have been carried forward at their carrying book value.

8A.3 The Company has made an irrevocable decision to consider investment in equity instruments, other than in Subsidiaries and Joint ventures not held for trading to be recognized at FVTOCI.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 *(Contd.)***Non Current Assets****9. Other Financial Assets**

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Fixed Deposit with Banks (having maturity of more than 1 year from Balance Sheet date)	9.1	1,42.64	52,32.73
Security Deposits	9.3, 29.1, 55	41,13.38	25,99.47
Security Deposits - credit impaired	9.2	60.68	69.18
Less : Provision		(60.68)	(69.18)
		—	—
		42,56.02	78,32.20

9.1 Fixed Deposits with banks include Rs. 1,42.64 lakhs (previous year Rs. 25,52.73 lakhs) which have been pledged with banks/customer against margin/security deposit with them.

9.2 Movement of Provision

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	69.18	—
Recognised during the year	—	69.18
Reversal during the year	(8.50)	—
Balance at the end of the year	60.68	69.18

9.3 Security deposits includes Rs 5,02.23 lakhs (previous year Rs. 5,02.23 lakhs) with the related parties. It also includes Rs. 13,95.31 lakhs (previous year Rs. 5,61.22 lakhs) lying with customer in terms of agreement/order towards supplies of goods.

10. Non-Current Tax Assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current Tax Assets (net)	14,43.89	17,46.88
	14,43.89	17,46.88

11. Other Non-Current Assets

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Capital Advances		7,02.48	3,84.71
Prepaid expenses		2,31.12	3,14.23
Others	11.1	4.22	6.22
		9,37.82	7,05.16

11.1 Represents loans and advance to employees amounting to Rs. 4.22 lakhs (previous year Rs. 6.22 lakhs).

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

12. Inventories (At lower of cost or Net Realisable Value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	9,75,53.98	5,43,42.14
Raw materials in transit	1,91,10.19	46,24.32
Process stock	2,11,98.90	1,14,41.23
Finished goods	2,78,84.70	1,31,39.22
[including in transit Rs. 27,53.82 lakhs (previous year Rs. 26,09.16 lakhs)]		
Stock-in-trade (in respect of goods acquired for trading)	14.60	14.69
Stores and spares	1,75,10.90	1,28,98.10
[net of provision for obsolescence of Rs. 2,42.40 lakhs (previous year Nil)]		
Stores and spares in transit	84.76	63.39
	18,33,58.03	9,65,23.09

12.1. Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

13. Current Investment

(Fully paid up except otherwise stated)

At Fair Value through Profit and Loss	Face Value (Rs.)	As at March 31, 2022		As at March 31, 2021	
		Holding (Nos.)	Amount	Holding (Nos.)	Amount
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	–	–
			2,41,70.55		–
Investment in Mutual Funds (unquoted)					
Aditya Birla Sunlife Savings Fund – Growth – Direct Plan	100	–	–	705044	30,09.38
Aditya Birla Sunlife Liquid Fund – Growth – Direct Plan (Formerly known as Aditya Birla Sun Life Cash Plus)	100	–	–	301646	10,00.06
Aditya Birla Sunlife Overnight Fund – Growth – Direct Plan	1000	–	–	44932	5,00.07
LGRD – Union Liquid Fund – Growth – Direct Plan	1000	–	–	242423	48,04.97
MDRG – Union Medium Duration Fund – Regular Plan – Growth	10	–	–	9999500	10,20.40
ICICI MF Overnight Fund – Regular Plan – Growth	100	–	–	46990	5,00.06
LIC MF Ultra Short Term Fund – Regular Plan– Growth	1000	–	–	361666	38,18.36
LIC MF Liquid Fund – Direct Plan – Growth	1000	310394	1,20,02.32	–	–
			1,20,02.32		1,46,53.30
Investment in Alternative Investments Funds (AIF) (Unquoted)					
Alpha Alternatives Multi Strategy Absolute Return Scheme (Class I– Feb' 21)	1000	–	–	99995	10,07.29
			–		10,07.29
			–		–
Total – Current Investments			3,61,72.87		1,56,60.59
Aggregate amount of Quoted Investments and market value thereof					
– In Bonds			2,41,70.55		–
			2,41,70.55		–
Aggregate amount of Unquoted Investments					
– In Mutual Funds			1,20,02.32		1,46,53.30
– In AIF			–		10,07.29
			1,20,02.32		1,56,60.59

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

14. Trade Receivables

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Trade Receivables considered good - Secured		4,83,26.08	3,64,22.47
Trade Receivables considered good -Unsecured		5,60,05.63	3,65,27.25
Trade Receivables which have significant increase in Credit Risk		–	–
Trade Receivables - credit impaired		3.79	66.70
Less: Credit loss allowances on Trade Receivable	14.2	(1,46.71)	(66.70)
		10,41,88.79	7,29,49.72

TRADE RECEIVABLE as on 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	1,46.71
Total	7,44,66.07	2,91,93.25	1,61.00	3,34.62	33.85	–	10,41,88.79

TRADE RECEIVABLE as on March 31, 2021

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	5,51,97.79	1,69,71.84	3,63.95	1,81.64	1,40.19	–	7,28,55.41
(ii) Which has significant increase in credit risk	–	–	–	–	–	–	–
(iii) Credit Impaired	–	–	–	–	26.33	40.37	66.70
Disputed Trade Receivable							
(i) Considered Good	–	–	1.80	19.32	2.81	70.38	94.31
(ii) Which has significant increase in credit risk	–	–	–	–	–	–	–
(iii) Credit Impaired	–	–	–	–	–	–	–
Total	5,51,97.79	1,69,71.84	3,65.75	2,00.96	1,69.33	1,10.75	7,30,16.42
Less: Credit loss allowances on Trade Receivable	–	–	–	–	26.33	40.37	66.70
Total	5,51,97.79	1,69,71.84	3,65.75	2,00.96	1,43.00	70.38	7,29,49.72

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

14.1 Ageing of Trade Receivable :

Particulars	As at March 31, 2022	As at March 31, 2021
Within the credit period	7,44,66.07	5,51,97.79
1-180 days past due	2,91,96.97	1,69,71.84
More than 180 days past due	6,72.46	8,46.79
Less: Credit loss allowances on Trade Receivable	(1,46.71)	(66.70)
Total	10,41,88.79	7,29,49.72
Current Trade Receivable	10,41,88.79	7,29,49.72
Non Current Trade Receivable	–	–
Total	10,41,88.79	7,29,49.72

14.2 Movement of Credit loss allowances on Trade Receivable

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	66.70	74.00
Recognised during the year	1,05.98	19.66
Reversal during the year	(25.97)	(26.96)
Balance at the end of the year	1,46.71	66.70

14.3 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.

14.4 There are no unbilled receivable as on March 31, 2022 and March 31, 2021.

14.5 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.

14.6 Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

14.7 Refer note no. 55 for balances with related parties.

15. Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current and cash credit accounts	92,06.03	63,20.78
Fixed Deposits with Banks (having original maturity of less than 3 months)	60,00.00	90,00.00
Cash on hand	8.31	7.97
	1,52,14.34	1,53,28.75

15.1 Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

16. Bank Balances Other than Cash and Cash Equivalents

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Other balance with banks			
In Fixed Deposit Escrow account	25.1	5,36.93	5,36.93
In dividend accounts		1,55.51	1,71.71
Fixed deposits with Banks (having original maturity of more than 3 months and less than 12 months)	16.1 & 16.2	2,98,11.66	2,90,39.65
		3,05,04.10	2,97,48.29

16.1 Fixed Deposits with banks include fixed deposit of Rs. 1,59,88.39 lakhs (previous year Rs. 47,04.63 lakhs) which have been pledged with banks against banking facility given by them. Further fixed deposit includes Rs. 42.66 lakhs (previous year Rs. 1,15.76 lakhs) lying with customer against deposit for supplies of materials.

16.2 Fixed Deposit with bank includes fixed deposit of Rs. 7,41.84 lakhs (previous year Rs. 1,78.00 lakhs) lying as per the DSRA in terms of facilities granted by them.

16.3 Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.



Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

17. Loans

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Loan Receivables Considered Good- Secured		–	–
Loan Receivables Considered Good- Unsecured			
Inter corporate deposits	17.1	53,08.00	17,30.00
		53,08.00	17,30.00
Loan Receivables which have significant increase in Credit Risk		–	–
Loan Receivables - Credit impaired			
Loans and Advances to related party	55	7,00.00	7,00.00
		7,00.00	7,00.00
Less: Impairment Allowances	8.1 and 17.2	7,00.00	7,00.00
		–	–
		53,08.00	17,30.00

17.1 Disclosure of Inter Corporate Loans as per Sec 186(4) of the Companies Act 2013 are as follows :

Particulars of Loans Given	Rate of Interest	Amount Outstanding as at March 31, 2022	Maximum Amount Outstanding during the year ended March 31, 2022	Amount Outstanding at the year end March 31, 2021	Maximum Amount Outstanding during the year ended March 31, 2021
SANGHAI COMMERCIAL & CREDITS PVT LTD	7% to 10%	3,08.00	1,67,30.00	17,30.00	46,65.00
TETRON COMMERCIAL LIMITED	7%	20,00.00	20,00.00	–	–
RASHMI PROPERTIES AND INVESTMENTS LTD	7%	20,00.00	20,00.00	–	–
NOUVEAU METAL INDUSTRIES LTD	7%	10,00.00	10,00.00	–	–
Total		53,08.00	2,17,30.00	17,30.00	46,65.00

17.1.1 All the above Inter Corporate Loans have been given for general corporate purposes.

17.2 Movement of Allowances for doubtful advances.

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	7,00.00	7,10.62
Recognised during the year	–	–
Reversal during the year	–	(10.62)
Balance at the end of the year	7,00.00	7,00.00

17.3 Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

18. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Security Deposits			
- Considered Good	18.1	1,75.92	14,24.20
- Considered Doubtful		1,69.52	6.75
- Less: Impairment Allowances	18.2	(1,69.52)	(6.75)
Interest receivable		4,68.17	5,32.42
Claim receivable against coal block	48	93,16.85	93,16.85
Claim receivable against railway siding	50	–	17,78.11
Derivative Assets at fair value through profit or loss		7,02.31	4,11.28
Export incentive receivable		5,81.02	14,22.82
Incentive/Subsidy/Cess receivable		61,21.83	63,24.61
Others		90.77	20.50
		1,74,56.87	2,12,30.79

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

18.1 Include Rs. 94.68 lakhs (previous year Rs. 12,41.73 lakhs) lying with customer as security deposit in terms of agreement/order towards supplies of goods.

18.2 Movement of Allowances of Security Deposit

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	6.75	–
Recognised during the year	1,62.77	6.75
Reversal during the year	–	–
Balance at the end of the year	1,69.52	6.75

18.3 Refer note no.29.1 to Financial Statements in respect of charge created against borrowings.

19. Other Current Assets

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Advances for supply of goods and rendering of services			
- Considered Good		80,24.13	72,43.87
- Considered Doubtful	19.1	54.12	80.14
- Less: Impairment Allowances for doubtful advances		(54.12)	(80.14)
Loans and advances to employees		73.10	85.04
Balance with Government authorities	19.2	70,14.79	27,91.52
Prepaid expenses		4,02.18	4,83.87
		1,55,14.20	1,06,04.30

19.1 Movement of Allowances for doubtful advances

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	80.14	47.03
Recognised during the year	9.69	42.42
Reversal during the year	(35.71)	(9.31)
Balance at the end of the year	54.12	80.14

19.2 Balance with Government authorities includes a sum of Rs. 13,05.87 lakhs (previous year Rs. 13,07.19 lakhs) on account of Cenvat/Services tax input credit, refund of which has been rejected by the department. The company has filed its appeal before the appellate authority and is confident of recovery of the same.

19.3 Refer note no. 29.1 to Financial Statements in respect of charge created against borrowings.

20. Assets classified as held for disposal

Particulars	As at March 31, 2022	As at March 31, 2021
Assets classified as held for disposal (at fair value)	7,72.50	–
	7,72.50	–

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

21. Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Equity shares, Re. 1/- par value 103020000 (previous year 103020000) equity shares (addition of 530000000 no. equity shares in pursuant of scheme of amalgamation.) (refer note no. 63)	1,03,02.00	1,03,02.00
Issued, Subscribed and Paid-up Equity shares, Re. 1/- par value 594605247 (previous year 432954709) equity shares fully paid up	59,46.05	43,29.55
	59,46.05	43,29.55

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 year 161650538 equity shares of Re.1 each has been issued pursuant to the scheme of amalgamation. (Refer Note no.63)

21.3 Reconciliation of the number of equity shares outstandings : (No. of shares)

Particulars	As at March 31, 2022	As at March 31, 2021
Number of shares at the beginning	432954709	432954709
Add: Addition during the year in view of amalgamation	161650538	–
Number of shares at the end	594605247	432954709

21.4 Shareholders holding more than 5% equity shares (No. of Shares)

Name of shareholders	As at March 31, 2022	As at March 31, 2021
G. K. & Sons Private Ltd.	50656655	47074593
Electrocast Sales India Ltd.	41135158	41135158
Murari Investment & Trading Company Ltd.	39459399	33203127
Asha Kejriwal-Trustee of Sreeji Family Benefit Trust/Mayank Kejriwal -Trustee of Sreeji Family Benefit Trust	35027053	35027053
G.K.Investments Ltd.	29815483	24114560
Belgrave Investment Fund	–	22777010
Uttam Commercial Company Ltd.	–	22631774

21.5 Details of shareholdings by the Promoters of the Company.

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	4016568
2	UDDHAV KEJRIWAL	3239540	0.54	3239540	0.75	–
	TOTAL	9445009	1.58	5428441	1.26	4016568

21A. Equity Share Suspense

Particulars	As at March 31, 2022	As at March 31, 2021
Equity Share Suspense	–	16,16.50

Equity share suspense represents Nil (161650538 equity shares) of Re.1 each to be issued pursuant to the scheme of amalgamation upon completion of necessary formalities. (Refer note no.63)

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

22. Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	41,48.28	41,48.28
Capital Reserve on Amalgamation	(4,40,25.80)	(4,40,25.80)
Securities Premium	10,77,71.07	10,77,71.07
General Reserve	14,85,07.51	14,85,07.51
Retained Earnings	16,96,18.86	13,96,17.82
Other Comprehensive Income		
Equity instrument through other comprehensive income	70,03.14	18,19.13
Re-measurement of defined benefit plans	(2,26.34)	(95.93)
	39,27,96.72	35,77,42.08

22.1 Refer Statement of changes in Equity for movement in balances of reserves.

22.2 Capital Reserve

The reserve was created mainly on account of forfeiture of warrants convertible into equity shares.

22.3 Capital Reserve on Amalgamation

The reserve was created on account of merger of Mahadev Vyapaar Private Limited and Srikalahasti Pipes Limited.

22.4 Securities Premium

Securities Premium 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.

22.5 General Reserve

The reserve arises on transfer of portion of the net profit pursuant to the provisions of Companies Act.

22.6 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company. This includes Rs. 11,14,18.86 lakhs (previous year Rs. 10,60,81.92 lakhs) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipments and Investment in associates being measured at fair value as on the date of transition as deemed cost.

22.7 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

- 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 the revaluation of equity instruments measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
- The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI.

ii) Items that will be reclassified to profit and loss.

- 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.

22.8 The Board of Directors at its meeting held on May 10, 2022 recommended a final dividend of Re. 0.80 per equity share of face value of Re. 1 each for the financial year ended March 31, 2022. The total equity dividend as proposed by the Board amounts to Rs.47,56.84 lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

23. Borrowings

Particulars	Ref. note no.	As at March 31, 2022		As at March 31, 2021	
		Non Current	Current	Non Current	Current
SECURED BORROWINGS					
Term loan from banks					
Rupee Loan	23.1.1 - 23.1.17	7,44,30.32	1,74,44.33	6,78,32.28	1,16,77.71
Term loan from a financial institution	23.2.1 - 23.2.3	93,89.20	18,50.00	92,12.53	15,83.33
		8,38,19.52	1,92,94.33	7,70,44.81	1,32,61.04
UNSECURED BORROWINGS					
Term loan from banks	23.3.1 - 23.3.3	–	–	20,70.00	31,26.48
		–	–	20,70.00	31,26.48
		8,38,19.52	1,92,94.33	7,91,14.81	1,63,87.52

- 23.1.1 Rupee Term Loan of Rs. 1,10,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 21,61.18 lakhs (previous year Rs. 38,59.57 lakhs). The balance loan is repayable in 5 equal quarterly instalments starting from June 2022. The interest rate ranges from 6.60% p.a to 8.85% p.a. This loan was initially drawn as FCNR Loan which was converted in to Rupee Term Loan in December, 2018.
- 23.1.2 Rupee Term Loan of Rs. 50,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 15,60.06 lakhs (previous year Rs. 23,16.98 lakhs). The balance loan is repayable in 8 equal quarterly instalments starting from April 2022. The interest rate ranges from 6.60% p.a to 9.90% p.a.
- 23.1.3 Rupee Term Loan of Rs. 1,50,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 1,02,34.39 lakhs (previous year Rs. 1,21,21.11 lakhs). The balance loan is repayable in 15 structured quarterly instalments starting from June 2022. The interest rate ranges from 6.60% p.a to 9.15% p.a.
- 23.1.4 Rupee Term Loan of Rs. 50,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 40,30.87 lakhs (previous year Rs. 45,11.13 lakhs). The balance loan is repayable in 18 structured quarterly instalments starting from April 2022. The interest rate ranges from 6.60% p.a to 8.85% p.a.
- 23.1.5 Rupee Term Loan of Rs. 4,00,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 64,39.18 lakhs (previous year Rs. 2,23,33.34 lakhs). The balance loan is repayable in 30 structured quarterly installments starting from June 2022. The interest rate ranges from 7.80% p.a to 11.40% p.a.
- 23.1.6 Rupee Term Loan of Rs. 60,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi works. The outstanding as on March 31, 2022 is Rs. 53,05.32 lakhs (previous year Rs. 55,14.26 lakhs). The balance loan is repayable in 55 structured monthly instalments starting from April 2022. The interest rate ranges from 7.75% p.a to 9.15 % p.a.
- 23.1.7 Rupee Term Loan of Rs. 75,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 70,10.16 lakhs (previous year Rs. 68,68.54 lakhs). The balance loan is repayable in 18 structured quarterly instalments starting from September 2022. The interest rate ranges from 7.75% p.a to 9.30% p.a.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

- 23.1.8 Rupee Term Loan of Rs. 50,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 48,19.22 lakhs (previous year Rs. 47,42.02 lakhs). The balance loan is repayable in 16 equal quarterly instalments starting from May 2022. The interest rate ranges from 9.20% p.a. to 9.70% p.a.
- 23.1.9 Rupee Term Loan of Rs. 11,00.00 lakhs from bank is secured by way of first pari passu charge over Current Assets of the company. The outstanding as on March 31, 2022 is Rs. 1,92.50 lakhs (previous year Rs. 9,25.87 lakhs). The balance loan is repayable in 3 monthly instalments starting from April 2022. The interest rate ranges from 7.80% p.a. to 8.25% p.a.
- 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 55,68.10 lakhs (previous year Nil). The balance loan is repayable in 17 equal quarterly instalments starting from June 2022. The interest rate ranges from 6.50% p.a. to 7.50% p.a.
- 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 59,94.85 lakhs (previous year Nil). The balance loan is repayable in 20 equal quarterly instalments starting from December 2022. The interest rate ranges from 8.00% p.a. to 9.00% p.a.
- 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 72,19.89 lakhs (previous year Nil). The balance loan is repayable in 19 structured quarterly instalments starting from May 2022. The interest rate ranges from 7.50% p.a. to 8.00% p.a.
- 23.1.13 Rupee Term Loan of Rs. 75,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs. 29,92.00 lakhs (previous year Rs. 52,32.61 lakhs). The balance loan is repayable in 8 equal quarterly instalments starting from December 2022. The interest rate ranges from 7.50% p.a. to 8.25% p.a.
- 23.1.14 Rupee Term Loan of Rs. 100,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs.49,71.00 lakhs (previous year Rs. 69,43.79 lakhs). The balance loan is repayable in 10 equal quarterly instalments starting from June 2022. The interest rate ranges from 7.25% p.a. to 8.40% p.a.
- 23.1.15 Rupee Term Loan of Rs. 145,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs. 24,82.02 lakhs (previous year Nil). The balance loan is repayable in 32 structured instalments starting from May 2022. The interest rate ranges from 6.25% p.a. to 6.40% p.a.
- 23.1.16 Rupee Term Loan of Rs. 2,00,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs. 1,93,98.91 lakhs (previous year Rs. 41,40.77 lakhs). The balance loan is repayable in 70 monthly instalments starting from April 2022. The interest rate ranges from 5.75% p.a. to 9.45% p.a.
- 23.1.17 Rupee Term Loan of Rs. 15,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs. 14,95.00 lakhs (previous year Nil). The balance loan is repayable in 19 equal quarterly instalments starting from May 2022. The interest rate ranges from 7.00% p.a. to 7.50% p.a.
- 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, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2022 is Nil (previous year Rs. 14,57.42 lakhs). The loan has been fully repaid in the month of April 2021.
- 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)

Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 87,50.02 lakhs (previous year Rs. 93,38.44 lakhs). The balance loan is repayable in 21 structured quarterly instalments starting from June 2022. The interest rate ranges from 8.75% p.a to 10.00% p.a.

- 23.2.3 Rupee Term Loan of Rs. 25,00.00 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, Vadgaon (Pune), Freehold Land at Haldia & all immovable and movable Property, Plant and Equipment and other intangible assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 24,89.17 lakhs (previous year Nil). The balance loan is repayable in 24 structured quarterly instalments starting from June 2022. The interest rate ranges from 8.00% p.a to 9.00% p.a.
- 23.3.1 Term Loan of Rs. 33,00.00 lakhs is from a Bank. The outstanding as on March 31, 2022, is Nil (previous year Rs. 8,61.48 lakhs). The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 23.3.2 Term Loan of Rs. 41,00.00 lakhs is from a Bank. The outstanding as on March 31, 2022 is Nil (previous year Rs. 24,60.00 lakhs). The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 23.3.3 Term Loan of Rs. 25,00.00 lakhs is from a Bank. The outstanding as on March 31, 2022, is Nil (previous year Rs. 18,75.00 lakhs). The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 23.4 The outstanding balances disclosed in note 23.1 to 23.3 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

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Non-Current	7, 24.1 & 43.4.2	17,93.76	23,06.04
Current	7, 24.1 & 43.4.2	5,63.58	4,05.12
		23,57.34	27,11.16

- 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

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	47	35,97.21	31,00.47
Provision for mine closure and restoration charges	25.1	5,59.98	5,59.98
		41,57.19	36,60.45

- 25.1 Provision for Mines closure and restoration charges are made in terms of statutory obligations specified for the purpose and 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 has been considered necessary. (Refer note no. 16 and 48)
- 25.2 Movement in Mine closure and Restoration Obligation provision are provided below :

Particulars	(Amount Rs. in lakhs)
As at March 31, 2020	5,59.98
Provision during the year	–
As at April 1, 2021	5,59.98
Provision during the year	–
As at March 31, 2022	5,59.98

Particulars	As at March 31, 2022	As at March 31, 2021
Current	–	–
Non current	5,59.98	5,59.98

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

26. Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax Assets	(44,05.08)	(44,30.25)
Deferred tax Liabilities	4,00,37.82	4,12,43.07
Net Deferred Tax (Assets)/Liabilities	3,56,32.74	3,68,12.82

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2022 are given below:

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)
Carried forward 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	(3,91.70)	–	(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

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2021 are given below:

Particulars	As at April 1, 2020	On account of Merger of SPL (Refer Note no. 63)	Charge/ (Credit) recognised in Profit or Loss	Charge/ (Credit) recognised in Other Comprehensive Income	As at March 31, 2021
Deferred Tax Assets:					
Fair valuation of Financial Assets	(4,60.05)	–	6.40	–	(4,53.65)
Merger expenses allowable u/s 35DD of the Income Tax Act, 1961	–	–	(85.91)	–	(85.91)
Provision for Other Items u/s 43B of Income Tax Act, 1961	(24,18.92)	–	(3,42.19)	–	(27,61.11)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(5,49.91)	–	27.37	–	(5,22.54)
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(2,36.39)	–	46.71	–	(1,89.68)
Derivative instruments designated at fair value through P&L	56.01	(1,38.30)	90.83	–	8.54
Remeasurement of defined benefit obligations through OCI	(26.41)	(3,77.80)	(16.34)	28.85	(3,91.70)
Share issue expenses	–	(48.28)	14.08	–	(34.20)
Total Deferred Tax Assets	(36,35.67)	(5,64.38)	(2,59.05)	28.85	(44,30.25)
Deferred Tax Liabilities:					
Fair valuation of Financial Liabilities	13,86.26	–	(1,18.53)	–	12,67.73
Temporary difference with respect to Property, Plant & Equipment, Intangibles & ROU Assets	2,64,99.63	1,36,96.15	(2,39.69)	–	3,99,56.09
Investments designated at fair value through OCI	6.55	–	3.27	9.43	19.25
Total Deferred Tax Liabilities	2,78,92.44	1,36,96.15	(3,54.95)	9.43	4,12,43.07
NET DEFERRED TAX (ASSETS)/ LIABILITIES	2,42,56.77	1,31,31.77	(6,14.00)	38.28	3,68,12.82

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 *(Contd.)***27. Other Non-Current Liabilities**

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Contract Liability	27.1	30,31.97	42,99.96
Deferred Income	27.2	3,46.16	3,71.80
Others		82.62	77.09
		34,60.75	47,48.85

27.1 Contract liability amounting to Rs. 30,12.25 lakhs (previous year Rs. 42,78.22 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.

27.2 Deferred Income Comprises of Government Grants/Assistance in form of:

Particulars	Opening as on 01.04.2021 (including Current portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing as on 31.03.2022 (including Current portion)
a) Financial Assistance under Industrial Infrastructure Development Fund (IIDF) towards Capital expenditure incurred for manufacturing DI Pipes to be used for transportation of Waste water and for installation of treatment plant for recycling the sewage water for industrial requirement of Tirupati Municipal Corporation as specified in Industrial Investment Promotion Policy 2005-2010 and 2010-2015. The assistance capitalised as cost of PPE with corresponding credit to deferred income has been transferred to Statement of Profit and Loss proportionately based on useful lives of respective property, plant and equipment.	3,97.44	–	25.64	3,71.80

28. Non Current Tax Liabilities (Net)

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Provision for taxation (net of advance tax)	28.1	62,15.64	63,60.02
		62,15.64	63,60.02

28.1 Includes Rs. 15,42.98 lakhs (net) [previous year Rs. 15,42.98 lakhs (net)] being interest received pertaining to Assessment Years 2003-04 to 2011-12 and AY 2014-15 & AY 2015-16 as the Income Tax Department has filed an appeal before the Calcutta High Court / Income Tax Appellate Tribunal, Kolkata against the order of the Income Tax Appellate Tribunal, Kolkata / Commissioner of Income Tax (Appeals) and the said appeals are pending.

Further includes Rs. 97.55 lakhs (net) [previous year Rs. 97.55 lakhs (net)] being interest received pertaining to Assessment Year 2012-13 and Assessment Year 2013-14. The Income Tax Appellate Tribunal, Kolkata has dismissed the Income Tax Department's appeal. However, going by the past precedent the Income Tax Department may file an appeal before the Calcutta High Court. However, till date the intimation of filing the appeal before the Calcutta High Court by the Income Tax Department has not been received by us.

28.2 The Company doesn't have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the Income Tax Assessment under the Income Tax Act 1961 (such as, search or survey or any other relevant provision of the Income Tax Act 1961).

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

29. Borrowings

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Current Maturities of Long Term Debt	23	1,92,94.33	1,63,87.52
SECURED			
Repayable on demand from banks	29.1		
Indian Currency		7,02,62.79	3,26,81.13
Foreign Currency		1,11,12.75	69,77.95
Suppliers Credit		7,15,62.96	2,93,84.93
		15,29,38.50	6,90,44.01
UNSECURED			
Repayable on demand from banks			
Indian Currency		1,44,65.14	1,88,31.07
		1,44,65.14	1,88,31.07
From Body Corporates		–	27,00.00
		1,44,65.14	2,15,31.07
		18,66,97.97	10,69,62.60

- 29.1 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non fund based) are secured by first pari passu charge by way of hypothecation of raw materials, finished goods, work in progress, consumable stores and spares, book debts/receivables and other current and non current 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 books of accounts. Further Company shall file the quarterly return or statement for quarter ended March 22 after May 10, 2022.

30. Trade Payables

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Payable for Goods and Services			
Total Outstanding dues of micro enterprises and small enterprises	30.1	26,63.11	26,60.59
Total Outstanding dues of creditors other than micro enterprises and small enterprises	30.3	5,33,69.38	3,73,98.34
		5,60,32.49	4,00,58.93

Trade Payables ageing schedule as on March 31, 2022

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
(i) MSME	–	21,45.61	5,06.42	0.29	0.32	10.47	26,63.11
(ii) Others	9,13.17	1,48,26.13	3,31,65.70	11,10.52	5,19.38	18,48.73	5,23,83.63
(iii) Disputed due - MSMEs	–	–	–	–	–	–	–
(iv) Disputed due - Others	–	–	8,48.52	–	–	1,37.23	9,85.75

Trade Payables ageing schedule as on March 31, 2021

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
(i) MSME	–	7,50.95	18,94.15	0.02	10.47	5.00	26,60.59
(ii) Others	14,85.71	2,05,04.34	1,13,20.01	9,17.03	14,39.17	7,28.23	3,63,94.49
(iii) Disputed due - MSMEs	–	–	–	–	–	–	–
(iv) Disputed due - Others	–	–	8,48.52	–	–	1,55.33	10,03.85

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)

- 30.1 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.

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Principal & Interest amount remaining unpaid but not due as at year end	26,63.11	26,60.59
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	8.65	0.08
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 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. 20,57.09 lakhs (previous year Rs. 65,42.27 lakhs).

31. Other Financial Liabilities

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	31.1	4,13.73	5,53.84
Employee related liability		25,57.39	30,51.20
Unclaimed dividends		1,55.51	1,71.71
Capital vendors		3,88.34	32,77.79
Others		2,31.27	8,93.51
		37,46.24	79,48.05

- 31.1 The same is not due for deposit to Investor Education and Protection Fund at the Balance Sheet date.

32. Other Current Liabilities

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Contract Liability	32.1 & 55		
From related parties		15,31.61	–
Others		2,47,48.71	75,87.26
Statutory Payables		1,13,05.07	1,15,38.33
Deferred Income	27.2	25.64	25.64
Others	32.2	3,04.67	3,11.21
		3,79,15.70	1,94,62.44

- 32.1 Contract liability includes Rs.8,99.32 lakhs (previous year Rs. 5,58.70 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 on Power Rs.2,64.07 lakhs (previous year Rs. 2,64.07 lakhs).

33. Provisions

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	47	14,26.59	13,61.68
		14,26.59	13,61.68

34. Current tax liabilities (Net)

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities (Net)	3,44.55	6,56.24
	3,44.55	6,56.24

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

35. Revenue from Operations

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	49,98,64.43	30,51,80.31
Sale of services	–	56.91
Other operating revenues		
Incentive / Subsidy	15,34.05	23,14.43
Others	84.29	19.03
	50,14,82.77	30,75,70.68

35.1 Revenue from Contracts with Customer (additional disclosures under Ind AS 115)

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of products (Transferred at point in time)		
Manufacturing		
Ductile Iron pipes	35,24,30.89	20,87,15.04
Ferro Products	3,01,54.65	1,04,07.67
Ductile Iron fittings	2,46,22.62	2,08,82.44
Cast Iron pipes	1,16,49.35	1,87,70.64
Cement	19,67.42	9,01.51
Others	7,90,10.12	4,20,21.70
Trading		
Coke and Coal	–	31,25.05
Ductile Iron pipes	5.01	2,77.05
Ductile Iron Fittings	24.37	1,36.12
Other operating revenues		
Incentive / Subsidy	15,34.05	23,14.43
Others	84.29	19.03
	50,14,82.77	30,75,70.68
B. Revenue from contracts with customers disaggregated based on geography#		
Within India	38,30,67.05	22,47,79.08
Outside India	11,67,97.38	8,04,58.14
	49,98,64.43	30,52,37.22
C. Revenue from contracts with customers disaggregated based on type of customer		
Government	2,95,09.83	2,52,70.06
Non Government	47,03,54.60	27,99,67.16
	49,98,64.43	30,52,37.22
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	49,98,55.28	30,52,84.32
Adjustments made to contract price on account of:		
a) Price Adjustments	9.15	47.10
	49,98,64.43	30,52,37.22

refer note no. 62

- (i) The amounts receivable from customers become due after the expiry of credit period which on an average is ranging between 90 to 270 days.
- (ii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.
- (iii) There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.
- (iv) Revenue from sale of the products are recorded at a point in time and those from sale of services over a period of time.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)**36. Other Income**

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income		
On loans, deposits, overdue debts etc.	31,16.55	28,67.32
On Financial Assets measured at amortised cost	77.14	95.26
On Income Tax	8.59	–
Dividend income		
Non current investments	25,65.24	13,52.14
Net gain/(loss) on sale / redemption of Non Current investments (net)	7,84.52	16.63
Net gain/(loss) on sale / redemption of Current investments (net)	1,66.07	1,35.21
Net gain/(loss) on fair valuation of Current investments through profit and loss (net)	94.54	60.58
Net gain/(loss) on derecognition of financial assets at amortised cost	1.25	0.12
Liability / Provision no longer required written back	9,49.32	6,97.97
Miscellaneous income	2,69.71	10,06.54
	80,32.93	62,31.77

37. Cost of materials consumed

(Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials consumed	37.1	27,52,94.38	14,01,75.04
		27,52,94.38	14,01,75.04

37.1 Cost of material consumed includes Rs. 6,70.94 lakhs (previous year Rs.9,87.39 lakhs) in relation to cost of goods sold as raw materials.

38. Purchases of Stock In Trade

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Coke and coal	–	1,19.68
DI Fittings	22.47	1,18.17
	22.47	2,37.85

39. Changes in inventories of Finished goods, Stock-in-Trade and Work-in-progress

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock		
Finished goods	1,31,39.22	1,24,29.55
Add: Stock of SPL as on 01.10.2020 (refer note no. 63)	–	42,02.80
Stock-in-trade (in respect of goods acquired for trading)	14.69	20.60
Process stock	1,14,41.23	1,06,72.96
Add: Stock of SPL as on 01.10.2020 (refer note no. 63)	–	27,55.83
	2,45,95.14	3,00,81.74
Less: Closing 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
	(2,45,03.06)	54,86.60

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

40. Employee Benefits Expense

(Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	47	2,91,72.56	2,11,74.65
Contribution to provident and other funds	47	15,80.96	12,53.69
Staff welfare expenses		18,37.65	11,11.07
		3,25,91.17	2,35,39.41

41. Finance Costs

(Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		1,51,87.62	1,72,32.09
Applicable (gain)/loss on foreign currency transactions and translation		16,61.70	(2,72.83)
Interest on Income tax		3,09.38	1,23.12
Other borrowing cost	41.2 & 43.4	13,67.83	28,06.90
		1,85,26.53	1,98,89.28

41.1 Borrowing cost capitalised during the year is Rs. 3,60.72 lakhs (previous year Rs. 1,48.18 lakhs). The capitalisation rate has been considered at 5.75% to 11.30%.

41.2 Other borrowing cost includes Rs. 2,12.17 lakh (previous year Rs. 1,46.98 lakh) towards lease obligation of Right of Use Assets.

42. Depreciation and Amortisation Expenses

(Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation	42.1	1,12,19.05	78,29.86
Amortization	6	38.62	36.74
		1,12,57.67	78,66.60

42.1 Depreciation includes Rs. 4,69.28 lakhs (previous year Rs. 2,86.76 lakhs) towards depreciation charge for Right of Use assets.

43. Other Expenses

(Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spare parts		3,96,72.67	2,46,33.32
Power and fuel		2,96,56.78	1,97,21.24
Material Handling Charges		50,59.62	34,28.33
Rent	43.4	4,15.66	9,48.00
Repairs to buildings		7,30.98	4,36.02
Repairs to machinery		28,20.30	10,20.68
Insurance		11,15.73	7,32.94
Rates and taxes		7,25.60	4,98.27
Other manufacturing expenses		88,16.91	67,70.49
Directors fees and commission		2,69.20	1,97.25
Freight & forwarding charges / Inspection Charges		4,37,61.40	2,30,45.34
Commission to selling agents		43,46.67	41,77.54
Loss on sale of fixed assets (net)		4,40.53	2,47.46
Net loss/(gain) on foreign currency transaction and translation		2,91.24	3,00.75
Net loss/(gain) on fair valuation of Derivative Instruments through Profit and Loss		(7,02.31)	(4,11.28)
Sundry balances/advances written off		17,88.36	38.07
Bad debts		–	67.27
Credit loss allowances on Trade Receivable/Advances/Others (net)		2,09.09	95.20
Charity & Donation		4,28.55	7,88.42
Miscellaneous expenses	43.1 & 43.3	1,46,19.29	1,27,09.99
		15,44,66.27	9,94,45.31

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 *(Contd.)*

43.1 Miscellaneous expenses includes Auditor's Remuneration.

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Audit Fees (previous year includes Rs. 5.00 lakhs pertaining to erstwhile SPL's auditors)	20.00	25.00
(b) Certification charges [includes Rs. 19.00 lakhs (previous year Rs. 7.00 lakhs) pertaining to erstwhile SPL's auditors]	88.04	60.40
(c) Reimbursement of expenses [includes Rs. 2.93.00 lakhs (previous year Rs. 0.84 lakhs) pertaining to erstwhile SPL's auditors]	5.81	1.68

43.2 During the year, the Company has incurred Rs. 2,08.91 lakhs (previous year Rs. 1,29.92 lakhs) in the nature of salary and wages on account of research and development expenses which has been charged to Statement of Profit and Loss.

43.3 During the year, the Company has incurred Rs. 3,75.48 lakhs (previous year Rs.35.00 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Miscellaneous Expenses.

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Gross amount required to be spent by the Company during the year	2,88.22	34.15
(b) Amount spent during the year on :		
(i) Construction / acquisition of any assets	—	—
(ii) On purpose other than (i) above	3,75.48	35.00
(c) Shortfall at the end of the year	—	—
(d) Total of previous year shortfall	—	—
(e) Reason for shortfall	—	—
(f) Nature of CSR activities	<ol style="list-style-type: none"> 1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water, promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. 2. Medical and health care 3. Promoting education 4. Rural Development projects 5. Women empowerment 6. Animal Welfare and Rural Development projects 7. Medical and health care 	
(g) Amount unspent, if any	—	—
(h) Details of related party expenditure	—	—
(i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately	—	—

43.4 Leases

The company has elected to apply IND As 116 to its leases with modified retrospective approach. Under this approach, the company has recognized lease liabilities and corresponding equivalent right of use assets. In the statement of profit & loss for the year ended, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expenses on right of use assets and finance cost for interest accrued on such lease liability.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

43.4.1 Movement in Lease Liabilities

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	27,11.16	5,90.16
Add: On account of merger of SPL (Refer Note no 63)	–	21,09.94
Additions	55.72	2,36.16
Interest Cost accrued during the period	2,12.17	1,46.98
Deletions	18.95	–
Payment of lease liabilities	6,02.76	3,72.08
Balance at the end	23,57.34	27,11.16

43.4.2 Future Payment of Lease liabilities on an undiscounted basis

Future payment of lease liabilities on an undiscounted basis are as follows:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	5,66.99	4,34.21
One to five years	14,27.57	17,76.06
More than five years	40,33.59	46,26.39
Total undiscounted lease liabilities	60,28.15	68,36.66
Lease liabilities included in the statement of financial position	23,57.34	27,11.16
Current Lease Liabilities	5,63.58	4,05.12
Non-Current Lease Liabilities	17,93.76	23,06.04

43.4.3 Amounts recognized in Profit or Loss

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on lease liabilities	2,12.17	1,46.98
Depreciation on right-of-use assets	4,69.28	2,86.76
Expense relating to short-term leases (included in other expenses)	4,15.66	5,29.32
Total	10,97.11	9,63.06

43.4.4 The weighted average incremental borrowing rate of 11.40% (previous year 11.40%) has been applied to lease liabilities recognised in the Balance Sheet.

44. Tax Expense

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current year	1,04,00.00	49,06.21
In respect of prior years	36.18	(2,25.47)
Total Current tax expense recognised in the current year	1,04,36.18	46,80.74
Deferred tax		
In respect of the current year	(6,43.34)	(6,14.02)
In respect of prior years	(4,92.86)	–
Total Deferred tax expense recognised in the current year	(11,36.20)	(6,14.02)
Total Tax expense recognised in the current year	92,99.98	40,66.72

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 *(Contd.)***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:

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	4,18,60.27	1,71,62.36
Income tax expense calculated at 25.168% (previous year 25.168%)	1,05,35.39	43,19.42
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit		
- Dividend	(6,45.62)	(3,26.90)
- Effect of change in tax base of revalued land	(2,74.34)	(1,67.19)
- Effect of other adjustments	(1,21.42)	(1,17.97)
- Effect of other adjustments in respect of earlier year	(4,56.68)	(2,25.47)
Add : Effect of expenses that are not deductible in determining taxable profit		
- CSR Expenditure	94.50	2,53.76
- Others	1,68.15	3,31.07
Income tax expense recognised in Statement of Profit and Loss	92,99.98	40,66.72

44.2 Income tax recognised in other comprehensive income

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	0.01	(9.43)
Remeasurement of defined benefit obligation	43.87	(28.85)
Total income tax recognised in other comprehensive income	43.88	(38.28)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	43.88	(38.28)

45. Components of Other Comprehensive Income

(Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans	47	(1,74.28)	1,14.63
Equity Instrument through Other Comprehensive Income		53,50.86	25,04.14
		51,76.58	26,18.77

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

46. FINANCIAL INSTRUMENTS

(Amount 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, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	10,41,88.79	10,41,88.79	7,29,49.72	7,29,49.72
Cash and cash equivalents	1,52,14.34	1,52,14.34	1,53,28.75	1,53,28.75
Bank Balances Other than Cash and Cash Equivalents	3,05,04.10	3,05,04.10	2,97,48.29	2,97,48.29
Loans	53,08.00	53,08.00	57,53.67	57,53.67
Other Financial Assets	2,10,10.58	2,10,10.58	2,46,28.04	2,46,28.04
Financial Assets measured at Fair Value through Profit and Loss Account				
Derivative Instruments	7,02.31	7,02.31	4,11.28	4,11.28
Investment in Mutual Funds & Bonds	3,61,72.87	3,61,72.87	1,56,60.59	1,56,60.59
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments other than Subsidiaries and Joint Venture	95,06.13	95,06.13	45,72.13	45,72.13
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings - fixed rate	16,62,89.86	16,62,89.86	8,74,40.67	8,74,40.67
Borrowings - floating rate	10,42,27.63	10,42,27.63	9,86,36.74	9,86,36.74
Lease Liabilities	23,57.34	23,57.34	27,11.16	27,11.16
Trade Payables	5,60,32.49	5,60,32.49	4,00,33.94	4,00,33.94
Other Financial Liabilities	37,46.24	37,46.24	79,48.04	79,48.04

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.
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. Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except 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 and wherever the same is not available, alternate available inputs are considered for the purpose of valuations.
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. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)

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:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	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 & Bonds (Current)	3,61,72.87 (1,56,60.59)	36,172.87 (1,56,60.59)	– –	– –
Investment in Equity Instruments other than Subsidiaries and Joint Venture (Non-Current)	95,06.13 (45,72.13)	– –	94,76.34 (45,42.29)	29.79 (29.84)
Derivative Instrument	7,02.31 (4,11.28)	– –	7,02.31 (4,11.28)	– –

(*) Figures in round brackets () indicate figures as at March 31, 2021

2. During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1, Level 2 and Level 3.

3. The Inputs used in fair valuation measurement are as follows:

- 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.
- 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.
- 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. Other investments are valued based on inputs that are directly or indirectly observable in the market place.

(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.

- (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, 2022		As at March 31, 2021		Currency
			No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
1	Export Receivables	Forward	44	3,00,10,407	32	2,03,50,376	USD/INR
2	Export Receivables	Forward	10	55,75,000	10	29,47,584	GBP/USD
3	Export Receivables	Forward	25	1,84,53,838	19	1,24,88,581	EURO/USD
4	Export Receivables	Forward	15	1,49,50,000	7	56,43,270	EURO/INR
5	Export Receivables	Forward	2	13,00,000	2	7,50,000	SGD/USD
6	Suppliers Credit/Imports/Other payables	Forward	50	7,14,27,181	36	2,58,87,627	USD/INR
7	Suppliers Credit/Imports/Other payables	Option	13	2,23,19,000	21	2,52,04,386	USD/INR

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(ii) Un hedged Foreign Currency exposures are as follows: -

(Amount in Foreign Currency)

Nature	Currency	As at March 31, 2022	As at March 31, 2021
Payables			
Interest	USD	2,87,09,686	39,72,840
Imports & Other payables	USD	2,02,63,165	1,03,95,917
Imports & Other payables	EURO	6,59,762	2,21,034
Imports & Other payables	GBP	42,316	14,230
Imports & Other payables	KWD	428	-
Imports & Other payables	AUD	28,882	-
Receivables			
Exports & Other receivables	GBP	-	2,78,507
Exports & Other receivables	SGD	7,52,479	12,29,179
Exports & Other receivables	USD	1,18,77,655	84,38,131
Exports & Other receivables	EURO	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:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one month	(86.10)	(36.53)
Later than one month and not later than three months	3,20.68	76.17
Later than three months and not later than one year	4,67.74	3,71.64
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. As at March 31, 2022 and March 31, 2021 the maximum amount of recourse obligation in respect of financial assets are Rs 1,44,65.14 lakhs and Rs. 1,88,49.62 lakhs respectively.

(f) **Financial Risk Factors**

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 and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments 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.

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.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 *(Contd.)*

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows:

As at March 31, 2022

(Amount 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	–	553.27	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	3,00,11.87	(6,82,68.59)

As at March 31, 2021

(Amount Rs. in lakhs)

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other current liabilities	Net Assets/(liabilities)
USD	67,90.84	3,63,62.87	1,45,46.30	(4,41,18.33)
EURO	1,53,36.55	–	1,88.74	1,51,47.81
GBP	32,49.69	–	14.01	32,35.68
SGD	10,41.66	–	–	10,41.66
TOTAL	2,64,18.74	3,63,62.87	1,47,49.05	(2,46,93.18)

Derivative financial assets and liabilities dealing with outstanding derivative contracts and unhedged foreign currency exposure has been detailed in earlier parts. Unhedged foreign currency exposure is primarily on account of long term foreign currency borrowings for which hedge cover is taken as per the policy followed by the company depending upon the remaining period of maturity of the installments falling due for payment.

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 in the fair value of monetary assets and liabilities is given below:

(Amount Rs. in lakhs)

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2022	For the year ended March 31, 2021
RECEIVABLES (Weakning of INR by 5%)		
USD	4,50.09	3,08.43
EURO	16.93	–
GBP	–	14.03
SGD	21.05	33.41
PAYABLES (Weakening of INR by 5%)		
USD	(18,55.76)	(5,25.21)
EURO	(27.66)	(9.48)
GBP	(2.11)	(0.72)
KWD	(0.05)	–
AUD	(1.46)	–

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. The Company had entered into interest rate swap contracts in respect of certain foreign currency borrowings whereby interest at an agreed rate are to be applied on agreed upon principal amount. The company maintains a portfolio mix of fixed and floating rate borrowings. As at March 31, 2022, approximately 61.47% (March 31, 2021: 46.99%) 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 and excluding loans on which interest rate swaps are taken.

(Amount Rs. in lakhs)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2022	For the year ended March 31, 2021
Rupee Loan	+0.50	5,21.14	4,93.18
Foreign Currency Loan	+0.25	–	–

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in Foreign Currency Loan would have an equal and opposite effect on the Company's financial statements.

iii) Other price risk

The Company's equity exposure in Subsidiaries, Associates 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. 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 and the company obtains necessary security including letter of credits and/or bank guarantee to mitigate.

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, 2022 and March 31, 2021.

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. 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.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)**Financial assets that are past due but not impaired**

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise.

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 its cash and collateral requirements at all times. The Company relies on borrowings and internal accruals to meet its long term and short term funds requirement. The current committed line of credit are sufficient to meet its short to medium term funds 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, 2022**

(Amount 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	

As at March 31, 2021

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	14,97,14.54	9,86,36.74	5,10,77.80	9.27%
USD	3,63,62.87	–	3,63,62.87	1.49%
Total	18,60,77.41	9,86,36.74	8,74,40.67	

Maturity Analysis of Financial Liabilities**As at March 31, 2022**

(Amount 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)	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 Liabilities	37,46.24	–	37,46.24	–	–	37,46.24
Trade and other payables	5,60,32.49	–	5,60,32.49	–	–	5,60,32.49

* Include Rs 35,70.70 lakhs as Prepaid Finance Charges.

As at March 31, 2021

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	18,60,77.41	19,99.87	9,28,60.94	1,21,01.79	7,91,14.81	18,60,77.41
Lease Liabilities	27,11.16	–	2,02.47	2,02.65	23,06.04	27,11.16
Other Liabilities	79,48.04	–	79,48.04	–	–	79,48.04
Trade and other payables	4,00,33.94	–	4,00,33.94	–	–	4,00,33.94

* Include Rs. 51,24.80 lakhs as Prepaid Finance Charges.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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:

(Amount Rs. in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	27,05,17.49	18,60,77.41
Less Cash and Cash Equivalents	1,52,14.34	1,53,28.75
Net Debt	25,53,03.15	17,07,48.66
Equity	39,87,42.77	36,36,88.13
Equity and Net Debt	65,40,45.92	53,44,36.79
Gearing Ratio	0.39	0.32

47. 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:

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	5,32.08	5,01.85
Employer's Contribution to Pension Fund	3,63.28	2,93.49
Employer's Contribution to Superannuation Fund	36.31	42.74
Employer's Contribution to NPS Fund	68.51	59.89

b) Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Ltd. 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.

(Amount Rs. in lakhs)

	Gratuity (Funded)	
	2021-22	2020-21
i) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	52,51.03	35,90.18
Add : On account of merger of SPL (Refer Note no. 63)	–	13,25.60
Interest Cost	4,57.65	2,96.22
Current Service Cost	3,35.19	2,60.74
Actuarial (gain) / loss on obligations	49.69	15.89
Benefits paid	(5,06.26)	(2,37.60)
Liability at the end of the year	55,87.30	52,51.03



Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

	Gratuity (Funded)	
	2021-22	2020-21
ii) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	41,72.88	26,15.47
Add : On account of merger of SPL (Refer Note no. 63)	–	12,34.04
Expected Return on Plan Assets	3,71.63	2,29.01
Contributions by the Company	4,30.38	3,22.20
Benefits paid	(5,06.26)	(2,37.60)
Actuarial gain / (loss) on Plan Assets	(28.92)	9.76
Fair value of Plan Assets at the end of the year	44,39.71	41,72.88
iii) Actual return on Plan Asset		
Expected return on Plan assets	3,71.63	2,29.01
Actuarial gain / (loss) on Plan Assets	(28.92)	9.76
Actual Return on Plan Assets	3,42.71	2,38.77
iv) Amount Recognized in Balance Sheet		
Liability at the end of the year	55,87.30	52,51.03
Fair value of Plan Assets at the end of the year	44,39.71	41,72.88
	11,47.59	10,78.15
v) Components of Defined Benefit Cost		
Current Service Cost	3,35.19	2,60.74
Interest Cost	4,57.65	2,96.22
Expected Return on Plan Assets	(3,71.63)	(2,29.01)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	78.61	6.13
Total Defined Benefit Cost recognised in Profit and Loss and OCI	4,99.82	3,34.08
vi) Balance Sheet Reconciliation		
Opening Net Liability	10,78.15	9,74.71
Add:- On account of merger of SPL (Refer Note no. 63)	–	91.56
Expenses as above	4,99.82	3,34.08
Employers Contribution	(4,30.38)	(3,22.20)
Amount Recognized in Balance Sheet	11,47.59	10,78.15

vii) Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
G-Sec/ Corporate Securities	55.13%	48.81%
Equity	4.60%	3.21%
Fixed Deposit and other assets	6.04%	15.66%
Life Insurance Corporation of India	34.23%	32.32%

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, 2022 (Contd.)

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the company as at March 31, 2022 is given below :

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Privileged Leave	22,79.19	21,61.32
Sick Leave	14,35.81	12,22.69
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.10%	6.90%
Rate of Return on Plan Assets	7.10%	6.90%
Salary Escalation Rate	5.50%-6.00%	6.00%
Withdrawal Rate	1-8 %	1-8 %

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. 3,60.00 lakhs (previous year Rs. 2,80.00 lakhs) to Gratuity fund in 2022-23.

Recognised in Other Comprehensive Income

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Remeasurement - Actuarial loss/(gain)	78.61	4.77
For the year ended	78.61	4.77

Sensitivity Analysis :

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended 31st March, 2021		
Discount Rate	+1%	35,70.46
	-1%	42,82.45
Salary Growth Rate	+1%	42,81.83
	-1%	35,67.32
Withdrawal Rate	+1%	39,23.06
	-1%	38,84.05
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.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

History of experience adjustments is as follows :

Particulars	Gratuity
For the year ended March 31, 2021	
Plan Liabilities - loss/(gain)	(10.14)
Plan Assets - loss/(gain)	(9.76)
For the year ended March 31, 2022	
Plan Liabilities - loss/(gain)	97.25
Plan Assets - loss/(gain)	28.94

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity
01 April 2022 to 31 March 2023	13,29.44
01 April 2023 to 31 March 2024	2,49.66
01 April 2024 to 31 March 2025	3,56.87
01 April 2025 to 31 March 2026	3,91.38
01 April 2026 Onwards	27,01.20

Particulars	As at March 31, 2022	As at March 31, 2021
Average no. of people employed	2867	2875

- 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 Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL). The company also understand that the SAIL has handed over back the said coal block to the custody of BCCL. The Ministry of Coal has once again put up the Parbatpur Coal Block in the list of mines to be auctioned (for commercial mining) and the auction is likely to be concluded soon subject to receiving adequate qualified bids.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.15,31,76.00 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 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 11.11.2019 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. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019. Based on the valuation report submitted to the Nominated Authority, the valuer had recommended a valuation based on total direct / hard cost, for such specified assets, which is under consideration of the Nominated Authority and a final compensation has not been declared as yet. The company has also approached the newly appointed Nominated Authority/ Ministry of Coal 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.

Pending finalisation of the matter as above;

- 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.
- 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
- 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. 20,54.70 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.

Disclosures of above balances as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

48(b). Various balances pertaining to Coal Block claim and handing over the same as detailed in different heads of accounts includes:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
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	3,34,93.90		3,34,93.90	
Mine Development including overburden removal expenses (Net) [(refer note no: 51 (a))]	8,69,09.74	12,04,03.64	8,69,09.74	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	(6,54.92)	(20,54.70)	(6,54.92)	(20,54.70)
Total		12,80,31.81		12,80,31.81

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 has expired on January 11, 2017. The Company has filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company.

The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, has admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the High Court, Rs. 34,53.33 lakhs (previous year Rs. 38,95.26 lakhs) so far incurred in connection with these mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress, advances and security deposit

50. 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. 23,18.35 lakhs during the earlier years. During the current year, the Company has charged off the balance amount of Rs. 17,78.11 lakhs as an abundant precaution and grouped under other expenses. However the Company continues to pursue its claim with the Railway Authorities.

51. (a) The expenses incurred for projects/assets during the construction/mine development period are classified as "Pre-operative Expenses" pending capitalization are included under capital work in progress and will be allocated to the assets on completion of the project/assets. Consequently expenses disclosed under the respective head are net of amount classified as preoperative expenses by the Company (refer note no. 48 and 49). The details of these expenses are as follows :

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance brought forward	8,79,85.74	8,79,85.74
Add:		
Miscellaneous Expenses	–	–
Total preoperative expenses	8,79,85.74	8,79,85.74
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	8,79,85.74	8,79,85.74

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)**51. (b) CWIP ageing schedule as on March 31, 2022**

(Amount Rs. in lakhs)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15,30.81	18,39.55	25,75.59	24.06	59,70.01
Projects temporarily suspended (also refer note no. 48 & 49)	–	–	–	11,47,99.91	11,47,99.91
Total	15,30.81	18,39.55	2575.59	11,48,23.97	12,07,69.92

Particular	Amount
Projects which have exceeded their original timeline/original budget	12,04,22.02

Details of capital-work-in progress completion schedule as at March 31, 2022

(Amount Rs. in lakhs)

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Under Progress (A)					
DIP Expansion Project	42,16.46	–	–	–	42,16.46
Additional Power & Water Project	4,12.85	–	–	–	4,12.85
MBF Expansion	4,51.45	–	–	–	4,51.45
Others	5,41.34	–	–	–	5,41.34
Total (A)	56,22.11	–	–	–	56,22.11
Temporarily Suspended (B)					
Iron-Ore Mine	–	–	–	27,52.16	27,52.16
Coal Mine	–	–	–	11,20,47.75	11,20,47.75
Total (B)	–	–	–	11,47,99.91	11,47,99.91
Total (A+B)	56,22.11	–	–	11,47,99.91	12,04,22.02

CWIP ageing schedule as on March 31, 2021

(Amount Rs. in lakhs)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,50,23.67	29,02.10	49.64	1.57	1,79,76.99
Projects is temporarily suspended	49.21	–	–	11,47,99.91	11,48,49.12
Total	1,50,72.89	29,02.10	49.64	11,48,01.48	13,28,26.11

Particular	Amount
Projects which have exceeded their original timeline/original budget	13,28,26.11

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

Details of capital-work-in progress completion schedule as at March 31, 2021

(Amount Rs. in lakhs)

CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Under Progress (A)					
DIP Expansion Project	53,63.83	2,77.22	–	–	56,41.05
Coke Oven Plant	7,54.67	–	–	–	7,54.67
MBF Expansion	1,01,03.05	–	–	–	1,01,03.05
Land Development	–	4,84.70	–	–	4,84.70
Others	7,61.29	2,32.24	–	–	9,93.53
Total (A)	1,69,82.84	9,94.15	–	–	1,79,76.99
Temporarily Suspended (B)					
Iron-Ore Mine	–	–	–	27,52.16	27,52.16
Coal Mine	–	–	–	11,20,47.75	11,20,47.75
Infrastructure development - Pipe Project	–	–	–	49.21	49.21
Total (B)	–	–	–	11,48,49.12	11,48,49.12
Total (A+B)	1,69,82.84	9,94.15	–	11,48,49.12	13,28,26.11

52. Calculation of Earning Per Share is as follows:

(Amount Rs. in lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Net profit/(loss) for basic and diluted earnings per share as per Statement of Profit and Loss	3,25,60.29	1,30,95.64
	Net profit for basic and diluted earnings per share	3,25,60.29	1,30,95.64
(b)	Weighted average number of equity shares for calculation of basic and diluted 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 and diluted EPS	594605247	513554987
(c)	Weighted average number of equity shares outstanding	594605247	513554987
(d)	Earnings per share (EPS) of Equity Share of Re. 1 each:		
	i) Basic (Rs.)	5.48	2.55
	ii) Diluted (Rs.)	5.48	2.55

after incorporating the impact of equity shares issued in lieu of the scheme of arrangement w.e.f October 01, 2020

53. Commitments

(Amount Rs. in lakhs)

Particulars		As at March 31, 2022		As at March 31, 2021	
(a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):		51,51.68		38,25.71
(b)	Other commitments	in million	Rs. in lakhs	in million	Rs. in lakhs
i)	Sell Forward contract outstanding				
	In USD	30.01	2,27,44.14	20.35	1,48,77.14
	In Euro	33.40	2,80,12.08	18.13	1,55,45.80
	In GBP	5.58	55,48.89	2.95	29,69.14
	In SGD	1.30	7,27.22	0.75	4,07.77
ii)	Buy Forward contract outstanding				
	In USD	71.43	5,41,32.87	25.89	1,84,34.95
iii)	Option contract outstanding				
	In USD	22.32	1,69,15.01	25.21	1,89,15.87

**54.(i) Contingent Liabilities not provided for in respect of:**

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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	63,18.90	91,78.13
ii) Entry Tax	2,21.66	2,57.12
iii) Excise, Custom Duty and Service tax	48,50.61	48,35.25
iv) Income Tax	5,86.96	11,88.49
v) Goods & Service Tax	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	64,71.95	84,91.96
f) Financial Guarantees given by banks on behalf of the Company	46,52.53	44,24.34
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) In case of the matter related to Forest Department fee amounting to Rs. 9,28.90 lakhs 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 disclosed contingent liabilities, 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.

54.(ii) Contingent assets (not recognised for) in respect of :

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Benefits under Industrial Promotion Scheme **	Amount unascertainable	Amount unascertainable

** 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, on prudent basis, the company 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, 2022 (Contd.)

55. 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 Algeria 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 L.L.C
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis
Electrosteel Baharain Holding WLL (formerly Electrosteel Baharain Holding S.P.C.Company)
Electrosteel Bahrain Trading WLL (subsidiary of Electrosteel Bahrain Holding WLL)
Srikalahasthi Pipes Limited (w.e.f.18.09.2020 and merged with the Company w.e.f. 01.10.2020) |
| 2) Associate Company | Srikalahasthi Pipes Limited (upto 17.09.2020) |
| 3) Joint Venture | North Dhadhu Mining Company Private Limited
Domco Private Limited |
| 4) 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 31.12.2021)
Mr. Sunil Katial - Chief Executive Officer & Wholetime Director
Mr. Ashutosh Agarwal - CFO & Wholetime Director (w.e.f. 03.01.2022)
Ms. Priya Manjari Todi -Wholetime Director (w.e.f. 14.02.2022)
Ms. Radha Kejriwal Agarwal - Wholetime Director (w.e.f. 14.02.2022)
Mr. Madhav Kejriwal - Wholetime Director (w.e.f. 14.02.2022)
Ms. Nityangi Kejriwal Jaiswal - Wholetime Director (w.e.f. 14.02.2022)
Mr. Pradip Kr. Khaitan - Chairman
Mr. Binod Kumar Khaitan - Director
Mr. S Y Rajagopalan - Director
Mr. Vyas Mitre Ralli - Director
Mr. Amrendra Prasad Verma - Director
Dr. Mohua Banerjee - Director
Mr. Rajkumar Khanna - Director (appointed w.e.f. 15.06.2020)
Mr. Bal Kishan Choudhury - Director (appointed w.e.f. 10.02.2022)
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 |
| 5) 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 Ltd.
Global Exports Ltd.
Sree Khemisati Constructions Private Limited
G K & Sons Private Limited
Electrosteel Thermal Coal Limited
Badrinath Industries Ltd.
Electrocast Sales India Limited
Uttam Commercial Company Limited |



Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

B) Related Party Transactions

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	KMP & Close members of Family	KMP have significant influence/ control	Total	Outstanding as on 31.03.22	Outstanding as on 31.03.21
Sale							
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 L.L.C	95,27.86	-	-	-	95,27.86	-	
Total	9,56,34.36	-	-	-	9,56,34.36	3,93,54.45	
Previous Year							
Electrosteel Europe SA	3,25,65.70	-	-	-	3,25,65.70	-	1,52,21.51
Electrosteel Castings (UK) Ltd	49,30.59	-	-	-	49,30.59	-	32,49.69
Electrosteel USA, LLC	14,14.29	-	-	-	14,14.29	-	44.48
Electrosteel Castings Gulf FZE	23,83.43	-	-	-	23,83.43	-	1,52.76
Electrosteel Bahrain Trading WLL	43,53.97	-	-	-	43,53.97	-	9,12.08
Electrosteel Doha for Trading L.L.C	1,54,34.81	-	-	-	1,54,34.81	-	16,37.61
Srikalahasthi Pipes Limited	1,42.19	4,87.71	-	-	6,29.90	-	-
Purchase							
Electrosteel Castings (UK) Ltd	-	-	-	-	-	1.44	
Total	-	-	-	-	-	1.44	
Previous Year							
Electrosteel Castings (UK) Ltd	-	-	-	-	-	-	1.46
Srikalahasthi Pipes Limited	4,67.59	55,04.59	-	-	59,72.18	-	-
Remuneration							
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 Kr. 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	-	
Total	-	-	23,82.35	-	23,82.35	3,39.94	

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	KMP & Close members of Family	KMP have significant influence/ control	Total	Outstanding as on 31.03.22	Outstanding as on 31.03.21
Previous Year							
Mr. Umang Kejriwal	-	-	2,90.05	-	2,90.05	-	17.22
Mr. Mayank Kejriwal	-	-	3,68.70	-	3,68.70	-	7,20.48
Mr. Uddhav Kejriwal	-	-	1,93.32	-	1,93.32	-	11.18
Mr. Mahendra Kumar Jalan	-	-	1,72.47	-	1,72.47	-	11.01
Mr. Sunil Katial	-	-	2,17.98	-	2,17.98	-	8.33
Mr. Ashutosh Agarwal	-	-	1,49.33	-	1,49.33	-	12.08
Ms. Priya Manjari Todi	-	-	79.43	-	79.43	-	1,11.47
Ms. Radha Kejriwal Agarwal	-	-	35.88	-	35.88	-	1.35
Ms. Nityangi Kejriwal	-	-	82.67	-	82.67	-	4.52
Dr. Mohua Banerjee	-	-	17.35	-	17.35	-	12.48
Mr. Rajkumar Khanna	-	-	19.00	-	19.00	-	12.48
Mr. Vyas Mitre Ralli	-	-	10.50	-	10.50	-	6.48
Mr. S Y Rajagopalan	-	-	10.50	-	10.50	-	6.48
Mr. Binod Khaitan	-	-	13.70	-	13.70	-	6.48
Mr. Pradeep Kr. Khaitan	-	-	13.50	-	13.50	-	6.48
Mr. Amrendra Prasad Verma	-	-	12.70	-	12.70	-	6.48
Rent Paid							
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 Ltd.	-	-	-	27.65	27.65	-	-
Total	-	-	-	1,70.74	1,70.74	-	-
Previous Year							
Tulsi Highrise Private Limited	-	-	-	62.14	62.14	-	-
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 Ltd.	-	-	-	13.43	13.43	-	-
Service Charges Paid							
Sree Khemisati Constructions Private Limited	-	-	-	3,86.39	3,86.39	5.72	-
Global Exports Ltd.	-	-	-	90.00	90.00	-	-
Sri Gopal Investments Venturess Ltd	-	-	-	2.98	2.98	0.09	-
Total	-	-	-	4,79.37	4,79.37	5.81	-
Previous Year							
Sree Khemisati Constructions Private Limited	-	-	-	2,84.42	2,84.42	-	5.53
Global Exports Ltd.	-	-	-	90.00	90.00	-	-
Sri Gopal Investments Venturess Ltd	-	-	-	2.24	2.24	-	-
Service Charges Received							
Electrosteel Europe SA	37.15	-	-	-	37.15	36.86	-
Electrosteel Castings (UK) Ltd	58.31	-	-	-	58.31	-	-
Electrosteel USA, LLC	39.74	-	-	-	39.74	39.98	-
Total	1,35.20	-	-	-	1,35.20	76.84	-



Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	KMP & Close members of Family	KMP have significant influence/control	Total	Outstanding as on 31.03.22	Outstanding as on 31.03.21
Previous Year							
Electrosteel Europe SA	1,18.88	–	–	–	1,18.88	–	1,15.04
Electrosteel Castings (UK) Ltd	54.11	–	–	–	54.11	–	–
Electrosteel USA, LLC	55.38	–	–	–	55.38	–	55.05
Reimbursements of expenses paid							
Electrosteel Bahrain Trading WLL	6.05	–	–	–	6.05	–	–
Electrosteel USA, LLC	38.69	–	–	–	38.69	38.69	–
Total	44.74	–	–	–	44.74	38.69	
Previous Year							
Electrosteel Europe SA	23.78	–	–	–	23.78	–	28.45
Reimbursements of expenses received							
Previous Year							
Srikalahasthi Pipes Limited	1.04	1.10	–	–	2.14	–	–
Corporate Guarantee, Standby Letter of Credit and Letter of Comfort							
Electrosteel Europe SA	–	–	–	–	–	16,77.20	–
Electrosteel Algeria SPA	–	–	–	–	–	9,09.45	–
Electrosteel Castings (UK) Ltd	–	–	–	–	–	19,90.60	–
Electrosteel USA, LLC	–	–	–	–	–	18,94.69	–
Total	–	–	–	–	–	64,71.94	
Previous Year							
Electrosteel Europe SA	–	–	–	–	–	–	37,72.45
Electrosteel Algeria SPA	–	–	–	–	–	–	8,77.26
Electrosteel Castings (UK) Ltd	–	–	–	–	–	–	20,14.63
Electrosteel USA, LLC	–	–	–	–	–	–	18,27.63
Commission							
Electrosteel Castings Gulf Fze	1,15.58	–	–	–	1,15.58	52.91	–
Total	1,15.58	–	–	–	1,15.58	52.91	
Previous Year							
Electrosteel Castings Gulf Fze	1,30.26	–	–	–	1,30.26	–	3,78.61
Security Deposits							
Sri Gopal Investments Venturess Ltd	–	–	–	–	–	11.55	–
Electrosteel Thermal Coal Limited	–	–	–	–	–	1,90.68	–
Tulsi Highrise Private Limited	–	–	–	–	–	2,85.00	–
Global Exports Ltd.	–	–	–	–	–	15.00	–
Total	–	–	–	–	–	5,02.23	
Previous Year							
Sri Gopal Investments Venturess Ltd	–	–	–	–	–	–	11.55
Electrosteel Thermal Coal Limited	–	–	–	–	–	–	1,90.68
Tulsi Highrise Private Limited	–	–	–	–	–	–	2,85.00
Global Exports Ltd.	–	–	–	–	–	–	15.00
Dividend Received							
Electrosteel Doha for Trading LLC	14,53.49	–	–	–	14,53.49	–	–
Electrosteel Castings Gulf FZE	11,11.75	–	–	–	11,11.75	–	–
Total	25,65.24	–	–	–	25,65.24	–	
Previous Year							

Notes to Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	KMP & Close members of Family	KMP have significant influence/ control	Total	Outstanding as on 31.03.22	Outstanding as on 31.03.21
Srikalahasthi Pipes Limited	-	13,51.09	-	-	13,51.09	-	-
Advances Given							
Domco Private Limited	-	-	-	-	-	7,00.00	-
Previous Year							
Domco Private Limited	-	-	-	-	-	-	7,00.00
Advances Taken							
Electrosteel Doha for Trading LLC	75,78.94	-	-	-	75,78.94	15,31.61	
Electrosteel Castings Gulf FZE	4,17.05				4,17.05	-	
Electrosteel USA, LLC	8,60.18				8,60.18	-	
Total	88,56.17	-	-	-	88,56.17	15,31.61	
Previous Year							
Electrosteel Doha for Trading LLC	40,25.04	-	-	-	40,25.04	-	-
Electrosteel Castings (UK) Ltd	5,18.67	-	-	-	5,18.67	-	-
Electrosteel Bahrain Trading WLL	4,15.97	-	-	-	4,15.97	-	-
Electrosteel USA, LLC	1,87.20	-	-	-	1,87.20	-	-
Srikalahasthi Pipes Limited	70,00.00	-	-	-	70,00.00	-	-
Interest Paid							
Previous Year							
Srikalahasthi Pipes Limited	20.07	75.97	-	-	96.04	-	-
Professional Charges							
Mr Rajkumar Khanna	-	-	42.48	-	42.48	-	
Mrs. Madhu Agarwal	-		12.75	-	12.75	-	
Mr. Apurva Agarwal	-		12.75	-	12.75	-	
Total	-	-	67.98	-	67.98	-	
Previous Year							
Mr Rajkumar Khanna	-	-	21.24	-	21.24	-	-
Mrs. Madhu Agarwal	-		8.50	-	8.50	-	-
Mr. Apurva Agarwal	-		8.50	-	8.50	-	-

1. The following transactions with the relatives of KMPs/ Directors of the Company were taken place in the erstwhile Srikalahasthi Pipes Limited (merged with the Company w.e.f October 01, 2020 and the certified copy the Court Order filed with the ROC on 31st December 2021) between April 01, 2021 to December 31, 2021 and in the previous financial year between October 01, 2020 to March 31, 2021. These transactions were not falling under the ambit of "Related Party Transaction" from SPL's stand point of view and has been disclosed here for enhanced disclosures.

(Amount Rs. in lakhs)

Name of related party	Nature of transaction	Amount	Outstanding as on 31.03.22	Outstanding as on 31.03.21
Mr Madhav Kejriwal	Salary	83.12	-	-
Ms Suman Katial	Professional Services	14.25	-	-
Mr Monish Katial	Professional Services	14.25	-	-
Mr Aman Agarwal	Professional Services	97.35	-	-
Previous Year				
Mr Madhav Kejriwal	Salary	40.95	-	4.11
Ms Suman Katial	Professional Services	7.92	-	1.58
Mr Monish Katial	Professional Services	4.75	-	4.75
Mr Aman Agarwal	Professional Services	48.68	-	9.74

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.

**Notes to Standalone Financial Statements** for the year ended March 31, 2022 (Contd.)**C. Details of compensation paid to KMP during the year are as follows:**

(Amount Rs. in lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Short-term employee benefits	20,23.55	15,14.67
Post-employment benefits *	1,13.54	8.18
Other long-term benefits *	–	–

*Post-employment benefits and other long-term benefits is being disclosed based on actual payment made 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

- The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.
- The remuneration of directors is determined by the Nominations & Remuneration Committee having regard to the performance of individuals and market trends.

55.1 In respect of the above parties, there is no provision for doubtful debts as on March 31,2022 and no amount has been written off or written back during the year in respect of debt due from/to them.

55.2 The above related party information is as identified by the management.

55.3 Details of Loans, Investments and Guarantees covered u/s 186(4) of the Companies Act, 2013:

- Details of Loans and Investments are given under the respective heads (refer note no. 8, 8A, and 13).
- Details of Corporate Guarantee/ Standby Letter of Credit given by the Company are as follows:

(Amount Rs. in lakhs)

Name of the Company	Purpose	As at March 31, 2022	As at March 31, 2021
Electrosteel Europe SA	Short Term Loan Facility	16,77.18	25,72.13
	Short Term Loan Facility	–	12,00.33
Electrosteel Algeria SPA	Working capital facility	9,09.45	8,77.26
Electrosteel Castings (UK) Ltd.	Short Term Loan Facility	19,90.63	20,14.63
Electrosteel USA LLC	Working capital facility	18,94.69	18,27.63

56. Accounting Ratios

Sl. No.	Name of the Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	Variance in %	Reason for variance
1	Current Ratio (in times)	Current assets	Current liabilities	1.42	1.49	-4%	--
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.69	0.53	31%	Increase in debt to equity ratio is due to increase in working capital borrowings.
3	Debt Service coverage ratio (in times)	Earnings available for debt service	Total debt service	1.79	0.91	95%	Higher debt service coverage ratio is on account of higher profit after tax during the year.
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	8.54%	4.23%	102%	Higher return on equity is on account of higher profit after tax during the year.

Sl. No.	Name of the Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	Variance in %	Reason for variance
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	3.57	3.31	8%	--
6	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	5.64	3.68	54%	Reduction in average accounts receivable, reflecting faster collection of dues from debtors together with higher net credit sales is the reason for higher debtor turnover ratio.
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	7.85	4.15	89%	Improvement in trade payable turnover ratio is attributable to higher credit purchase and lower payables indicating quicker payment of dues to creditors.
8	Net capital turnover ratio (in times)	Net sales	Working Capital	4.11	3.51	17%	--
9	Net profit ratio (in %)	Net profit	Net sales	6.51%	4.29%	52%	Higher net profit on account of sales mix which has resulted in higher return on equity ratio.
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	8.53%	6.26%	36%	Higher return on capital employed is on account of improved profitability represented by higher Earning before interest and tax.
11	Return on investment	$\{MV(T1) - MV(T0) - \text{Sum}[C(t)]\}$	$\{MV(T0) + \text{Sum}[W(t)*C(t)]\}$	3.45%	3.58%	-4%	--

Definitions:

- (a) Earnings 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
- (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 $(MV(T1) - MV(T0) - \text{Sum}[C(t)])$ Divided by $(MV(T0) + \text{Sum}[W(t) * C(t)])$ 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 $[T1 - t] / T1$

**57. Disclosure Of Transactions With Struck Off Companies**

The transactions with the struck off companies as per the Companies Act, 2013 are as below:

(Amount Rs. in lakhs)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period as at March 31, 2022	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at previous period as at March 31, 2021	Relationship with the struck off company, if any, to be disclosed
M D Trade Links Pvt Ltd	Payables	0.20	–	0.05	–
Kolaghat Thermal Power Station,WBPDCL	Receivables	0.27	–	0.27	–
Sew Eurodrive India Pvt Ltd.	Payables	–	–	–	–
Skylark Express Private Ltd.	Receivables	–	–	–	–
National Refractories	Payables	–	–	–	–
Shubhrajyoti Logistics Pvt Ltd	Payables	–	–	–	–
Igus (India) Pvt. Ltd.	Payables	–	–	–	–
RBC Bearings Pvt. Ltd.	Payables	–	–	–	–

58. Utilisation of Borrowed Fund and Security Premium

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

59. The company has not dealt with in crypto currency or virtual currency during the financial year.**60.** The company has not been declared as a wilful defaulter by any Banks or Financial Institutions or any other Lender.**61.** The company has used the borrowings from Banks and financial institutions for the specific purpose for which it was obtained.**62.** The company operates mainly in one business segment viz Pipes 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:

(Amount Rs. in lakhs)

Particulars	2021-22			2020-21		
	Within India	Outside India	Total	Within India	Outside India	Total
Sales (gross)	38,30,67.05	11,67,97.38	49,98,64.43	22,47,79.08	8,04,58.14	30,52,37.22
Non-Current Assets other than financial instruments	39,04,85.70	–	39,04,85.70	38,92,51.39	–	38,92,51.39

63. Business Combination

Merger of Srikalahasthi Pipes Limited

- A) The National Company Law Tribunal (NCLT) Cuttack Bench vide order dated 09th December 2021 had sanctioned the scheme of amalgamation ("the scheme") between Srikalahasthi Pipes Limited ("Transferor Company" or the "SPL") with and into the Company and their respective shareholders and creditors, pursuant to the provisions of section 230 to 232 and other provisions of the Companies Act, 2013.
- B) As per the approved scheme of amalgamation the National Company Law Tribunal, the appointed date of amalgamation was 01.10.2020 and a copy of the order was filed with the Registrar of Companies, on December 31, 2021 in accordance with the applicable provisions of the Companies Act 2013. As the scheme became effective from the appointed date i.e. October 01, 2020. the operation of the transferor Company from the appointed date till March 31, 2021 was given effect by restating the financial statement of the Company for the previous

year i.e. financial year ended March 31, 2021, as if the amalgamation of SPL had occurred from the beginning of the appointed date in line with the clarification issued by the Ministry of Corporate Affairs vide circular no. 09/2019 dated August 21, 2019. The restated financial statement of the Company has been approved by the Board of Directors vide resolution by circulation of the Company on January 13, 2022. This being a common control transaction, necessary accounting has been carried out by applying the 'Pooling of interest' method as prescribed by Ind AS 103 on Business Combination.

- C) The scheme provides for the merger of SPL with the Company and upon the scheme becoming effective, from the appointed date, the SPL shall stand amalgamated with the Company, as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits and interest therein, subject to any existing lien or lis pendens, which shall be deemed to be modified in line with the provisions of the Scheme.
- D) In pursuant to the scheme of arrangement :
- The Company has issued and allotted to each member of the SPL, 59 (Fifty Nine) equity share of Re. 1/- each of the Company fully paid up for every 10 (ten) equity shares of Rs. 10/- each held by shareholders of SPL. The Equity shares held by the Company in the SPL shall be deemed to be cancelled without any further act or deed. The Company has issued 161650538 equity shares of Rs.1 each fully paid under the scheme.
 - The Company has recorded all assets and liabilities of the SPL amalgamated in it pursuant to the scheme, at their respective book values thereof as appearing in the books of the SPL at the close of the business day immediately preceding the appointed date after giving the impact of accounting policy changes in line with the accounting policies followed by the transferee company. The balances of Assets and liabilities of SPL as on the opening of appointed date has been considered based on the condensed Interim Financial Statements of transferor company audited by their statutory auditor's and approved by the Board of the directors of transferor company in their meeting dated November 2, 2021.
 - Further figures of SPL have been regrouped and/or rearranged wherever required to align with disclosure parameters of the Company.

A summary of the SPL's assets and liabilities incorporated as at appointed date (i.e. October 01, 2020) is as follows:

- (d) Summary of Assets, Liabilities and Reserve as on appointed date: (Rs. in lakhs)

Particulars	Balances as at October 01, 2020 (Opening)**
Assets	
Non Current Assets	
Property, Plant & Equipment	8,96,93.07
Capital work-in-progress	1,15,88.56
Intangible assets	43.64
Right to Use assets	20,21.50
Financial Assets - Loans	11,10.80
Financial Assets -Other financial assets	13.89
Other non current assets	11,29.99
Non-Current Tax Assets	5,57.61
Current Assets	
Inventories	2,63,26.02
Investments	2,13,65.13
Trade receivables	2,91,90.89
Cash & cash equivalents	37,09.92
Bank balances other than above	4,01,13.54
Loan	39,24.48
Other Financial Assets	25,57.84
Other Current Assets	86,44.78
Total Assets (x)	24,19,91.66



Particulars	Balances as at October 01, 2020 (Opening)**
Liabilities	
Non Current Liabilities	
Borrowings	1,22,86.37
Lease liabilities	19,55.87
Provisions (refer note below)	8,18.41
Deferred Tax Liabilities (Net)	1,31,31.77
Deferred Income	3,84.62
Current Liabilities	
Borrowings	4,89,78.69
Lease liabilities	1,38.01
Trade payables	1,22,48.27
Other financial liabilities	62,05.61
Other current liabilities	50,84.08
Provisions (refer note below)	7,74.16
Total Liabilities (y)	10,20,05.86
Reserves acquired	
Security Premium	2,39,40.81
General Reserve	4,75,00.00
Retained Earning	6,39,38.19
Total Reserve (z)	13,53,79.00

** after giving impact of alignment of accounting policies followed by the transferee company.

Net Assets and Liabilities as at October 01, 2020 (x-y-z)	46,06.80
Less:- Investment in ECL books as on September 30th,2020 (to be cancelled as per the scheme)	4,55,29.64
Net Asset/ Liabilities after cancellation of own investment.	(4,09,22.84)
Consideration	
Equity Share issued as per scheme	16,16.50
Total Consideration	16,16.50

Capital Reserve arisen on Amalgamation (4,25,39.34)

Notes:

- Actuarial Valuation for retirements benefits in terms of Indian Accounting Standard (Ind As 19) on "Employee Benefits" has not been undertaken and resultant liabilities have been considered on estimated basis.
- The balances of Trade receivables and Payables are subject to year end confirmations and consequential reconciliations.
 - (i) SPL has been engaged primarily in the business of manufacture of and sales of Ductile Iron Pipes whereas the Company is engaged in the business of manufacture and sales of Ductile Iron Pipes , Cast Iron Pipes and Ductile Iron Fittings.
 - (ii) In view of the scheme approved by the NCLT, the Company shall issue 161650538 fully paid up equity shares of Re. 1 each (which represents 27.19% equity shares of the company post amalgamation).
 - (iii) In view of amalgamation of SPL w.e.f. October 01, 2020, the statement of Profit & Loss for the current financial year ended March 31, 2022 is not strictly comparable with the comparative previous financial year's statement of Profit & Loss.

(iv) The reconciliation of Equity of the company as on 31-03-2021 after giving impact of the scheme of amalgamation is as follow:

Particulars	Rs.in Lakhs
Equity of the Company as on 31.03.2021 before the impact of the Scheme	26,04,65.39
Equity share to be issued as per the Scheme	16,16.50
Capital Reserve arisen on Business Combination	(4,25,39.34)
Reserves of SPL as on October 01, 2020	13,53,79.00
Profit of SPL before tax *	1,22,67.48
OCI of SPL before tax from *	(6.60)
Income Tax of SPL *	(29,70.93)
Deferred Tax of SPL *	(5,23.37)
Equity as on 31.03.2021 after the impact of the Scheme	36,36,88.13

* pertaining to period from October 01, 2020 to March 31, 2021

- 64.** 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". Accordingly, during the year ended March 31, 2022 the net exchange difference of Nil [previous year Nil] on foreign currency loans have been adjusted in the carrying amount of fixed assets / capital work in progress. The unamortised balance is Rs 2,83,40.19 lakhs (previous year Rs 2,89,75.03 lakhs).
- 65.** The operations and financial results of the Company in the previous year were adversely impacted due to stoppage of operation in the months of April & May due to outbreak of covid 19 pandemic. During the year in the first quarter, few state governments had imposed certain restrictions due to surge in covid 19 cases, however there has been no significant impact on the Company's operation and financial results during the year.
- 66.** These financial statements have been approved by the Board of Directors of the Company on May 10, 2022 for issue to the shareholders for the adoption.
- 67.** The previous year figures have been regrouped/reclassified wherever necessary, to conform the current period's classification in order to comply with amended Schedule III of the Companies Act 2013, effective from April 01, 2021.

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 10, 2022

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Indranil Mitra
Company Secretary

Sunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)

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, 2022**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 Algeria SPA**	January 21, 2004	N.A.	DZD	2021-22	0.53	7,18.42	(11,47.45)	2,81.19	7,10.22	-	1,43.88	22.29	4.85	17.44	-	17.44	-	100%	Algeria
2	Electrosteel Castings (UK) Limited	January 17, 2005	N.A.	GBP	2021-22	99.53	10,94.85	9,18.37	1,60,72.70	1,40,59.48	-	1,54,26.14	(49.84)	(2.26)	(47.58)	-	(47.58)	-	100%	United Kingdom
3	Electrosteel Europe S.A.	December 24, 2001	N.A.	EURO	2021-22	83.86	31,86.64	45,46.58	5,47,93.63	4,70,60.41	0.47	6,50,09.20	12,12.32	7,59.14	4,53.18	-	4,53.18	-	100%	France
4	Electrosteel USA, LLC#	September 30, 2008	N.A.	USD	2021-22	75.79	22,73.63	227.07	75,56.03	50,55.33	-	84,01.82	5,84.49	20.84	5,63.65	-	5,63.65	-	100%	USA
5	Electrosteel Trading, S.A.	December 13, 2011	N.A.	EURO	2021-22	83.86	54.51	68.73	12,69.91	11,46.67	-	26,87.02	7.71	1.93	5.78	-	5.78	-	100%	Spain
6	Electrosteel Doha for Trading LLC	September 30, 2012	N.A.	QAR	2021-22	20.82	41.64	41,80.26	63,98.35	21,76.45	-	1,44,36.92	10,18.70	81.00	9,37.70	-	9,37.70	1,515.75	49%	Qatar
7	Electrosteel Castings Gulf FZE	August 2, 2012	N.A.	AED	2021-22	20.64	2,06.36	18,67.11	39,28.76	18,55.29	-	66,50.77	5,38.28	-	5,38.28	-	538.28	1,136.01	100%	UAE
8	Electrosteel Brasil LTDA. Tubos e Conexões Dutéis	January 22, 2013	N.A.	BRL	2021-22	15.99	23.99	(77.98)	-	53.99	-	-	-	-	-	-	-	-	100%	Brazil
9	Electrosteel Bahrain Holding WLL ##	March 17, 2015	N.A.	BHD	2021-22	2,00.99	5,02.48	25,58.45	65,68.44	35,07.51	-	1,14,51.83	9,64.47	-	9,64.47	-	9,64.47	-	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, 2022.

* includes dividend paid during the year.

**The financial year of the company is calendar 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, 2022	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	-	-	-

As per our report of even date
For Singh & Co.
 Chartered Accountants
 (Firm Registration No. 302049E)

Gopal Jain
 Partner
 (Membership No. 059147)
 Kolkata
 May 10, 2022

For and on behalf of the Board of Directors

Umang Kejriwal Managing Director (DIN : 00065173)	Sunil Katial Wholtime Director & Chief Executive Officer (DIN : 07180348)
Indranil Mitra Company Secretary	Ashutosh Agarwal Wholtime Director & Chief Financial Officer (DIN : 00115092)

**ANNEXURE I****Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted alongwith Annual Standalone Audited Financial Results****Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022**

[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	509515.70	Not Ascertainable
	2.	Total Expenditure	467655.43	
	3.	Net Profit/(Loss) (including other comprehensive income)	37780.75	
	4.	Earnings Per Share	5.48	
	5.	Total Assets	820549.49	
	6.	Total Liabilities	820549.49	
	7.	Net Worth (Equity Share Capital plus Other Equity)	398742.77	
	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 2022 –

Sub Para (a): Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.

Sub Para (b): Note No. 5 in respect to Company's investment amounting to Rs. 8298.26 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the Company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the earlier years, has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

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 has been subsequently allotted to Steel Authority of India Limited (SAIL). The company also understand that the SAIL has handed over back the said coal block to the custody of BCCL. The Ministry of Coal has once again put up the Parbatpur Coal Block in the list of mines to be auctioned (for commercial mining) and the auction is likely to be concluded soon subject to receiving adequate qualified bids.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 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 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 11.11.2019 awarding an additional compensation of Rs. 180 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019. Based on the valuation report submitted to the Nominated Authority, the valuer had recommended a valuation based on total direct / hard cost, for such specified assets, which is under consideration of the Nominated Authority and a final compensation has not been declared as yet. The company has also approached the newly appointed Nominated Authority/ Ministry of Coal 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.

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. 2083.63 lakhs have been adjusted.

Disclosure as per Indian Accounting Standard 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 Electrosteel Steels 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.

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. 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.



During the quarter ending December 2018, shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at a price of Rs. 9.54 per share which was open till December 20, 2019. During the quarter the company has fair valued the equity share of ESL based on the fair valuation report obtained and a gain of Rs. 5350.86 lakhs has been accounted for in other comprehensive income.

Further 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 8298.26 lakhs as on March 31, 2022 are pledged with the lenders of the ESL. The notices issued by the consortium of lenders of ESL for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year. The plea of the company for release of such pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs (value as at 31-03-2022) of the company, situated at Elavur, Tamilnadu, were mortgaged to a lender (SREI Infrastructure Finance Limited) of ESL and the lender 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. Further in an earlier year, the ARC had taken the symbolic possession of such land against their alleged claim against the Company as per the notice issued under SARFESI Act. The Company had disputed the assignment of the loan by the lender at 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 SARFESI action and release of the title deeds. The DRT vide its order dated April 8, 2022 uploaded on the website on April 27, 2022 had dismissed the application of the Company. The Company has filed the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT and the matter is pending before DRAT. The ARC has also filed an application before the National Company Law Tribunal (NCLT), Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) against the Company and the matter is pending before the NCLT, Cuttack. Pending finalization of the matter, these assets have been carried forward at their carrying 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	Umang Kejriwal <i>Managing Director</i>
CFO	Ashutosh Agarwal <i>(Chief Financial Officer)</i>
Audit Committee Chairman	Binod Kumar Khaitan <i>(Audit Committee Chairman)</i>
Statutory Auditor	For Singhi & Co <i>Chartered Accountants</i> Firm's Registration No.: 302049E Gopal Jain <i>(Partner)</i> Membership No: 059147

Place: Kolkata
Date: May 10, 2022

Independent Auditors' Report

To the Members of Electrosteel Castings Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Electrosteel Castings Limited** ("herein referred to as the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss including the statement of other comprehensive income, consolidated statement of cash flow and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statement including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "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 the reports of other auditors on separate financial statements of the subsidiaries referred to in the other matter paragraph section below, *except for the possible effects of the matter 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 the Companies (Indian Accounting Standard) Rules 2015, as amended (Ind As) and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Group as at 31st March, 2022, and their consolidated profit (financial performance including other comprehensive income) and its consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

Attention is drawn to the following notes to the accompanying consolidated financial statements:

- a) Note no. 51 in respect to cancellation of coal block allotted to the holding company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The

impact and consequential adjustment thereof are not presently ascertainable.

- b) Note No. 8A.2 in respect to holding company's investment amounting to Rs. 8298.26 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the holding company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the holding company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the earlier years, has been disputed by the parent company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

Impacts with respect to (a) & (b) above are presently not ascertainable and as such cannot be commented upon by us.

We conducted our audit of the consolidated financial statement 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 consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 for the year ended March 31, 2022. 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 matters described in the basis for qualified opinion section, we have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.



Independent Auditors' Report *(Contd.)*

Key audit matters	How our audit addressed the key audit matter
Provision for Taxation, litigations and disclosures of contingent liabilities	
<p>The Group is exposed to different laws, regulations and interpretations thereof. The Holding company is also subject to number of significant claims and litigations. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature.</p> <p>At March 31, 2022, the Holding Company has carried forward non-current income tax liabilities of 6215.64 Lakhs [Refer Note 30 to the financial statements]. Further, the Holding Company has disclosed significant pending legal cases with respect to Kodilabad mines [Refer Note 52 to the financial statements] and other material contingent liabilities [Refer Note 57 to the financial statements].</p> <p>We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.</p>	<p>Our audit procedures included among others:</p> <ol style="list-style-type: none"> Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; Analyzed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change; Discussed the status of significant known actual and potential litigations with the management & noted that information placed before the board for such cases and Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.
Recoverability of Government Grant	
<p>The Holding company has been entitled for various sales tax incentives under Industrial promotion scheme issued by the State Governments. The Holding company had complied with the conditions of such scheme and incentives were accounted for in the books in earlier years. A sum of Rs. 5883.07 Lakhs (grouped under other financial assets in note no. 19) is outstanding against said incentive as on 31st March 2022.</p> <p>We determined this to be a matter of significance to our audit due to the quantum of the government grant outstanding, compliance requirement of the scheme and also because of recovery pattern of the same.</p>	<ol style="list-style-type: none"> Evaluating eligibility requirements of 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. Considering the relevant notifications to ascertain the basis for determination, completion of performance obligation and assessing the appropriateness of the management estimates for accounting of government grant and timing of recognition & past receipt of the grants.

Key audit matters	How our audit addressed the key audit matter
Inventory measurement	
<p>The Holding company & Its subsidiaries deals with various types of bulk material & Finished goods such as ductile & Iron pipes, pipe fittings, coal, coke & Iron Ore etc. The total inventory of such materials amounts to Rs. 2,06,177.80 lakhs as on March 31, 2022. (refer note no. 13).</p> <p>The measurement of these inventories involved certain estimations/ assumption and also involved volumetric measurements. Measurement of some of these inventories also involved consideration of handling loss, moisture loss/gain, spillage etc. and thus required assistance of technical expertise.</p> <p>We / Subsidiary's Auditor determined this to be a matter of significance to audit due to quantum of the amount & estimation involved.</p>	<ol style="list-style-type: none"> Obtained the understanding of the management with regards to internal financial controls relating of Inventory management. The group has deployed an independent agency for verification of bulk Materials in which our team were also present to oversee the process of entire materials being verified. The internal verification process followed by the management for certain inventory items have also been reviewed. The report submitted by external agency were also reviewed and obtained reasons/explanation for differences and also confirmed the adjustment made in accordance with the policy confirmed by the group.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, for example Board's Report, Report on Corporate Governance, Management Discussion & Analysis Report, 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's 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 Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position,

Independent Auditors' Report *(Contd.)*

financial performance including other comprehensive income, state of affairs (consolidated financial position), Profit or Loss (consolidated financial performance including other comprehensive income), changes in equity of the Group and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate 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 are also responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility 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 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern; and
- 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.
- 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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.



Independent Auditors' Report *(Contd.)*

We also provide those charged with governance of the Holding Company 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 of the Holding Company, 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- 1) The consolidated financial statements include the audited financial statements and the other financial information, in respect of:
 - (i) 10 (ten) Subsidiaries (including two step down subsidiaries), whose financial statements include total assets of Rs. 96872.76 lakhs as at 31st March, 2022, total revenues of Rs. 125933.72 lakhs, total net profit after tax of Rs. 3005.69 lakhs, total comprehensive income of Rs. 3486.84 lakhs for the year ended 31st March, 2022 and net cash flows of Rs. 187.06 lakhs for the year ended 31st March, 2022 as considered in the consolidated financial statement which have been audited by their respective independent auditors.
 - (ii) The independent auditors report on the financial statements of above-mentioned entities have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in the respect of these entities is based solely on the reports of such auditors and the procedures performed by us as stated in paragraphs above.
 - (iii) Subsidiaries mentioned in sub-paragraph (i) above are located outside India whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India and also given the additional disclosures required on account of amendments in Schedule III of the Act effective from April 01, 2021. We have reviewed these conversion adjustments and additional disclosures made by the Holding company's management. 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 & additional disclosure prepared & certified by the management of the Holding company.

- 2) The consolidated financial statements also include unaudited financial statement and other unaudited financial information in respect of:
 - (i) 1 (one) Subsidiary, whose financial statement reflect total assets of Rs. Nil as at 31st March, 2022 and total revenues of Rs. Nil, total net profit / loss after tax of Rs. Nil, total comprehensive income of Rs. 1.93 lakhs for the year ended 31st March, 2022 and net cash outflows of Rs. Nil for the year ended 31st March, 2022.
 - (ii) This unaudited financial statement has been approved and furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, 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 these financial statement is not material to the group.
- 3) As stated in Note No. 8.2 of the consolidated financial statements, the investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Holding Company, have been fully provided in the books. In view of this, the financial statement of North Dhadhu Mining Company Private Limited have not been incorporated in the consolidated financial statement.
- 4) As stated in Note No. 8.1 of the consolidated financial statement regarding non-availability of the financial statement of Domco Private Limited, a joint venture company due to which these has not been consolidated in these consolidated financial statements as required in terms of Ind AS-28, "Investments in Associates and Joint Ventures".

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial informations certified by the management.

Report on Other Legal and Regulatory Requirements

- i. With respect to the matter specified in clause (xxi) of paragraph 3 & paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" / "CARO") issued by the Central Government of India 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 other than the Holding company, included in the consolidated financial statements which are the companies incorporated in India and hence the reporting under CARO is not applicable to them:
- ii. As required by Section 143(3) of the Act, we report that 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

Independent Auditors' Report *(Contd.)*

- 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 aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss including the statement of other comprehensive income, the 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 statement;
- (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 Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter 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 Holding Company;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company are disqualified as on March 31, 2022, 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;
- (h) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls, refer to our Report in "Annexure A". This does not include the report on two Joint venture companies for the reasons stated in Note No. 8.1 & 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 the consolidated financial statements;
- (i) In respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. *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. 57 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. 49 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 Holding Company.
 - iv. (a) The management of the Holding company has represented that, to the best of its knowledge and belief, as disclosed in the note no. 64 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management of the Holding company has represented, that, to the best of its knowledge and belief, as disclosed in the note no. 64 to the consolidated financial statements, no funds have been received by the Holding company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee,



security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v. The dividend declared or paid during the year by the holding company is in compliance with section 123 of the Companies Act, 2013.
- vi. As stated in Note 23.8 to the consolidated financial statements, the Board of Directors of the Holding 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 Act, as applicable.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

(Gopal Jain)
Partner

Place : Kolkata
Date : May 10, 2022

Membership No. : 059147
UDIN: 22059147AISBAF3819

Annexure “A” to the Independent Auditors' Report on Consolidated Financial Statements

(Referred to in paragraph (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid 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 Holding Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to the consolidated financial statements of Electrosteel Castings Limited (hereinafter referred to as "the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding 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 internal financial controls with reference to the consolidated 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 the 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the 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 auditor's judgment, 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 internal financial controls system with reference to the consolidated financial statements.

Meaning of Internal Financial Controls with reference to the consolidated financial statements

A company's internal financial control with reference to the consolidated

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

Inherent Limitations of Internal Financial Controls with reference to the consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to the consolidated 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, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to the consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control with reference to the consolidated financial statements criteria established by the Holding 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements 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 the reasons stated in the note no. 8.1 & 8.2 of consolidated financial statements.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

(Gopal Jain)
Partner

Place : Kolkata
Date : May 10, 2022

Membership No. : 059147
UDIN: 22059147AISBAF3819

**Consolidated Balance Sheet** as at March 31, 2022

(Amount Rs. in lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	27,03,11.99	25,69,49.72
(b) Capital work-in-progress	54	12,07,76.97	13,36,77.92
(c) Goodwill on consolidation		2,16.03	2,16.03
(d) Other Intangible assets	6	4,08.88	2,35.14
(e) Right-of-use assets	7	53,84.64	58,56.05
(f) Investments in joint ventures	8	-	-
(g) Financial Assets			
(i) Investments	8A	95,06.87	45,72.75
(ii) Loans	9	21.53	20.77
(iii) Other financial assets	10	42,56.02	78,32.20
(h) Non Current Tax Assets (Net)	11	14,43.89	17,46.88
(i) Other non-current assets	12	9,40.98	7,05.16
		41,32,67.80	41,18,12.62
Current assets			
(a) Inventories	13	22,37,73.43	12,28,87.82
(b) Financial Assets			
(i) Investments	14	3,61,72.87	1,56,60.59
(ii) Trade receivables	15	9,41,86.42	7,68,75.29
(iii) Cash and cash equivalents	16	2,13,73.21	2,12,99.01
(iv) Bank balances other than (iii) above	17	3,05,04.10	2,97,48.29
(v) Loans	18	53,08.00	17,30.00
(vi) Other financial assets	19	1,89,34.58	2,27,78.30
(c) Other current assets	20	1,80,89.26	1,24,20.72
(d) Assets classified as held for disposal	21	7,72.50	-
		44,91,14.37	30,34,00.02
Total Assets		86,23,82.17	71,52,12.64
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	22	59,46.05	43,29.55
(b) Equity Share Suspense	22A	-	16,16.50
(c) Other Equity	23	40,43,61.81	36,66,56.64
(d) Non-Controlling Interest	24	1,40.08	1,50.91
		41,04,47.94	37,27,53.60
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	8,77,17.83	8,02,40.29
(ii) Lease Liabilities	26	29,57.54	35,88.29
(b) Provisions	27	41,82.01	36,81.13
(c) Deferred tax liabilities (Net)	28	3,45,43.36	3,62,29.57
(d) Other non-current liabilities	29	34,60.75	47,48.85
(e) Non-current tax liabilities (Net)	30	62,15.64	63,60.02
		13,90,77.13	13,48,48.15
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	31	20,52,68.97	12,93,24.54
(ii) Lease Liabilities	26	7,52.64	5,99.98
(iii) Trade payables	32		
(a) Total Outstanding dues of Micro enterprises and small enterprises: and		26,63.11	26,60.59
(b) Total Outstanding of creditor other than Micro enterprises and small enterprises		6,00,36.96	4,22,86.45
(iv) Other financial liabilities	33	41,73.62	87,84.82
(b) Other current liabilities	34	3,76,99.63	2,17,13.38
(c) Provisions	35	16,00.51	14,41.75
(d) Current Tax Liabilities (Net)	36	6,61.66	7,99.38
		31,28,57.10	20,76,10.89
Total Equity and Liabilities		86,23,82.17	71,52,12.64

Significant accounting policies and other accompanying notes (1 to 71) form an integral part of the consolidated financial statements.

As per our report of even date

For Singhi & Co.Chartered Accountants
(Firm Registration No. 302049E)Gopal Jain
Partner
(Membership No. 059147)Kolkata
May 10, 2022**For and on behalf of the Board of Directors**Umang Kejriwal
Managing Director
(DIN : 00065173)Indranil Mitra
Company SecretarySunil Katial
Wholtime Director & Chief Executive Officer
(DIN : 07180348)Ashutosh Agarwal
Wholtime Director & Chief Financial Officer
(DIN : 00115092)

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(Amount Rs. in lakhs unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	37	52,80,95.22	34,74,19.75
Other Income	38	55,75.66	52,74.73
Total income		53,36,70.88	35,26,94.48
EXPENSES			
Cost of materials consumed	39	27,52,94.37	14,31,00.91
Purchases of Stock-in-Trade	40	1,12,08.34	98,18.29
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	41	(3,86,79.33)	78,98.21
Employee benefits expense	42	3,97,69.36	2,97,05.69
Finance costs	43	1,94,67.99	2,08,36.43
Depreciation and amortisation expense	44	1,14,68.03	89,99.27
Other expenses	45	17,07,13.36	11,35,14.30
Total expenses		48,92,42.12	33,38,73.10
Profit/(Loss) before exceptional items and tax		4,44,28.76	1,88,21.38
Exceptional Items	46	-	(2,44,23.40)
Profit/(Loss) before tax		4,44,28.76	(56,02.02)
Tax expense:	47		
Current tax		1,09,52.62	55,07.40
Deferred tax		(11,49.49)	(12,60.94)
Related to earlier year		(1,31.36)	(2,25.47)
Profit/(Loss) after tax		3,47,56.99	(96,23.01)
Add: Share of Profit/(Loss) in Associates (Net)		-	5,41.65
Profit/(Loss) for the year		3,47,56.99	(90,81.36)
Profit/(Loss) for the year attributable to:			
- Owners of the Company		3,47,27.73	(91,19.89)
- Non-Controlling Interest		29.26	38.53
Other Comprehensive Income	48		
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(1,74.28)	1,14.63
b) Equity instruments through other comprehensive income		53,50.86	25,04.14
(ii) Income tax relating to items that will not be reclassified to profit or loss	47.2	43.88	(38.28)
B (i) Items that will be reclassified to profit or loss			
- Foreign currency translation differences		4,83.08	1,53.42
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
C Share of Other Comprehensive Income in Associates (Net of tax)		-	(2.88)
Other Comprehensive Income for the year (net of tax)		57,03.54	27,31.03
Other Comprehensive Income for the year attributable to:			
- Owners of the Company		57,03.54	27,31.03
- Non-Controlling Interest		-	-
Total Comprehensive Income for the year		4,04,60.53	(63,50.33)
Total Comprehensive Income for the year attributable to:			
- Owners of the Company		4,04,31.27	(63,88.86)
- Non-Controlling Interest		29.26	38.53
Earnings per equity share of par value of Re. 1 each.	55		
(1) Basic (Rs.)		5.84	(1.78)
(2) Diluted (Rs.)		5.84	(1.78)

Significant accounting policies and other accompanying notes (1 to 71) form an integral part of the consolidated financial statements.

As per our report of even date

For Singhi & Co.Chartered Accountants
(Firm Registration No. 302049E)Gopal Jain
Partner
(Membership No. 059147)Kolkata
May 10, 2022**For and on behalf of the Board of Directors**Umang Kejriwal
Managing Director
(DIN : 00065173)Indranil Mitra
Company SecretarySunil Katial
Wholtime Director & Chief Executive Officer
(DIN : 07180348)Ashutosh Agarwal
Wholtime Director & Chief Financial Officer
(DIN : 00115092)



Consolidated Statement of changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2021	Changes in equity share capital during the current year	Amount (Rs. in lakhs) Balance as at March 31, 2022
43,29.55	-	43,29.55	16,16.50	59,46.05

	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 01, 2020	Changes in equity share capital during the current year	Amount (Rs. in lakhs) Balance as at March 31, 2021
43,29.55	-	43,29.55	-	43,29.55

B. Equity Share Suspense

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	16,16.50	-
As on October 1, 2020	-	16,16.50
Issued during the year	16,16.50	-
Closing Balance	-	16,16.50

Note : During the year the Company has issued 161650538 equity shares of Re. 1 each pursuant to the scheme of amalgamation (Refer Note no.61)

C. Other Equity

As at March 31, 2022

Particulars	Reserve & Surplus				Items of Other Comprehensive Income				Total
	Capital Reserve	Securities Premium	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	Share of Associates/ Joint Venture
Balance 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	-
Total Comprehensive Income for the year (net of tax)	-	-	-	-	3,47,27.73	(1,30.41)	53,50.87	4,83.08	-
Dividend on Equity shares	-	-	-	-	(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)	-	-
Balance 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

(Amount Rs. in lakhs)

Consolidated Statement of changes in Equity for the year ended March 31, 2022 (Contd.)

C. Other Equity (Contd.)

As at March 31, 2021

(Amount Rs. in lakhs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income					Total
	Capital Reserve	Securities Premium	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	Share of Associates/ Joint Venture	
Balance as at April 01, 2020	41,67.77	8,38,30.25	10,05,65.95	4,05.51	9,21,19.44	(67.95)	(6,23.22)	33,88.65	(1,00.96)	28,36,85.44
Addition on account of merger during the year (Refer note no. 61)	-	23,940.81	47,500.00	-	6,35,48.88	(1,13.77)	-	-	1,03.84	13,49,79.76
Total Comprehensive Income for the year (net of tax)	-	-	-	-	(91,19.89)	85.79	24,94.70	1,53.42	(2.88)	(63,88.86)
Dividend on Equity shares	-	-	-	-	(12,98.86)	-	-	-	-	(12,98.86)
Capital Reserve on consolidation of SPL (Refer note no 61)	(4,43,20.84)	-	-	-	-	-	-	-	-	(4,43,20.84)
Exchange difference on translation of foreign operations	-	-	-	(1.43)	-	-	-	1.43	-	-
Transfer from Retained Earnings	-	-	-	21.64	(21.64)	-	-	-	-	-
Transferred to Retained Earnings on disposal of Equity shares through OCI	-	-	-	-	52.37	-	(52.37)	-	-	-
Balance as at March 31, 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

Refer Note no. 23 for nature and purpose of reserves

Significant accounting policies and other accompanying notes (1 to 71) form an integral part of the consolidated financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants

(Firm Registration No. 302049E)

Gopal Jain
Partner

(Membership No. 059147)

Kolkata

May 10, 2022

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Sunil Katial
Wholtime Director & Chief Executive Officer
(DIN : 07180348)

Indranil Mitra
Company Secretary

Ashutosh Agarwal
Wholtime Director & Chief Financial Officer
(DIN : 00115092)



Consolidated Statement of Cash Flow for the year ended March 31, 2022

(Amount Rs. in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	4,44,28.76	(56,02.02)
Adjustment for:		
Add : Depreciation and amortisation expenses	1,14,68.03	89,99.27
Sundry balances/Assets / Advances written off	17,88.36	38.07
Bad Debts	4,03.05	2,21.95
Credit loss allowances on trade receivables/advances/others	1,97.42	85.37
Provision for obsolescence of Stores & Spares	2,42.40	–
Net (gain) /loss on Fair valuation of Investments	–	2,42,96.51
(Profit)/Loss on sale / discard of Fixed Assets (net)	4,04.07	2,47.46
Finance costs	1,94,67.99	2,08,36.43
	3,39,71.32	5,47,25.06
	7,84,00.08	4,91,23.04
Less : Interest Income	32,31.63	30,72.50
Dividend Income from Investments	–	1.06
Deferred Income	25.64	12.82
Net gain /(loss) on Fair valuation of Current Investments	94.54	–
Net gain/(loss) on derecognition of financial assets at amortised cost	1.25	0.12
Fair Valuation of derivative instruments through Profit & Loss	7,02.31	9,93.56
Unrealised Foreign Exchange Fluctuation and translation	7,46.95	(7,77.46)
Profit /(Loss) on sale of Current Investment	1,66.07	1,35.21
Profit on sale of Non Current Investment	7,84.52	16.63
Provisions / Liabilities no longer required written back	9,49.32	6,97.97
	67,02.23	41,52.41
Operating Profit before Working Capital changes	7,16,97.85	4,49,70.63
Movement in working capital		
Less : Increase/(Decrease) in Inventories	10,11,28.01	80,09.60
Increase/(Decrease) in Trade Receivables	1,70,72.00	(74,28.68)
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	25,87.03	(19,32.66)
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	(3,27,61.56)	(27,13.60)
	8,80,25.48	(40,65.34)
Cash generated from Operations	(1,63,27.63)	4,90,35.97
Less : Direct Taxes paid (Net)	1,15,81.76	46,33.94
Net cash flow from Operating activities (A)	(2,79,09.39)	4,44,02.03
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	(1,94,88.96)	(1,32,40.67)
Realisation of Property, Plant and Equipment, Intangible Assets	16,08.03	62.80
(Purchase)/Sale of Current Investment (net)	(2,02,51.67)	29,01.03
Sale of Non Current Investment	12,01.32	69.05
(Increase) / Decrease in Inter Corporate Deposits	(35,78.00)	18,50.00
Interest received	32,95.88	34,15.40
Dividend received	–	13,52.14
Movement in bank balances other than cash and cash equivalents	43,34.28	1,47,49.24
	(3,28,79.12)	1,11,58.99
Net Cash flow from Investing activities (B)	(3,28,79.12)	1,11,58.99

Consolidated Statement of Cash Flow for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment to Minority Interest	(44.57)	–
Proceeds/(Repayments) from short term borrowings (net)	7,74,03.54	(62,97.30)
Repayment of Long Term borrowings	(3,68,26.04)	(4,07,44.92)
Proceeds from Long Term borrowings	4,16,80.00	2,75,41.15
Interest and other borrowing cost paid	(1,78,79.62)	(2,09,31.22)
Interest paid on Lease Liability	(7,44.49)	(2,06.71)
Dividend paid	(27,26.11)	(12,98.86)
Net cash flow from Financing activities (C)	6,08,62.71	(4,19,37.86)
D. Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)	74.20	1,36,23.16
E. Cash and Cash equivalents at the beginning of the year	2,12,99.01	59,45.63
F. Cash and Cash equivalents as at 17th September 2020 of Srikalahasthi Pipes Limited	–	17,31.01
G. Add / (Less) : Unrealised exchange gain / (loss) on bank balances	–	(0.79)
H. Cash and Cash equivalents at the end of the year	2,13,73.21	2,12,99.01

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'.
- (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 flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet of liabilities arising from financing activities, to meet the disclosure requirements.

Particulars	As at 31.03.2021	Cash Flows	Non Cash Changes		As at 31.03.2022
			Foreign Exchange movement, Amortised cost & Other Adjustments	Current/Non-current classification	
Borrowings - Non Current	8,02,40.29	2,15,52.47	15,54.09	(1,56,29.02)	8,77,17.83
Borrowings - Current	12,93,24.54	6,07,05.03	(3,89.62)	1,56,29.02	20,52,68.97

Significant accounting policies and other accompanying notes (1 to 71) form an integral part of the consolidated financial statements.

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 10, 2022

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Indranil Mitra
Company Secretary

Sunil Katial
Wholtime Director & Chief Executive Officer
(DIN : 07180348)

Ashutosh Agarwal
Wholtime Director & Chief Financial Officer
(DIN : 00115092)



Notes to Consolidated Financial Statements for the year ended March 31, 2022

1. Group 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. The company along with its subsidiaries (the Group) and its associates and Joint ventures 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 and produces and supplies Pig Iron in the process. The Group also produces Metallurgic Coke, Sinter and Power for captive consumption. The Group caters to the needs of Water Infrastructure Development and its operation are 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 customer abroad. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Board of Directors have approved these consolidated financial statements for the year ended March 31, 2022 on May 10, 2022.

The National Company Law Tribunal (NCLT) of Judicature Cuttack Bench vide their order dated 09th December 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, pursuant to the provisions of section 230 to 232 and other provisions of the Companies Act, 2013 for the amalgamation of SPL with the Company with effect from the appointed date i.e. October 1, 2020. SPL has been engaged in the business of manufacture and supply of Ductile Iron (DI) Pipes and in process produces Pig Iron and Cement. It also produces Metallurgic Coke, Sinter, Ferro Alloys and Power for captive consumption. This consolidated financial statement has been prepared by amalgamating the performance of SPL w.e.f. 01.10.2020 by restating the previous year results of the Company for the year ended March 31, 2021. (refer note no. 61)

The Consolidated Financial Statements relates to Electrosteel Castings Limited (hereinafter referred to as 'the Company') and its subsidiaries (collectively hereinafter referred to as 'the Group') and its joint ventures and associates as detailed below:

Investment in Subsidiaries

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2022	% of holding as at March 31, 2021
Srikalahasthi Pipes Limited ("SPL") (w.e.f. 18.09.2020) (associate till 17.09.2020) (Refer note no. 61) (merged with the Parent company w.e.f. October 1, 2020)	Manufacturing of DI Pipes	India	-	-
Electrosteel Europe SA	Trading of DI Pipes and Fittings	France	100%	100%
Electrosteel Algeria 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)*	Trading of DI Pipes and Fittings	Bahrain	100%	100%

* includes 51% shares held through beneficial trust.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Investment in Associates

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2022	% of holding as at March 31, 2021
Srikalahasthi Pipes Limited (became subsidiary of the company w.e.f. 18.09.2020) (Refer note no. 61)	Manufacturing of DI Pipes	India	–	–

Investment in Joint Ventures

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2022	% of holding as at March 31, 2021
North Dhadhu Mining Company Private Limited (refer note no. 8.2)	Mining and agglomeration of Hard Coal	India	48.98%	48.98%
Domco Private Limited (refer note no. 8.1)	Manufacturing of Coke Oven products	India	50.00%	50.00%

1A. Estimation of uncertainties relating to the global health pandemic from COVID-19

The group's operations and financial results in the previous year were adversely impacted due to stoppage of operations for more than two months' full lock down due to the outbreak of COVID-19 pandemic. Thereafter it took nearly another two months for attaining back full production level. In view of the impact of pandemic, the results for the year ended March 31, 2022 are, therefore, not comparable with those of comparative year ended March 31, 2021. The group has also considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, receivables and other current assets. The group has performed sensitivity analysis on the assumptions used and expects to recover the carrying amount of these assets.

2. Recent Accounting Developments

2.1 The amendments to Schedule III of the Companies Act 2013, are applicable to the Company with effect from April 01, 2021. The Parent company has given effect of the amendments by inclusion of the relevant disclosure by way of additional notes or explanatory notes where ever required.

On 23rd March 2022, The Ministry of Corporate Affairs has brought out certain amendments in IND AS 103 "Business Combination", IND AS 16 "Property Plant & Equipment" and IND AS 37 "Provision, Contingent Liabilities and Contingent Assets". The Parent company is in the process of evaluating the impact of these amendments on the consolidated financial statements of the Group.

3. Statement of compliance and Significant Accounting Policies

3.1 Statement of Compliance

These Consolidated financial statements, excepting as stated in note no 51, have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Basis of Preparation

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortised costs at the end of each reporting period and certain class of Property, Plant and Equipment i.e. Freehold land and building and Investment in Associates which as on the date of transition have been fair valued to be considered as deemed cost.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Functional and Presentation Currency

Item 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 consolidated financial statements are presented in Indian Rupee ("INR") which



Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

is the Group's functional and presentation currency. All financial information presented in the consolidated financial statements has been presented in INR and all values have been 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 categorises 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: Inputs are 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 values. 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.

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).

Subsidiaries

- i. Subsidiaries are entities over which the Group has control and the Control is achieved when the group is exposed, 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
- (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

Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control.

- ii. The Group combines the financial statements of the Company 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.
- iii. The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- iv. 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.
- v. Non-controlling interest's share of net profit 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 Company. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.
- vi. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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 Company'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.

Investment in Associates and Joint Ventures

Investments in Associates and Joint Ventures are accounted in accordance with Ind AS - 28 on "Accounting for Investments in Associates and Joint Venture", under "equity method". Unrealised profit/loss are eliminated other than in respect of transactions pertaining to non depreciable assets.

The difference between the cost of investment in Associates and Joint Ventures and the share of net assets at the time of acquisition of such shares is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be. Under the equity method, the investments are recognised at cost and thereafter the carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees 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 statement of changes in equity.

When the Group's share of losses in an equity accounted investments equals or exceeds its interest in the entity, the Group does not recognises further losses, unless it has incurred obligations or made payment on behalf of the other entity. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy of the group.

Business Combination and Goodwill

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.

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.

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 and comprises purchase price of assets or its construction cost including duties and taxes (net of recoverable taxes), inward freight and other expenses incidental to acquisition or installation and 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. For major projects, interest and



Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

other costs incurred on / related to borrowings to finance such projects or fixed assets during construction period and related pre-operative expenses are capitalised. Expenditure on Blast Furnace/Coke Oven Battery Relining is capitalised.

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.

Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, construction and erection materials, advances etc. Such items 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 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

Depreciation and Amortisation

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method in respect of Plant and Equipments and Office Equipments at all location of the Company except Elavur Plant of the Company and on written down value method on all other assets including Plant and Equipments and Office Equipments at Elavur Plant. Further to respect to SPL, depreciation on PPE except as stated below, is provided as per schedule of Companies Act, 2013 on straight line method in respect of all its PPEs. Certain Plant and Equipment's 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 mother plant / fixed assets.

Leasehold Land held under finance lease including leasehold land are depreciated over their expected lease terms. No depreciation is charged on Freehold land. Assets costing rupees five thousand or less are being depreciated fully in the year of addition/acquisition.

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 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

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Category	Useful life
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.

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes (net of recoverable taxes) less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, right to use wagons acquired under "Wagon Investment Scheme", cost of computer software packages (ERP and others) and mining rights are allocated / amortised over a period of 10 years, 5 years and available period of mining lease respectively.

Research cost are not capitalised and the related expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

Depreciation methods, useful lives and residual values and are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible and Intangible assets

An item of PPE 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 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.

3.5 Leases

(i) Group as a lessee

The Group's lease asset classes primarily consist of leases for Land and Buildings. 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.

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.



Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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. 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.

3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible 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 recognised 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 recognised earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognised 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 recognised for the asset in prior years.

3.7 Financial Assets and Financial Liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of Profit and Loss.

The financial assets and financial liabilities are classified as current, if they are expected to be realised or settled within operating cycle of the Group or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortised Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

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

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortised cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) 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 within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit and loss. These are recognised at fair value and changes therein are recognised in the consolidated statement of profit and loss.

(vi) Equity Instruments measured at FVTOCI and FVTPL

Equity instruments which are, held for trading are classified as at FVTPL are measured at Fair Value as per Ind AS 109. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

(vii) Derivative and Hedge Accounting

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 currencies. The Group 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 categorised as a financial asset, at fair value through profit or loss. Transaction costs attributable are also recognised in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognised 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 recognised in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.



Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

If the hedging instrument 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 till that time remains 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.

(viii) 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 measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument 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.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the group measures the loss allowance at an amount equal to lifetime expected credit losses.

(ix) Derecognition of financial instruments

The Group derecognises 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.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognised in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

(x) 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 recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognised less cumulative amortisation.

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 represents prime cost, and includes appropriate portion of overheads.

Cost in respect of process stock represents, cost incurred up to the stage of completion.

Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete under the Turnkey Contracts undertaken by the Group.

Net Realisable 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 using the spot rates of exchanges at the dates of the transactions.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

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

Non monetary items which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate as at the date of transaction.

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 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are 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 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 recognised 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 recognised 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 recognised 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.

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.

3.12 Employee Benefits

Short Term Benefits

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

Other Long Term Employee Benefits

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



Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Post Employment Benefits

The Group operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognised 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 recognised 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 unrecognised 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 recognised in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

- Defined Contribution Plan

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

3.13 Revenue

Revenue from contract with customers is recognized when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. 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.

3.14 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalised 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 and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

3.16 Government Grants

Government grants are recognised on systematic basis when there is reasonable certainty of realisation of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other 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 recognised 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 recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised.

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 realised, 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 reduced 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 utilised.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Group 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 reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Parent Company is responsible for allocating resources and assessing performance of the operating segments 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



Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialised 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 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 / amortisation and impairment on property, plant and equipment / intangible assets.

Property, plant and equipment and intangible assets are depreciated/ amortised on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Group accounting policy, taking into account the estimated residual value, wherever applicable.

The Group reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Asset's recoverable amount is estimated which is higher of 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 Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortisation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.2 Impairment on Investments in Associates and Joint Ventures

The carrying amount of Investments in Associates and Joint Ventures computed in accordance with equity method has been tested for impairment at year end based on the market value where the shares are quoted, P/E ratio of similar sector company along with premium/ discount for nature of holding and Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

4.3 Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

4.4 Claims and Compensation

Claims including insurance claims / arbitration claim are accounted for on determination of certainty of realisation thereof. Compensation receivable against acquisition of coal mine (refer note No. 51) 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 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. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

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.

Deferred Tax for all taxable temporary differences have been given effect to in the consolidated financial statements. In case of Associates and Joint Venture, the Group being in a position to control the timing of reversal of temporary differences and considering the past trend there being no possibility of such reversal in near future, adjustment for deferred taxation against share of profit attributable to the Group has not been given effect in the consolidated financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 *(Contd.)*

4.7 Defined benefit obligation (DBO)

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 recognised 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.

4.9 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 company and those followed by its subsidiaries are not material to the Group.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

5. Property, Plant and Equipment :

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

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Live Stock	Total
Gross Block									
As at April 1, 2020	12,22,81.04	1,58,75.96	4,95,40.82	5,22.47	12,81.48	7,11.73	33,63.20	1.11	19,35,77.81
On account of consolidation of SPL (refer note no 61)	3,44,89.24	90,53.54	6,36,46.11	47.11	4,59.78	4,77.99	-	-	10,81,73.77
Additions	6,61.13	17,27.52	81,45.40	97.44	73.62	59.96	-	-	1,07,65.07
Disposal	-	-	(9,16.52)	(0.78)	(98.11)	(6.92)	-	-	(10,22.33)
Other Adjustments	67.13	80.67	25.85	8.38	2.48	6.82	-	-	1,91.33
As at March 31, 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
Accumulated Depreciation									
As at April 1, 2020	-	57,57.64	1,76,71.17	3,28.52	8,39.78	3,37.09	24,28.28	-	2,73,62.48
On account of consolidation of SPL (refer note no 61)	-	20,42.94	1,70,69.91	24.76	1,84.04	2,24.55	-	-	1,95,46.20
Charge for the period	-	10,79.90	65,93.50	63.12	1,68.32	1,16.84	4,79.69	-	85,01.37
Disposal	-	-	(6,25.73)	(0.53)	(82.64)	(5.26)	-	-	(7,14.16)
Other Adjustments	-	12.57	15.51	5.77	2.93	3.26	-	-	40.04
As at March 31, 2021	-	88,93.05	4,07,24.36	4,21.64	11,12.43	6,76.48	29,07.97	-	5,47,35.93
Net carrying amount									
As at March 31, 2021	15,74,98.54	1,78,44.64	7,97,17.30	2,52.98	6,06.82	5,73.10	4,55.23	1.11	25,69,49.72

Notes :

- 5.1 Plant and Equipments of Rs. 4,08.22 lakhs (previous year Rs. 4,08.73 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 company's use over the specified period as per the terms of agreement.
- 5.3 Freehold land includes Rs. 3,35.81 lakhs (previous year Rs.3,35.81 lakhs) in respect of which the execution of conveyance deeds is pending. 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".

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

- 5.4 Other adjustments includes Rs. (96.11) lakhs (previous year Rs. 1,91.33 lakhs) representing foreign exchange fluctuation.
- 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 and are mortgaged in the favour of lender to Electrosteel Steels Limited, an erstwhile associate of the Company. (Also refer note no.8A.2)
- 5.6 The Group has not revalued its Property, Plant & Equipment, Right of Use Assets and Intangible Assets during the year.
- 5.7 Freehold land also includes Rs. 18,89.04 lakhs (previous year Rs.18,89.04 lakhs), acquired through merger with Mahadev Vyapar Private Limited, the transfer of the same in the name of the Parent company is in process. Freehold land also includes Rs.3,51,50.37 lakhs (previous year Rs.3,51,50.37 lakhs) acquired on account of merger with Srikalahasti Pipes Limited (SPL) and transfer of the same in the name of the Parent company is in process.
- 5.8 Refer note no. 25 to consolidated financial statements in respect of charge created against borrowings.
- 5.9 Refer note no. 51 dealing with coal mine assets and note no 52 in respect of Iron-ore and manganese ore mine.

6. Other Intangible Assets

Particulars	Computer 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

Particulars	Computers Softwares	Mining Rights	Right to use under Wagon Investment Scheme	Total
Gross Block				
As at April 1, 2020	5,47.78	8.13	8,65.14	14,21.05
On account of merger of SPL (refer note no 61)	2,07.40	–	–	2,07.40
Additions	53.03	–	–	53.03
Disposal	(32.87)	–	–	(32.87)
Other Adjustments	7.39	–	–	7.39
As at March 31, 2021	7,82.73	8.13	8,65.14	16,56.00
Accumulated Depreciation				
As at April 1, 2020	3,55.27	7.65	8,65.14	12,28.06
On account of consolidation of SPL (refer note no 61)	1,63.04	–	–	1,63.04
Charge for the period	54.25	0.48	–	54.73
Disposal	(30.78)	–	–	(30.78)
Other Adjustments	5.81	–	–	5.81
As at March 31, 2021	5,47.59	8.13	8,65.14	14,20.86
Net carrying amount				
As at March 31, 2021	2,35.14	–	–	2,35.14

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Notes :

- 6.1 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 against priority over availability of the wagons for transportation as and when required.
- 6.2 Other adjustments includes Rs. (5.27) lakhs (previous year Rs. 7.39 lakhs) representing foreign exchange fluctuations.
- 6.3 Refer note no. 25 to financial statements in respect of charge created against borrowings.
- 6.4 Refer note no. 51 dealing with coal mine assets.

7. Right of Use

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 Depreciation				
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

Particulars	Land	Building	Plant & Equipments	Total
Gross Block				
As at April 1, 2020	34,23.93	6,91.06	–	41,14.99
On account of consolidation of SPL (refer note no 61)	1,09.26	1,45.44	21,59.86	24,14.56
Additions	4,31.00	2,13.84	–	6,44.84
Disposal/ Adjustment	–	–	–	–
Other Adjustments	(49.95)	–	–	(49.95)
As at March 31, 2021	39,14.24	10,50.34	21,59.86	71,24.44
Accumulated Depreciation				
As at April 1, 2020	3,01.13	1,38.21	–	4,39.34
On account of consolidation of SPL (refer note no 61)	5.11	1,28.63	2,59.18	3,92.92
Charge for the period	1,88.11	1,68.64	86.40	4,43.15
Disposal/ Adjustment	–	–	–	–
Other Adjustments	(7.02)	–	–	(7.02)
As at March 31, 2021	4,87.33	4,35.48	3,45.58	12,68.39
Net carrying amount				
As at March 31, 2021	34,26.91	6,14.86	18,14.28	58,56.05

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 Other adjustments includes Rs. 68.83 lakhs (previous year Rs. (49.95) lakhs) representing foreign exchange fluctuations.
- 7.3 Refer note no. 25 to consolidated financial statements in respect of charge created against borrowings.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

8. Investment in Joint Ventures

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2022			As at March 31, 2021		
	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			-			-
Aggregate amount of Impairment in value of Investments			8,68.13			8,68.13

8.1 The Parent 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. 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 the earlier years. The other venturers since not providing the financial statements of DPL, and thereby necessary disclosures 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, Adhunik Alloys & Power Limited (AAP), Jharkhand Ispat Pvt. Ltd. (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 and deduction of Bank Guarantee of Rs.56,03.00 lakhs issued for the same. The Company's share in the Bank Guarantee is Rs. 27,45.00 lakhs. On a writ petition filed by the Company for quashing the order, stay in the matter together with encashment of bank guarantee has been granted by the Hon'ble High Court of Jharkhand. The Company has also 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 the previous year. Further during the year, the bank guarantee given in respect of coal block has been released.

8.3 Particulars of investments as required in terms of section 186(4) of the Companies Act, 2013 have been disclosed under note 8, 8A & 14.

8.4 Summarised financial information for Associates.



Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

The tables below provide summarised financial information of those associates and joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates.

a) Associates

Summarised financial information	Srikalahasthi Pipes Limited	
	As at March 31, 2022	As at March 31, 2021
1) Balance Sheet		
(i) Current Assets	–	–
(ii) Non-current assets	–	–
(iii) Current liabilities	–	–
(iv) Non-current liabilities	–	–

	For the year ended March 31, 2022	For the period from April 1, 2020 to September 17, 2020
2) Statement of Profit and Loss		
(i) Revenue	–	5,56,49.89
(ii) Profit or loss from continuing operations	–	13,10.51
(iii) Other comprehensive income	–	(6.97)
(iv) Total comprehensive income	–	13,03.54
(v) Dividend received during the year (Parent's share)	–	13,51.09

ceased to be associate w.e.f. 18.09.2020. Refer note no 61.

Refer note no. 8.2 relating to non availability of financial statement of Domco Private Limited, Joint Venture and accordingly disclosures as required under Ind AS 112 have not been made.

8A. Non-Current Investments

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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
Saint Gobain-PAM (Face value of Euro 4/- each)	14	0.73	14	0.61
Von Roll (Face value of Euro 0.071 each)	10	0.01	10	0.01
		0.74		0.62
Unquoted				
Rainbow Steels Limited (Face value of Rs.10/- each)	100	0.01	100	0.01
Singardo International Pte Ltd. (Face value of SGD 1 each)	25000	20.92	25000	21.25
N Marshall Hi-tech Engineers Pvt. Ltd. (Face value of Rs.10/- each)	50000	8.86	50000	8.59
Electrosteel Steels Ltd. (Face value Rs. 10/-each)	19796000	94,76.34	21796000	45,42.28
(Refer Note no. 8A.1 and 8A.2)				
		95,06.13		45,72.13
		95,06.87		45,72.75

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Holding (Nos.)	Amount	Holding (Nos.)	Amount
Investments in Preference Shares				
Others				
Mukand Limited (0.01% Cumulative Redeemable Preference Shares face value of Rs. 10/-each)*	—	—	16	0.00
		—		0.00
Total - Non Current Investments		95,06.87		45,72.75
Aggregate amount of Quoted Investments		0.74		0.62
Aggregate amount of Market value of Quoted Investments		0.74		0.62
Aggregate amount of Unquoted Investments		95,06.13		45,72.13
Aggregate amount of Impairment in value of Investments		—		—

* Figures below rounding off limit

- 8A.1 The Parent company has fair valued the equity shares of Electrosteel Steels Limited (ESL) based on the fair valuation report obtained and a gain of Rs. 53,50.86 lakhs has been accounted for in Other Comprehensive Income.
- 8A.2 17334999 equity shares (previous year 17334999) of Rs 10/- each fully paid up of Electrosteel Steels Limited (ESL) have been pledged in favour of lenders of Electrosteel Steels Limited for securing financial assistance to ESL.

Further the notices issued by the consortium of lenders of ESL for invocation of pledge of Parent company's investment of 17334999 equity share of Rs. 10 each in ESL amounting to Rs. 82,98.26 lakhs was set aside by the Hon'ble High Court at Calcutta. The plea of the parent company for release of the 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 company, situated at Elavur, Tamilnadu, were mortgaged to a lender (SREI Infrastructure Finance Limited) of ESL and the lender 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. Further in an earlier year the ARC had taken the symbolic possession of such land against their alleged claim against the parent Company as per the notice issued under SARFESI Act. The parent Company had disputed the alleged assignment of the loan by the lender at Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, parent Company had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARFESI action and release of the title deeds. The DRT vide its order dated April 8, 2022 uploaded on the website on April 27, 2022 had dismissed the application of the Company. The parent Company has filed the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT and the matter is pending before DRAT. The ARC has also filed an application before the National Company Law Tribunal (NCLT), Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) against the Company and the matter is pending before the NCLT, Cuttack.

Pending finalization of the matter, these assets have been carried forward at their carrying book value.

- 8A.3 The Group has made an irrevocable decision to consider investment in equity instruments not held for trading to be recognised at FVTOCI.

9. Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Loan Receivables considered good -Unsecured		
Other Loans	21.53	20.77
	21.53	20.77

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

10. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Fixed Deposit with Banks (having maturity of more than 1 year from Balance sheet date)	10.1	1,42.64	52,32.73
Security Deposit	10.2,10.3,30.1 and 57	41,13.38	25,99.47
Security Deposit - credit impaired		60.68	69.18
Less : Provision		(60.68)	(69.18)
		–	–
		42,56.02	78,32.20

10.1 Fixed Deposits with banks include Rs. 1,42.64 lakhs (previous year Rs. 25,52.73) which have been pledged with banks/customer against margin/security deposit with them.

10.2 Movement of Provision

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	69.18	–
Recognised during the year	–	69.18
Reversal during the year	(8.50)	–
Balance at the end of the year	60.68	69.18

10.3 Security deposits includes Rs. 5,02.23 lakhs (previous year Rs. 5,02.23 lakhs) with the related parties. It also includes Rs. 13,95.31 lakhs (previous year Rs. 5,33.95 lakhs) lying with customers in terms of agreement/order towards supplies of goods.

11. Non-Current Tax Assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current Tax Assets (net)	14,43.89	17,46.88
	14,43.89	17,46.88

12. Other Non-Current Assets (net)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Capital Advances		7,05.64	3,84.71
Prepaid expenses		2,31.12	3,14.23
Others	12.1	4.22	6.22
		9,40.98	7,05.16

12.1 Represents loans and advance to employees amounting to Rs. 4.22 lakhs (previous year Rs. 6.22 lakhs).

13. Inventories (At lower of Cost or Net Realisable Value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	9,75,53.98	5,43,42.14
Raw materials in transit	1,91,10.19	46,24.32
Process stock	2,11,98.90	1,14,41.23
Finished goods [including in transit Rs. 1,65,77.83 lakhs (previous year Rs. 88,16.60 lakhs)]	6,83,00.13	3,93,78.38
Stock-in-trade (in respect of goods acquired for trading)	14.60	14.69
Stores and spares	1,75,10.87	1,30,23.67
Stores and spares in transit	84.76	63.39
	22,37,73.43	12,28,87.82

13.1. 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, 2022 (Contd.)

(Amount Rs. in lakhs)

14. Current Investments

(Fully paid up except otherwise stated)

Particulars	Face Value	As at March 31, 2022		As at March 31, 2021	
		Holding (Nos.)	Amount	Holding (Nos.)	Amount
At Fair Value through Profit and Loss					
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	–	–
			2,41,70.55	–	–
Investment in Mutual Funds (Unquoted)					
Aditya Birla Sunlife Savings Fund - Growth - Direct Plan	100	–	–	705044	30,09.38
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan (Formerly known as Aditya Birla Sun Life Cash Plus)	100	–	–	301646	10,00.06
Aditya Birla Sunlife Overnight Fund - Growth - Direct Plan	1000	–	–	44932	5,00.07
LGRD- Union Liquid Fund - Growth - Direct Plan	1000	–	–	242423	48,04.97
MDRG- Union Medium Duration Fund - Regular Plan - Growth	10	–	–	9999500	10,20.40
ICICI MF Overnight Fund - Regular Plan - Growth	100	–	–	46990	5,00.06
LIC MF Ultra Short Term Fund - Regular Plan- Growth	1000	–	–	361666	38,18.36
LIC MF Liquid Fund - Direct Plan - Growth	1000	310394	1,20,02.32	–	–
			1,20,02.32		1,46,53.30
Investment in Alternative Investments Funds (AIF) (Unquoted)					
Alpha Alternatives Multi Strategy Absolute Return Scheme (Class I- Feb' 21)	1000	–	–	99995	10,07.29
			–		–
Total - Current Investments			3,61,72.87		1,56,60.59
Aggregate amount of Quoted Investments and market value thereof					
- In Bonds			2,41,70.55		–
			2,41,70.55		–
Aggregate amount of Unquoted Investments					
- In Mutual Fund			1,20,02.32		1,46,53.30
- In AIF			–		10,07.29
			1,20,02.32		1,56,60.59

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

15. Trade Receivables

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Trade Receivables considered good - Secured		3,83,23.69	5,81,59.56
Trade Receivables considered good - Unsecured		5,61,33.20	1,88,08.08
Trade Receivables which have significant increase in Credit Risk		7,79.18	6,68.07
Trade Receivables - credit impaired		8,23.85	9,12.51
Less: Credit loss allowances on Trade Receivable	15.2	(18,73.50)	(16,72.93)
		9,41,86.42	7,68,75.29

TRADE RECEIVABLE as on 31.03.2022

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

TRADE RECEIVABLE as on 31.03.2021

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	5,57,21.89	2,02,38.12	4,06.48	2,44.87	1,69.17	1.26	7,67,81.79
(ii) Which has significant increase in credit risk	2,58.91	1,09.74	-	2.14	16.03	2,81.25	6,68.07
(iii) Credit Impaired	-	-	-	-	26.33	40.37	66.70
Disputed Trade Receivable							
(i) Considered Good	-	-	1.80	1,10.86	2.81	70.38	1,85.85
(ii) Which has significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit Impaired	-	-	-	-	-	8,45.81	8,45.81
	5,59,80.80	2,03,47.86	4,08.28	3,57.87	2,14.34	12,39.07	7,85,48.22
Less: Credit loss allowances on Trade Receivable	2,65.67	1,03.79	-	93.68	42.36	11,67.43	16,72.93
	5,57,15.13	2,02,44.07	4,08.28	2,64.19	1,71.98	71.64	7,68,75.29

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

15.1 Ageing of Trade Receivable :

Particulars	As at March 31, 2022	As at March 31, 2021
Within the credit period	6,27,02.64	5,59,80.80
1-180 days past due	3,14,41.90	2,03,47.86
More than 180 days past due	19,15.38	22,19.56
Less: Credit loss allowances on Trade Receivable	(18,73.50)	(16,72.93)
Total	9,41,86.42	7,68,75.29
Current Trade Receivable	9,41,86.42	7,68,75.29

15.2 Movement of Credit loss allowances on Trade Receivable

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	16,72.93	15,08.01
Recognised during the year	4,97.37	1,91.81
Reversal during the year	(2,96.80)	(26.89)
Balance at the end of the year	18,73.50	16,72.93

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, 2022 and March 31, 2021.

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. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

15.7 Refer note no. 58 for balances with related parties.

16. Cash and Cash Equivalents

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Balances with banks			
In current and cash credit accounts	16.1	1,53,56.74	1,22,83.93
Cash on hand		16.47	15.08
In Fixed Deposit with original maturity of less than 3 months		60,00.00	90,00.00
		2,13,73.21	2,12,99.01

16.1 Refer note no. 31.1 to Consolidated 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, 2022	As at March 31, 2021
Other balance with banks			
In Fixed Deposit Escrow account	27.1	5,36.93	5,36.93
In dividend accounts		1,55.51	1,71.71
In Fixed Deposit with original maturity of more than 3 months	17.1 and 17.2	2,98,11.66	2,90,39.65
		3,05,04.10	2,97,48.29

17.1 Fixed Deposits with banks include fixed deposit of Rs. 1,59,88.39 lakhs (previous year Rs. 47,04.63 lakhs) which have been pledged with banks against banking facility given by them. Further fixed deposit includes Rs. 42.66 lakhs (previous year Rs. 1,15.76 lakhs) lying with customer against deposit for supplies of materials.

17.2 Fixed deposits with bank includes Fixed Deposit of Rs. 7,41.84 lakhs (previous year Rs. 1,78.00 lakhs) lying as per the DSRA in terms of the facilities granted by them.

17.3 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, 2022 (Contd.)

(Amount Rs. in lakhs)

18. Loans

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Loan Receivables Considered Good - Secured		-	-
Loan Receivables Considered Good - Unsecured			
Inter corporate deposits	18.1	53,08.00	17,30.00
		53,08.00	17,30.00
Loan Receivables which have significant increase in Credit Risk			
Loan Receivables - Credit Impaired			
Loan and Advances to related party	58	7,00.00	7,00.00
		7,00.00	7,00.00
Less: Impairment Allowances	8.2 and 18.2	7,00.00	7,00.00
		-	-
		53,08.00	17,30.00

18.1 Disclosure of Inter Corporate Loans as per Sec 186(4) of the Companies Act 2013 are as follows:

Particulars of Advances	Rate of Interest	Amount Outstanding as at March 31, 2022	Maximum Amount Outstanding during the year ended March 31, 2022	Amount Outstanding at the year end March 31, 2021	Maximum Amount Outstanding during the year ended March 31, 2021
SANGHAI COMMERCIAL & CREDITS PVT LTD	7% to 10%	3,08.00	1,67,30.00	17,30.00	46,65.00
TETRON COMMERCIAL LIMITED	7%	20,00.00	20,00.00	-	-
RASHMI PROPERTIES AND INVESTMENTS LTD	7%	20,00.00	20,00.00	-	-
NOUVEAU METAL INDUSTRIES LTD	7%	10,00.00	10,00.00	-	-
Total		53,08.00	2,17,30.00	17,30.00	46,65.00

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, 2022	As at March 31, 2021
Balance at the beginning of the year	7,00.00	7,10.62
Recognised during the year	-	-
Reversal during the year	-	(10.62)
Balance at the end of the year	7,00.00	7,00.00

18.3 Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

19. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Security Deposits			
- Considered Good	19.1	15,08.16	29,71.70
- Considered Doubtful		1,69.52	6.75
- Less: Impairment Allowances		(1,69.52)	(6.75)
Interest receivable		4,68.17	5,32.42
Claim receivable against coal block	51	93,16.85	93,16.85
Claim receivable against railway siding	53	-	17,78.11
Derivative Assets at fair value through profit or loss		7,02.31	4,11.28
Incentive/Subsidy/Cess receivable		61,21.83	63,24.61
Export incentive receivable		5,81.02	14,22.82
Others		2,36.24	20.51
		1,89,34.58	2,27,78.30

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

19.1 Include Rs. 3,81.99 lakhs (previous year Rs. 13,58.07 lakhs) lying with customer as security deposit in terms of agreement/order towards supplies of goods.

19.2 Movement of Allowances for doubtful advances.

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	6.75	-
Recognised during the year	1,62.77	6.75
Reversal during the year	-	-
Balance at the end of the year	1,69.52	6.75

19.3 Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

20. Other Current Assets

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Advances for supply of goods and rendering of services			
- Considered Good		83,29.94	72,85.66
- Considered Doubtful	20.1	54.12	80.14
- Less: Impairment Allowances for doubtful advances		(54.12)	(80.14)
Loans and advances to employees		2,76.51	2,92.98
Balance with Government authorities	20.2 & 20.3	73,87.89	31,56.14
Prepaid expenses		8,29.61	10,62.95
Others		12,65.31	6,22.99
		1,80,89.26	1,24,20.72

20.1 Movement of Allowances for doubtful advances

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	80.14	47.03
Recognised during the year	9.69	42.42
Reversal during the year	(35.71)	(9.31)
Balance at the end of the year	54.12	80.14

20.2 Balance with Government authorities includes a sum of Rs. 13,05.87 lakhs (previous year Rs. 13,07.19 lakhs) on account of Cenvat/Services tax input credit, refund of which has been rejected by the department. The company has filed its appeal before the appellate authority and is confident of recovery of the same.

20.3 Refer note no. 31.1 to Consolidated Financial Statements in respect of charge created against borrowings.

21. Assets classified as held for disposal

Particulars	As at March 31, 2022	As at March 31, 2021
Assets classified as held for disposal (at fair value)	7,72.50	-
	7,72.50	-

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

22. Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Equity shares, Re. 1/- par value 1030200000 (previous year 1030200000) equity shares (addition of 530000000 equity shares in pursuant of scheme of amalgamation.)(refer note no. 61)	1,03,02.00	1,03,02.00
Issued, Subscribed and Paid-up Equity shares, Re. 1/- par value 594605247 (previous year 432954709) equity shares fully paid up	59,46.05	43,29.55
	59,46.05	43,29.55

22.1 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.

22.2 During the year 161650538 equity shares of Re.1 each has been issued pursuant to the scheme of amalgamation. (Refer Note no.61)

22.3 Reconciliation of the number of equity shares outstandings (No. of shares)

Particulars	As at March 31, 2022	As at March 31, 2021
Number of shares at the beginning	432954709	432954709
Add: Addition during the year in view of amalgamation	161650538	–
Number of shares at the end	594605247	432954709

22.4 Shareholders holding more than 5% equity shares (No. of shares)

Particulars	As at March 31, 2022	As at March 31, 2021
G. K. & Sons Private Ltd.	50656655	47074593
Electrocast Sales India Ltd.	41135158	41135158
Murari Investment & Trading Company Ltd.	39459399	33203127
Asha Kejriwal-Trustee of Sreeji Family Benefit Trust/Mayank Kejriwal -Trustee of Sreeji Family Benefit Trust	35027053	35027053
G. K. Investments Ltd.	29815483	24114560
Belgrave Investment Fund	–	22777010
Uttam Commercial Company Ltd.	–	22631774

22.5 Details of shareholdings by the Promoters of the Company.

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	4016568
2	UDDHAV KEJRIWAL	3239540	0.54	3239540	0.75	–
	TOTAL	9445009	1.58	5428441	1.26	4016568

22.A. Equity Share Suspense

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity Share Suspense	–	16,16.50
	–	16,16.50

Equity share suspense represents Nil (161650538 equity shares) of Re.1 each to be issued pursuant to the scheme of amalgamation upon completion of necessary formalities. (Refer note no.61)

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

23. Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	(4,01,53.07)	(4,01,53.07)
Securities Premium	10,77,71.06	10,77,71.06
General Reserve	14,80,65.95	14,80,65.95
Statutory Reserve	5,41.76	4,25.72
Retained Earnings	17,73,28.19	14,52,80.30
Other Comprehensive Income		
Equity instrument through other comprehensive income	70,03.12	18,19.11
Re-measurement of defined benefit plans	(2,26.34)	(95.93)
Foreign currency translation reserve	40,31.14	35,43.50
	40,43,61.81	36,66,56.64

23.1 Refer Statement of changes in Equity for movement in balances of reserves.

23.2 Capital Reserve

The reserve mainly consists of amount arisen on account of merger of Srikalahasthi Pipes Limited amounting to Nil during the year (previous year (Rs. 4,43,20.84 lakhs))and also on account of forfeiture of warrants convertible into equity shares.

23.3 Securities Premium

Securities Premium 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.

23.4 General Reserve

The reserve arises on transfer of portion of the net profit pursuant to the provisions of Companies Act.

23.5 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.

23.6 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

23.7 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 associates and joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
 - b. The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI.
- 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.

23.8 The Board of Directors of parent company at its meeting held on May 10, 2022 recommended a final dividend of Re. 0.80 per equity share of face value of Re. 1 each for the financial year ended March 31, 2022. The total equity dividend as proposed by the Board amounts to Rs. 47,56.84 lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

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.

24.2 Summarised financial information of subsidiaries having non-controlling interests is as follow:-

Name of the Subsidiary	Profit/(Loss) allocated to Non-controlling interests		Accumulated Non-controlling interests	
	For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
Electrosteel Doha For Trading LLC	29.26	38.53	1,40.08	1,50.91

Electrosteel Doha For Trading LLC**a) Summarised Balance Sheet**

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets		
(i) Non-current assets		
Property, Plant and Equipment and Capital Work in progress and other non current assets	1.02	1.10
(ii) Current assets		
Inventories	13,08.77	25,93.73
Financial Assets	23,20.10	50,59.73
Other current assets	27,84.62	7,53.52
Liabilities		
Current liabilities		
Financial Liabilities	17,68.49	31,24.03
Other current liabilities	3,30.78	4,41.77
Current Tax Liabilities (Net)	81.00	1,36.47
Equity attributable to :		
Owners of the Parent	40,94.16	45,54.91
Non controlling interest	1,40.08	1,50.91

b) Summarised Statement of Profit and Loss

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Revenue	1,41,25.38	1,87,72.64
(ii) Other Income	26.00	25.92
(iii) Purchases of Stock-in-Trade	95,27.86	1,54,57.12
(iv) Changes in inventories of finished goods, stock-in-trade and work-in-progress	12,84.96	(10,12.72)
(v) Employee benefits expense	1,96.83	1,92.89
(vi) Depreciation and amortisation	0.52	0.17
(vii) Other expenses	21,65.83	28,76.86
(viii) Profit/(loss) during the year	8,95.99	11,45.91
(ix) Other comprehensive income	126.02	(1,27.62)
(x) Total comprehensive income	10,22.01	10,18.29
Total comprehensive income attributable to:		
Owners of the Parent	9,92.75	9,79.76
Non controlling interest	29.26	38.53

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

c) Summarised Cash Flow Statement

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net cash inflow/(outflow) from operating activities	9,71.13	5,43.33
Net cash inflow/(outflow) from investing activities	(0.44)	(0.95)
Net cash inflow/(outflow) from financing activities	(14,93.59)	(9.26)
Net cash inflow/(outflow)	(5,22.90)	5,33.12

25. Borrowings

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022		As at March 31, 2021	
		Non Current	Current	Non Current	Current
SECURED BORROWINGS					
Term loan from banks					
Rupee Loan	25.1.1 to 25.1.17	7,44,30.32	1,74,44.33	6,78,32.28	1,16,77.71
Term loan from a financial institution	25.2.1 to 25.2.3	93,89.20	18,50.00	92,12.53	15,83.33
Foreign Currency Loan	25.3	37.48	5.90	15.91	–
		8,38,57.00	1,93,00.23	7,70,60.72	1,32,61.04
UNSECURED BORROWINGS					
Term loan from banks	25.4.1 to 25.4.16	38,60.83	14,79.28	31,79.57	34,37.47
		38,60.83	14,79.28	31,79.57	34,37.47
		8,77,17.83	2,07,79.51	8,02,40.29	1,66,98.51

- 25.1.1 Rupee Term Loan of Rs. 1,10,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 21,61.18 lakhs (previous year Rs. 38,59.57 lakhs). The balance loan is repayable in 5 equal quarterly instalments starting from June 2022. The interest rate ranges from 6.60% p.a to 8.85% p.a. This loan was initially drawn as FCNR Loan which was converted in to Rupee Term Loan in December, 2018.
- 25.1.2 Rupee Term Loan of Rs. 50,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 15,60.06 lakhs (previous year Rs. 23,16.98 lakhs). The balance loan is repayable in 8 equal quarterly instalments starting from April 2022. The interest rate ranges from 6.60% p.a to 9.90% p.a.
- 25.1.3 Rupee Term Loan of Rs. 1,50,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 1,02,34.39 lakhs (previous year Rs. 1,21,21.11 lakhs). The balance loan is repayable in 15 structured quarterly instalments starting from June 2022. The interest rate ranges from 6.60% p.a to 9.15% p.a.
- 25.1.4 Rupee Term Loan of Rs. 50,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 40,30.87 lakhs (previous year Rs. 45,11.13 lakhs). The balance loan is repayable in 18 structured quarterly instalments starting from April 2022. The interest rate ranges from 6.60% p.a to 8.85% p.a.
- 25.1.5 Rupee Term Loan of Rs. 4,00,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 64,39.18 lakhs (previous year Rs. 2,23,33.34 lakhs). The balance loan is repayable in 30 structured quarterly installments starting from June 2022. The interest rate ranges from 7.80% p.a to 11.40% p.a.
- 25.1.6 Rupee Term Loan of Rs. 60,00.00 lakhs from 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, Vadgaon (Pune), Freehold

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 *(Contd.)*

(Amount Rs. in lakhs)

Land at Haldia & Fixed Assets of Srikalahasthi works. The outstanding as on March 31, 2022 is Rs. 53,05.32 lakhs (previous year Rs. 55,14.26 lakhs). The balance loan is repayable in 55 structured monthly instalments starting from April 2022. The interest rate ranges from 7.75% p.a to 9.15 % p.a.

- 25.1.7 Rupee Term Loan of Rs. 75,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 70,10.16 lakhs (previous year Rs. 68,68.54 lakhs). The balance loan is repayable in 18 structured quarterly instalments starting from September 2022. The interest rate ranges from 7.75% p.a to 9.30% p.a.
- 25.1.8 Rupee Term Loan of Rs. 50,00.00 lakhs from 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, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 48,19.22 lakhs (previous year Rs. 47,42.02 lakhs). The balance loan is repayable in 16 equal quarterly instalments starting from May 2022. The interest rate ranges from 9.20% p.a. to 9.70% p.a.
- 25.1.9 Rupee Term Loan of Rs. 11,00.00 lakhs from bank is secured by way of first pari passu charge over Current Assets of the company. The outstanding as on March 31, 2022 is Rs. 1,92.50 lakhs (previous year Rs. 9,25.87 lakhs). The balance loan is repayable in 3 monthly instalments starting from April 2022. The interest rate ranges from 7.80% p.a to 8.25% p.a.
- 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 Company other than assets located at Elavur, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 55,68.10 lakhs (previous year Nil). The balance loan is repayable in 17 equal quarterly instalments starting from June 2022. The interest rate ranges from 6.50% p.a to 7.50% p.a.
- 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 Company other than assets located at Elavur, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 59,94.85 lakhs (previous year Nil). The balance loan is repayable in 20 equal quarterly instalments starting from December 2022. The interest rate ranges from 8.00% p.a to 9.00% p.a.
- 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 Company other than assets located at Elavur, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 72,19.89 lakhs (previous year Nil). The balance loan is repayable in 19 structured quarterly instalments starting from May 2022. The interest rate ranges from 7.50% p.a to 8.00% p.a.
- 25.1.13 Rupee Term Loan of Rs. 75,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs. 29,92.00 lakhs (previous year Rs. 52,32.61 lakhs). The balance loan is repayable in 8 equal quarterly installments starting from December 2022. The interest rate ranges from 7.50% p.a to 8.25% p.a.
- 25.1.14 Rupee Term Loan of Rs. 100,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs. 49,71.00 lakhs (previous year Rs. 69,43.79 lakhs). The balance loan is repayable in 10 equal quarterly installments starting from June 2022. The interest rate ranges from 7.25% p.a to 8.40% p.a.
- 25.1.15 Rupee Term Loan of Rs. 145,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs. 24,82.02 lakhs (previous year Nil). The balance loan is repayable in 32 structured installments starting from May 2022. The interest rate ranges from 6.25% p.a to 6.40% p.a.
- 25.1.16 Rupee Term Loan of Rs. 2,00,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs. 193,98.91 lakhs (previous year Rs. 41,40.77 lakhs). The balance loan is repayable in 70 monthly instalments starting from April 2022. The interest rate ranges from 5.75% p.a. to 9.45% p.a.
- 25.1.17 Rupee Term Loan of Rs. 15,00.00 lakhs from 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 Works. The outstanding as on March 31, 2022 is Rs. 14,95.00 lakhs (previous year Nil). The balance loan is repayable in 19 equal quarterly installments starting from May 2022. The interest rate ranges from 7.00% p.a to 7.50% p.a.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

- 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 Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2022 is NIL (previous year Rs. 14,57.42 lakhs). The loan has been fully repaid in the month of April 2021.
- 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 Company other than assets located at Elavur, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 87,50.02 lakhs (previous year Rs. 93,38.44 lakhs). The balance loan is repayable in 21 structured quarterly instalments starting from June 2022. The interest rate ranges from 8.75% p.a to 10.00% p.a.
- 25.2.3 Rupee Term Loan of Rs. 25,00.00 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, Vadgaon (Pune), Freehold Land at Haldia & Fixed Assets of Srikalahasthi Works. The outstanding as on March 31, 2022 is Rs. 24,89.18 lakhs (previous year Nil). The balance loan is repayable in 24 structured quarterly instalments starting from June 2022. The interest rate ranges from 8.00% p.a to 9.00% p.a.
- 25.3 In case of one subsidiary, obligation under foreign currency amounting to Rs. 43.38 lakhs (previous year Rs. 15.91 lakhs) is secured by hypothecation of assets purchased under the loan. The interest rate is 10.30% per annum.
- 25.4.1 Term Loan of Rs. 33,00.00 lakhs is from a Bank. The outstanding as on March 31, 2022, is NIL (previous year Rs. 8,61.48 lakhs). The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 25.4.2 Term Loan of Rs. 41,00.00 lakhs is from a Bank. The outstanding as on March 31, 2022 is NIL (previous year Rs. 24,60.00 lakhs). The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 25.4.3 Term Loan of Rs. 25,00.00 lakhs is from a Bank. The outstanding as on March 31, 2022, is NIL (previous year Rs. 18,75.00 lakhs). The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 25.4.4 Term Loan of Rs. 3,42.95 lakhs from a bank is repayable in 36 monthly instalments starting from May, 2022. The interest rate is 2.50% p.a. The outstanding as on March 31, 2022 is Rs. 3,35.44 lakhs (previous year Rs. 3,42.95 lakhs).
- 25.4.5 Term Loan of Rs. 1,28.61 lakhs from a bank is repayable in 30 monthly instalments starting from November, 2020. The interest rate is 1.75% p.a. The outstanding as on March 31, 2022 is Rs. 55.18 lakhs (previous year Rs. 1,07.56 lakhs).
- 25.4.6 Term Loan of Rs. 2,14.35 lakhs from a bank is repayable in 48 monthly instalments starting from May, 2021. The interest rate is 2.50% p.a. The outstanding as on March 31, 2022 is Rs. 1,62.40 lakhs (previous year Rs. 2,14.35 lakhs).
- 25.4.7 Term Loan of Rs. 2,57.21 lakhs from a bank is repayable in 48 monthly instalments starting from August, 2021. The interest rate is 2.50% p.a. The outstanding as on March 31, 2022 is Rs. 2,07.75 lakhs (previous year Rs. 2,57.21 lakhs).
- 25.4.8 Term Loan of Rs. 85.74 lakhs from a bank is repayable in 48 monthly instalments starting from January, 2022. The interest rate is 2.50% p.a. The outstanding as on March 31, 2022 is Rs. 80.49 lakhs (previous year Rs. 85.74 lakhs).
- 25.4.9 Term Loan of Rs. 2,54.64 lakhs is repayable within One year. The interest rate is 2.00% p.a. The outstanding as on March 31, 2022 is Rs. 2,54.64 lakhs (previous year Nil).
- 25.4.10 Term Loan of Rs. 18,86.82 lakhs from a bank is repayable in 60 monthly instalments starting from June, 2021. The interest rate is 2.27% p.a. The outstanding as on March 31, 2022 is Rs. 15,77.12 lakhs (previous year Nil).
- 25.4.11 Term Loan of Rs. 12,57.88 lakhs from a bank is repayable in 60 monthly instalments starting from May, 2021. The interest rate is 1.25% p.a. The outstanding as on March 31, 2022 is Rs. 10,29.95 lakhs (previous year Nil).
- 25.4.12 Term Loan of Rs. 10,06.31 lakhs from a bank is repayable in 60 monthly instalments starting from July, 2021. The interest rate is 2.48% p.a. The outstanding as on March 31, 2022 is Rs. 8,58.99 lakhs (previous year Nil).
- 25.4.13 Term Loan of Rs. 5,87.01 lakhs from a bank is repayable in 60 monthly instalments starting from June, 2021. The interest rate is 1.84% p.a. The outstanding as on March 31, 2022 is Rs. 4,89.79 lakhs (previous year Nil).
- 25.4.14 Term Loan of Rs. 85.74 lakhs from a bank is repayable in 30 monthly instalments starting from November, 2020. The interest rate is 1.75% p.a. The outstanding as on March 31, 2022 is Rs. 36.79 lakhs (previous year Rs. 71.71 lakhs).

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

25.4.15 Term Loan of Rs. 2,57.21 lakhs from a bank is repayable in 48 monthly instalments starting from August, 2021. The interest rate is 2.50% p.a. The outstanding as on March 31, 2022 is Rs. 2,51.58 lakhs (previous year Rs. 2,57.21 lakhs).

25.4.16 Term Loan of Rs. 83.83 lakhs from a bank is repayable within three years i.e. on May, 2023. The interest rate is 3.50% p.a. The outstanding as on March 31, 2022 is Rs. Nil (previous year Rs. 83.83 lakhs).

25.5 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".

26. Lease

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Non-Current	7, 26.1 and 45.5	29,57.54	35,88.29
Current	7, 26.1 and 45.5	7,52.64	5,99.98
Total		37,10.18	41,88.27

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

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	50	36,22.03	31,21.15
Provision for mine closure and restoration charges	27.1	5,59.98	5,59.98
		41,82.01	36,81.13

27.1 Provision for Mines closure and restoration charges are made in terms of statutory obligations specified for the purpose and 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. 17 and 51).

27.2 Movement in Mine closure and Restoration Obligation provision are provided below:

Particulars	(Amount Rs. in lakhs)
As at March 31, 2020	5,59.98
Provision during the year	–
As at April 1, 2021	5,59.98
Provision during the year	–
As at March 31, 2022	5,59.98

Particulars	As at March 31, 2022	As at March 31, 2021
Current	–	–
Non-Current	5,59.98	5,59.98

28. Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax Assets	(55,30.18)	(50,39.65)
Deferred tax Liabilities	4,00,73.54	4,12,69.22
Net Deferred Tax (Assets)/Liabilities	3,45,43.36	3,62,29.57

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2022 are given below:

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)
Carried forward 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 Profit & Loss	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	(34.20)	–	28.15	–	(6.05)
Other timing differences w.r.t. subsidiaries under various jurisdiction	(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	4,00,04.84	(4,92.84)	(3,08.67)	–	3,92,03.33
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	(22.60)	–	9.55	–	(13.05)
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

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)**Components of Deferred tax (Assets)/ Liabilities as at March 31, 2021 are given below:**

(Amount Rs. in lakhs)

Particulars	As at April 1, 2020	On account of Merger of SPL (refer note no 61)	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in Other Comprehensive Income	As at March 31, 2021
Deferred Tax Assets:					
Fair valuation of Financial Assets	(4,60.05)	–	6.40	–	(4,53.65)
Merger expenses allowable u/s 35DD of the Income Tax Act, 1961	–	–	(85.91)	–	(85.91)
Provision for Other Items u/s 43B of Income Tax Act, 1961	(24,18.92)	–	(3,42.19)	–	(27,61.11)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(5,49.91)	–	27.37	–	(5,22.54)
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(2,36.39)	–	46.71	–	(1,89.68)
Derivative instruments designated at fair value through Profit & Loss	56.01	(1,38.30)	90.83	–	8.54
Remeasurement of defined benefit obligations through OCI	(26.41)	(3,77.81)	(16.34)	28.85	(3,91.71)
Share Issue Expenses	–	(48.28)	14.08	–	(34.20)
Other timing differences w.r.t. subsidiaries under various jurisdiction	–	–	(6,09.39)	–	(6,09.39)
Total Deferred Tax Assets	(36,35.67)	(5,64.39)	(8,68.44)	28.85	(50,39.65)
Deferred Tax Liabilities:					
Fair valuation of Financial Liabilities	13,86.26	–	(1,18.53)	–	12,67.73
Temporary difference with respect to Property, Plant & Equipment	2,64,99.63	1,37,44.90	(2,39.69)	–	4,00,04.84
Investments designated at fair value through OCI	6.55	–	3.27	9.43	19.25
Other timing differences w.r.t. subsidiaries under various jurisdiction	14.95	–	(37.55)	–	(22.60)
Total Deferred Tax Liabilities	2,79,07.39	1,37,44.90	(3,92.50)	9.43	4,12,69.22
NET DEFERRED TAX (ASSETS)/ LIABILITIES	2,42,71.72	1,31,80.51	(12,60.94)	38.28	3,62,29.57

29. Other Non-Current Liabilities

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Contract Liability	29.1	30,31.97	42,99.96
Deferred Income	29.2	3,46.16	3,71.80
Others		82.62	77.09
		34,60.75	47,48.85

29.1 Contract Liability amounting to Rs. 30,12.25 lakhs (previous year Rs. 42,78.22 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

29.2 Deferred Income Comprises of Government Grants/Assistance in form of:

(Amount Rs. in lakhs)

Particulars	Opening as on 01.04.2021 (including Current portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing (Including Current Portion)
a) Financial Assistance under Industrial Development Fund (IIDF) towards Capital expenditure incurred for manufacturing DI Pipes to be used for transportation of Waste water and for installation of treatment plant for recycling the sewage water for industrial requirement of Tirupati Municipal Corporation as specified in Industrial Investment Promotion Policy 2005-2010 and 2010-2015. The assistance capitalised as cost of PPE with corresponding credit to deferred income has been transferred to Statement of Profit and Loss proportionately based on useful lives of respective property, plant and equipment.	3,97.44	–	25.64	3,71.80

30. Non Current Tax Liabilities (Net)

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Provision for taxation (net of advance tax)	30.1	62,15.64	63,60.02
		62,15.64	63,60.02

30.1 Includes Rs. 15,42.98 lakhs (net) [previous year Rs. 15,42.98 lakhs (net)] being interest received pertaining to Assessment Years 2003-04 to 2011-12 and AY 2014-15 & AY 2015-16 as the Income Tax Department has filed an appeal before the Calcutta High Court / Income Tax Appellate Tribunal, Kolkata against the order of the Income Tax Appellate Tribunal, Kolkata / Commissioner of Income Tax (Appeals) and the said appeals are pending.

Further includes Rs. 97.55 lakhs (net) [previous year Rs. 97.55 lakhs (net)] being interest received pertaining to Assessment Year 2012-13 and Assessment Year 2013-14. The Income Tax Appellate Tribunal, Kolkata has dismissed the Income Tax Department's appeal. However, going by the past precedent the Income Tax Department may file an appeal before the Calcutta High Court. However, till date the intimation of filing the appeal before the Calcutta High Court by the Income Tax Department has not been received by us.

31. Borrowings

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Current Maturities of Long Tem Debt	25	2,07,79.51	1,66,98.51
SECURED			
Repayable on demand from banks	31.1 to 31.3		
Indian Currency		7,02,62.79	3,26,81.13
Foreign Currency		1,71,50.70	1,17,62.38
Suppliers/Buyer's Credit		7,15,62.96	2,93,84.93
		17,97,55.96	9,05,26.95
UNSECURED			
Repayable on demand from banks			
Indian Currency		1,44,65.14	1,88,31.07
Foreign Currency		1,10,47.87	1,72,66.52
From Body Corporates		–	27,00.00
		2,55,13.01	3,87,97.59
		20,52,68.97	12,93,24.54

31.1 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non fund based) are secured by first pari passu charge by way of hypothecation of raw materials, finished goods, work in progress, consumable stores and spares, book debts/receivables and other current and non current assets of the parent company / subsidiary both present and future.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

- 31.2 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non fund based) availed by subsidiaries are secured by Standby Letter of Credit given/executed by the company in favour of the lenders.
- 31.3 Loans repayable on demand being Working Capital facilities from Banks includes Rs. 18,45.86 lakhs (previous year Rs. 18,68.11 lakhs) secured over the assets of one of the subsidiary including freehold and lease hold property.

32. Trade Payables

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Payable for Goods and Services			
Total Outstanding dues of micro enterprises and small enterprises	32.1	26,63.11	26,60.59
Total Outstanding dues of creditors other than micro enterprises and small enterprises	32.3	6,00,36.96	4,22,86.45
		6,27,00.07	4,49,47.04

Trade Payables ageing schedule as on 31.03.2022

Particulars	Outstanding For Following Period From Due date of Payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
(i) MSME	–	21,45.61	5,06.42	0.29	0.32	10.47	26,63.11
(ii) Others	9,13.17	2,06,44.47	3,38,96.61	11,77.01	5,22.71	18,59.59	5,90,13.56
(iii) Disputed due - MSMEs	–	–	–	–	–	–	–
(iv) Disputed due - Others	–	–	8,49.89	–	15.10	1,58.41	10,23.40

Trade Payables ageing schedule as on 31.03.2021

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
(i) MSME	–	7,50.95	18,94.15	0.02	10.47	5.00	26,60.59
(ii) Others	14,85.71	2,48,00.73	1,18,53.99	9,20.24	14,52.62	7,34.40	4,12,47.69
(iii) Disputed due - MSMEs	–	–	–	–	–	–	–
(iv) Disputed due - Others	–	–	8,59.78	3.27	–	1,75.71	10,38.76

- 32.1 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.

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Principal & Interest amount remaining unpaid but not due as at year end	26,63.11	26,60.59
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	8.65	0.08
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 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.
- 32.3 Including acceptances of Rs. 20,57.09 lakhs (previous year Rs. 65,42.27 lakhs).

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

33. Other Financial Liabilities

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	33.1	4,29.76	6,37.14
Employee related liability		29,68.74	34,10.04
Unclaimed dividends		1,55.51	1,71.71
Credit balances in current account with banks		–	3,94.63
Capital vendors		3,88.34	32,77.79
Others		2,31.27	8,93.51
		41,73.62	87,84.82

33.1 The same is not due for deposit to Investor Education and Protection Fund at the Balance Sheet date.

34. Other Current Liabilities

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Contract Liability	34.1 and 58	2,52,07.04	85,28.91
Statutory Payables		1,21,43.24	1,28,47.62
Deferred Income	34.2	25.64	25.64
Others		3,23.71	3,11.21
		3,76,99.63	2,17,13.38

34.1 Contract Liability includes Rs. 8,99.32 lakhs (previous year Rs. 5,58.70 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 on Power Rs. 2,64.07 lakhs (previous year Rs. 2,64.07 lakhs).

35. Provisions

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	50	14,38.29	13,68.15
Other Provisions	35.1	1,62.22	73.60
		16,00.51	14,41.75

35.1 Movement in other provisions are provided below:

Particulars	(Amount Rs. In lakhs)
As at April 01, 2020	86.03
Provision during the year	–
Reversal/Utilisation during the year	(12.43)
As at March 31, 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

36. Current Tax Liabilities (Net)

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for taxation (net)	6,61.66	7,99.38
	6,61.66	7,99.38

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)**37. Revenue from Operations**

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	52,55,22.69	34,48,88.03
Sale of services	9,54.19	1,98.26
Other operating revenues		
Incentive / Subsidy	15,34.05	23,14.43
Others	84.29	19.03
	52,80,95.22	34,74,19.75

37.1. Revenue from Contracts with Customer (additional disclosures under Ind AS 115)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of products and services (Transferred at point in time)		
Manufacturing		
Ductile Iron pipes & fittings	39,52,14.23	25,99,98.24
Ferro Products	3,01,54.65	1,04,07.67
Cast Iron pipes	1,16,49.35	1,87,70.64
Cement	19,67.42	9,01.51
Others	8,13,01.02	4,63,25.82
Trading		
Coke and Coal	–	31,25.05
Ductile Iron pipes & fittings	12,37.43	26,59.84
Others	49,52.78	28,97.52
Other operating revenues		
Incentive / Subsidy	15,34.05	23,14.43
Others	84.29	19.03
	52,80,95.22	34,74,19.75
B. Revenue from contracts with customers disaggregated based on geography #		
Within India	38,30,67.05	23,84,51.21
Outside India	14,34,09.83	10,66,35.08
	52,64,76.88	34,50,86.29
C. Revenue from contracts with customers disaggregated based on type of customer		
Government (India)	2,95,09.83	2,54,12.81
Non Government	49,69,67.05	31,96,73.48
	52,64,76.88	34,50,86.29
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	52,64,86.03	34,51,33.39
Adjustments made to contract price on account of:		
a) Price Adjustments	9.15	47.10
	52,64,76.88	34,50,86.29

refer note no. 59

- (i) The amounts receivable from customers become due after expiry of credit period which on an average is ranging between 90 to 270 days.
- (ii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.
- (iii) There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.
- (iv) Revenue from sale of the products are recorded at a point in time and those from sale of services over a period of time.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

38. Other Income

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income		
On loans, deposits, overdue debts etc.	31,45.90	29,77.24
On Financial Assets measured at amortised cost	77.14	95.26
On Income Tax	8.59	–
Dividend income		
Non current investments	–	1.06
Net gain/(loss) on sale / redemption of Non-Current investments (net)	7,84.52	16.63
Net gain/(loss) on sale / redemption of Current investments (net)	1,66.07	1,35.21
Net gain/(loss) on fair valuation of Current investments through profit or loss (net)	94.54	1,26.89
Net gain/(loss) on derecognition of financial assets at amortised cost	1.25	0.12
Liability / Provision no longer required written back	9,49.32	6,97.97
Miscellaneous income	3,48.33	12,24.35
	55,75.66	52,74.73

39. Cost of materials consumed

(Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials consumed	39.1	27,52,94.37	14,31,00.91
		27,52,94.37	14,31,00.91

39.1 Cost of material consumed includes Rs. 6,70.94 lakhs (previous year Rs.9,87.39 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, 2022	For the year ended March 31, 2021
DI Pipes & fittings	1,12,08.34	96,98.61
Coke and coal	–	1,19.68
	1,12,08.34	98,18.29

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)**41. Changes in inventories of finished goods, Stock-in-Trade and work-in-progress** (Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock		
Finished goods	3,93,78.38	4,07,77.43
Add: Stock of Srialahasthi Pipes Limited as at 18.09.2020	–	20,75.36
Stock-in-trade (in respect of goods acquired for trading)	14.69	20.60
Process stock	1,14,41.23	1,06,72.96
Add: Process stock of Srialahasthi Pipes Limited as at 18.09.2020	–	51,86.16
	5,08,34.30	5,87,32.51
Less: Closing stock		
Finished goods	6,83,00.13	3,93,78.38
In Transit	–	–
Stock-in-trade (in respect of goods acquired for trading)	14.60	14.69
Process stock	2,11,98.90	1,14,41.23
	8,95,13.63	5,08,34.30
	(3,86,79.33)	78,98.21

42. Employee Benefits Expense (Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	50	3,50,96.78	2,61,36.79
Contribution to provident and other funds	50	27,09.69	22,41.02
Staff welfare expenses		19,62.89	13,27.88
		3,97,69.36	2,97,05.69

43. Finance Costs (Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		1,60,07.44	1,81,22.10
Applicable (gain)/loss on foreign currency transactions and translation		16,61.70	(2,72.83)
Interest on Income tax		3,09.38	1,23.12
Other borrowing cost	43.1, 43.2 & 45.5	14,89.47	28,64.04
		1,94,67.99	2,08,36.43

43.1 Borrowing cost capitalised during the year is Rs. 3,60.72 lakhs (previous year Rs. 1,48.18 lakhs). The capitalisation rate has been considered at 5.75% to 11.30%.

43.2 Other Borrowing cost includes Rs. 3,03.94 lakhs (previous year Rs. 2,06.71 lakhs) towards lease obligation of Right of Use Assets.

44. Depreciation and Amortisation Expenses (Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation	44.1	1,14,06.72	89,44.53
Amortisation	6	61.31	54.74
		1,14,68.03	89,99.27

44.1 Depreciation includes Rs. 6,79.16 lakhs (previous year Rs. 4,43.15 lakhs) towards depreciation charge for Right of Use assets.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

45. Other Expenses

(Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spare parts	45.5	4,04,77.11	2,52,96.72
Power and fuel		2,99,23.52	2,02,43.80
Material Handling Charges		50,59.62	38,38.08
Rent		17,08.60	21,27.49
Repairs to buildings		7,30.98	4,21.89
Repairs to machinery		29,41.66	10,35.13
Insurance		16,67.36	12,84.77
Rates and taxes		9,47.13	6,81.42
Directors fees and commission		2,69.20	2,03.77
Freight & forwarding charges		5,07,80.39	2,91,42.59
Commission to selling agents		51,35.75	50,36.23
Other manufacturing expenses		88,16.91	67,70.49
Sundry balances/Advances written off net off provision written back		17,88.36	38.07
Bad debts [net off of provision written back		4,03.05	2,21.95
Loss on sale of fixed assets (net)		4,04.07	2,47.46
Credit loss allowances on Trade Receivable/ Advances/Others (net)		1,97.42	85.37
Net loss/(Gain) on foreign currency transaction and translation		3,41.00	1,90.84
Net Loss/(Gain) on fair valuation of Derivative Instruments through Profit and Loss		(7,02.31)	(4,11.28)
Charity & Donation	45.1, 45.3 and 45.4	4,28.55	7,88.42
Miscellaneous expenses		1,93,94.99	1,62,71.09
		17,07,13.36	11,35,14.30

45.1 Miscellaneous expenses includes Auditors Remuneration.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Audit Fees (previous year includes Rs. 5.00 lakhs pertaining to erstwhile SPL's auditors)	1,27.20	1,41.87
(b) Certification Charges (includes Rs. 19.00 lakhs (previous year Rs. 7.00 lakhs) pertaining to erstwhile SPL's auditors)	88.04	70.15
(c) Reimbursement of Expenses (includes Rs. 2,93.00 lakhs (previous year Rs. 0.84 lakhs) pertaining to erstwhile SPL's auditors)	5.81	1.19

45.2 During the year, the parent company has incurred Rs. 2,08.91 lakhs (previous year Rs. 1,29.92 lakhs) in the nature of salary and wages on account of research and development expenses which has been charged to Statement of Profit and Loss.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

- 45.3 During the year, the Company has incurred Rs. 3,75.48 lakhs (previous year Rs. 35.00 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Miscellaneous Expenses.

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Gross amount required to be spent by the Parent company during the year	2,88.22	34.15
(b)	Amount spent during the year on :		
	(i) Construction / acquisition of any assets	–	–
	(i) On purpose other than (i) above	3,75.48	35.00
(c)	Shortfall at the end of the year	–	–
(d)	Total of previous year shortfall	–	–
(e)	Reason for shortfall	–	–
(f)	Nature of CSR activities	<ol style="list-style-type: none"> 1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water, promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. 2. Medical and health care 3. Promoting education 4. Rural Development projects 5. Women empowerment 6. Animal Welfare and Rural Development projects 7. Medical and health care 	
(g)	Amount unspent, if any	–	–
(h)	Details of related party expenditure	–	–
(i)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately	–	–

- 45.4 Includes provision for Inventories amounting to Rs. 7,40.27 lakhs (previous year Rs. 97.80 lakhs).

45.5 Obligation under Leases

The Group has elected to apply IND As 116 to its leases with modified retrospective approach. Under this approach, the Group has recognized lease liabilities and corresponding equivalent right of use assets. In the statement of profit & loss for the year ended, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expenses on right of us assets and finance cost for interest accrued on such lease liability.

45.5.1 Movement in Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	41,88.27	17,87.52
Add:- On account of consolidation of SPL (refer note no 61)	–	21,09.94
Additions	55.72	6,44.84
Interest Cost accrued during the period	3,03.94	2,06.71
Deletions	18.95	–
Foreign Exchange translation	54.15	(37.21)
Payment of lease liabilities	8,72.95	5,23.53
Balance at the end	37,10.18	41,88.27

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

45.5.2 Future Payment of Lease liabilities on an undiscounted basis

Future payment of lease liabilities on an undiscounted basis are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	7,98.78	6,24.15
One to five years	28,89.98	30,36.75
More than five years	40,33.59	46,26.39
Total undiscounted lease liabilities	77,22.35	82,87.29
Lease liabilities included in the statement of financial position	37,10.18	41,88.27
Current Lease Liabilities	7,52.64	5,99.98
Non-Current Lease Liabilities	29,57.54	35,88.29

45.5.3 Amounts recognised in Profit or Loss

Particulars	As at March 31, 2022	As at March 31, 2021
Interest expense on lease liabilities	3,03.94	2,06.71
Depreciation on right-of-use assets	6,79.16	4,43.15
Expense relating to short-term leases (included in other expenses)	17,08.60	17,08.81
Total	26,91.70	23,58.67

45.5.4 The weighted average incremental borrowing rate of 11.40% (previous year 11.40%) has been applied to lease liabilities recognised in the consolidated balance sheet.

46. Exceptional Items

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Exceptional Items		
On account of:		
Fair valuation of investment of Srikalahasthi Pipes Limited	–	(2,44,23.40)
	–	(2,44,23.40)

46.1 During the previous year, the Group has obtained the control over Srikalahasthi pipes limited (SPL) w.e.f. September 18, 2020 in line with the guidelines prescribed under Ind AS 110 "Consolidated Financial Statements" which was hitherto considered as an associate in the consolidated financial statement. In view of accounting treatment prescribed under Ind AS 103 "Business Combination" a sum of Rs. 2,44,23.40 lakhs, being the difference between the carrying value of investment in SPL and its fair value on the date of control, has been considered as exceptional item. Refer note no 61.

47. Tax Expenses

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current year	1,09,52.62	55,07.40
In respect of prior years	3,61.48	(2,25.47)
Total Current tax expense recognised in the current year	1,13,14.10	52,81.93
Deferred tax		
In respect of the current year	(11,49.49)	(12,60.94)
In respect of prior years	(4,92.84)	–
Total Deferred tax expense recognised in the current year	(16,42.33)	(12,60.94)
Total Tax expense recognised in the current year	96,71.77	40,20.99

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

47.1 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:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	4,44,28.76	(56,02.02)
Income tax expense calculated at 25.168% (previous year 25.168%)	1,11,81.83	(14,09.92)
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit		
– Dividend	–	(3,26.90)
– Effect of change in tax base of revalued land	(2,74.34)	(1,67.19)
– Effect of other adjustments	(1,21.42)	(1,17.97)
– Effect of other adjustments in respect of earlier year	(1,31.36)	(2,25.47)
– Effect of tax free income in respect of subsidiaries	(3,83.78)	(1,17.41)
– Differences in taxes under various jurisdiction in respect of subsidiaries	(8,61.81)	(1,91.40)
Add : Effect of expenses that are not deductible in determining taxable profit		
– Effect of Exceptional item	–	61,46.88
– CSR Expenditure, Donation etc.	94.50	2,53.76
– Others	1,68.15	1,76.61
Income tax expense recognised in profit or loss	96,71.77	40,20.99

47.2 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	0.01	(9.44)
Remeasurement of defined benefit obligation	43.87	(28.84)
Total income tax recognised in other comprehensive income	43.88	(38.28)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	43.88	(38.28)
Items that will be reclassified to profit or loss	–	–

48. Components of Other Comprehensive Income

(Amount Rs. in lakhs)

Particulars	Ref. note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans	50	(1,74.28)	1,14.63
Equity Instrument through Other Comprehensive Income		53,50.86	25,04.14
		51,76.58	26,18.77
Items that will be reclassified to Statement of Profit and Loss			
Effective portion of foreign currency translation reserve		4,83.08	1,53.42
		4,83.08	1,53.42

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

49. Financial Instruments

a) The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows :-

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	9,41,86.42	9,41,86.42	7,68,75.29	7,68,75.29
Cash and cash equivalents	2,13,73.21	2,13,73.21	2,12,99.01	2,12,99.01
Bank Balances Other than Cash and Cash Equivalents	3,05,04.10	3,05,04.10	2,97,48.29	2,97,48.29
Loans	53,29.53	53,29.53	17,50.77	17,50.77
Other Financial Assets	2,24,88.29	2,24,88.29	3,01,99.22	3,01,99.22
Financial Assets measured at Fair Value through Profit and Loss Account				
Derivative Instruments	7,02.31	7,02.31	4,11.28	4,11.28
Investment in Equity Instruments, Mutual and alternate investment fund	3,61,72.87	3,61,72.87	1,56,60.59	1,56,60.59
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments other than Subsidiaries and Joint Venture	95,06.87	95,06.87	45,72.75	45,72.75
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings - fixed rate	16,74,44.56	16,74,44.56	9,13,02.54	9,13,02.54
Borrowings - floating rate	12,55,42.27	12,55,42.27	11,82,62.29	11,82,62.29
Lease Liabilities	37,10.18	37,10.18	41,88.27	41,88.27
Trade Payables	6,27,00.07	6,27,00.07	4,49,47.04	4,49,47.04
Other Financial Liabilities	41,73.62	41,73.62	87,84.82	87,84.82

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 present borrowing rate of the group.
- 3 Investments (other than Investments in Joint Venture being accounted based on equity method) traded in active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except 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 and wherever the same is not available, alternate available inputs are considered for the purpose of valuations.
- 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. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. 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, 2022 (Contd.)

(Amount 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, 2022	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 & Bonds (Current)	3,61,72.87 (1,56,60.59)	3,61,72.87 (1,56,60.59)	– –	– –
Investment in Equity Instruments other than Subsidiaries and Joint Venture (Non-Current)	95,06.87 (45,72.75)	0.73 (0.62)	94,76.35 (45,42.29)	29.79 (29.84)
Derivative Instrument	7,02.31 (4,11.28)	– –	7,02.31 (4,11.28)	– –

(*) Figures in round brackets () indicate figures as at March 31, 2021

2 During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1, Level 2 and Level 3.

3 The Inputs used in fair valuation measurement are as follows:

- 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.
- 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.
- 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. Other investments are valued based on inputs that are directly or indirectly observable in the market place.

d) Derivatives financial assets and liabilities:

Within the Group, derivatives instruments are largely entered into by the parent company. The parent 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 group 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 Company's derivative contracts outstanding:

Sl. No.	Underlying Purpose	Category	As at March 31, 2022		As at March 31, 2021		Currency
			No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
1	Export Receivables	Forward	44	3,00,10,407	32	2,03,50,376	USD/INR
2	Export Receivables	Forward	10	55,75,000	10	29,47,584	GBP/USD
3	Export Receivables	Forward	25	1,84,53,838	19	1,24,88,581	EURO/USD
4	Export Receivables	Forward	15	1,49,50,000	7	56,43,270	EURO/INR
5	Export Receivables	Forward	2	13,00,000	2	7,50,000	SGD/USD
6	Suppliers Credit/Imports/Other payables	Forward	50	7,14,27,181	36	2,58,87,627	USD/INR
7	Suppliers Credit/Imports/Other payables	Option	13	2,23,19,000	21	2,52,04,386	USD/INR

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount in Foreign Currency)

(ii) Un hedged Foreign Currency exposures are as follows: –

Nature	Currency	As at March 31, 2022	As at March 31, 2021
Payables			
Buyer's Credit /Suppliers Credit /PCFC/Acceptances (includes accrued interest)	USD	2,87,09,686	39,72,840
Imports & Other payables	USD	2,02,63,165	1,03,95,917
Imports & Other payables	EURO	6,59,762	2,21,034
Imports & Other payables	GBP	42,316	14,230
Imports & Other payables	KWD	428	–
Imports & Other payables	AUD	28,882	–
Receivable			
Exports & Other receivables	GBP	–	2,78,507
Exports & Other receivables	SGD	7,52,479	12,29,179
Exports & Other receivables	USD	1,18,77,655	84,38,131
Exports & Other receivables	EURO	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:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one month	(86.10)	(36.53)
Later than one month and not later than three months	3,20.68	76.17
Later than three months and not later than one year	4,67.74	3,71.64
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. As at March 31, 2022 and March 31, 2021 the maximum amount of recourse obligation in respect of financial assets are Rs 1,44,65.14 lakhs and Rs. 1,88,49.62 lakhs respectively.

f) Financial Risk Factors

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 and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments 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 company, being the largest component of the Group.

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.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows:

As at March 31, 2022

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)

As at March 31, 2021

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other Current Liabilities	Net Assets/ (Liabilities)
USD	67,90.84	3,63,62.87	1,45,46.30	(4,41,18.33)
EURO	1,53,36.55	–	1,88.74	1,51,47.81
GBP	32,49.69	–	14.01	32,35.68
SGD	10,41.66	–	–	10,41.66
TOTAL	2,64,18.74	3,63,62.87	1,47,49.05	(2,46,93.18)

Derivative financial assets and liabilities dealing with outstanding derivative contracts and unhedged foreign currency exposure has been detailed in earlier paras. Unhedged foreign currency exposure is primarily on account of long term foreign currency borrowings for which hedge cover is taken as per the policy followed by the group depending upon the remaining period of maturity of the installments falling due for payment.

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 in the fair value of monetary assets and liabilities is given below:

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2022	For the year ended March 31, 2021
RECEIVABLES (Weaking of INR by 5%)		
USD	4,50.09	3,08.43
EURO	16.93	–
GBP	–	14.03
SGD	21.05	33.41
PAYABLES (Weaking of INR by 5%)		
USD	(18,55.76)	(5,25.21)
EURO	(27.66)	(9.48)
GBP	(2.11)	(0.72)
KWD	(0.05)	–
AUD	(1.46)	–

A 5% strengthening of INR would have an equal and opposite effect on the Group's consolidated 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 from banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. As of March 31, 2022, substantially all of the Company borrowings were subject to floating interest rates, which are reset at short intervals. Considering the same, the carrying amount of said borrowings was considered to be at fair value.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2022	For the year ended March 31, 2021
Rupee Loan	+0.50	5,21.14	4,93.18
Borrowings in local currency by other entity of the Group	+0.25	53.29	49.06

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) Other price risk

The Group is not an active investor in equity markets; it continue to hold certain investment for long term value accretion which are accordingly measured at fair value through other comprehensive income. Further, the company comprising of the largest component of the Group measures current investments at fair valued through profit and loss and are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

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 risks. 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. 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 and the Group obtains necessary security including letter of credits and/or bank guarantee to mitigate.

The carrying amount of respective financial assets recognised in the consolidated 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, 2022 and March 31, 2021.

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 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. 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 against which no credit losses has been expected to arise.

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 its cash and collateral requirements at all times. The Group relies on borrowings and internal accruals to meet its long term and short term funds requirement. The current committed line of credit are sufficient to meet its short to medium term funds requirement.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

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, 2022**

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	8,44,24.31	17,26.61	8,26,97.70	1.71%
GBP	72,10.70	72,10.70	-	2.51%
EUR	1,28,09.36	1,16,76.66	11,32.70	1.75%
DZD	7,00.68	7,00.68	-	8.50%
Total	29,29,86.83	12,55,42.28	16,74,44.55	

As at March 31, 2021

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	14,97,14.52	9,86,36.72	5,10,77.80	9.27%
USD	3,80,50.27	16,60.77	3,63,89.50	1.52%
GBP	66,21.71	66,21.71	-	2.56%
EUR	1,44,90.78	1,06,55.54	38,35.24	1.77%
DZD	6,87.55	6,87.55	-	8.50%
Total	20,95,64.83	11,82,62.29	9,13,02.54	

Maturity Analysis of Financial Liabilities**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)	29,29,86.83	26,11.15	18,34,77.43	1,91,80.42	8,77,17.84	29,29,86.83
Other Liabilities	41,73.62	-	41,73.62	-	-	41,73.62
Trade and other payables	6,27,00.07	-	6,27,00.07	-	-	6,27,00.07

* Include Rs 35,70.70 lakhs as Prepaid Finance Charges.

As at March 31, 2021

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	20,95,64.83	38,44.88	10,20,27.25	1,46,45.78	8,90,46.92	20,95,64.83
Other Liabilities	87,84.82	-	87,84.82	-	-	87,84.82
Trade and other payables	4,49,47.04	-	4,49,47.04	-	-	4,49,47.04

* Include Rs 51,24.80 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

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:

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	29,29,86.83	20,95,64.83
Less Cash and Cash Equivalents	2,13,73.21	2,12,99.01
Net Debt	27,16,13.62	18,82,65.82
Equity	41,04,47.93	37,27,53.60
Equity and Net Debt	68,20,61.55	56,10,19.42
Gearing Ratio	0.40	0.34

50. 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:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	5,32.08	5,01.85
Employer's Contribution to Pension Fund	3,63.28	2,93.49
Employer's Contribution to Superannuation Fund	36.31	42.74
Employer's Contribution to NPS Fund	68.51	59.89

b) Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Ltd. 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.

	Gratuity (Funded)	
	2021-22	2020-21
i) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	52,51.03	35,90.18
Add:- On account of merger of SPL (Refer Note no.61)	–	13,25.60
Interest Cost	4,57.65	2,96.22
Current Service Cost	3,35.19	2,60.74
Actuarial (gain) / loss on obligations	49.69	15.89
Benefits paid	(5,06.26)	(2,37.60)
Liability at the end of the year	55,87.30	52,51.03

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

	Gratuity (Funded)	
	2021-22	2020-21
ii) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	41,72.88	26,15.47
Add:- On account of merger of SPL (Refer Note no.61)	–	12,34.04
Expected Return on Plan Assets	3,71.63	2,29.01
Contributions by the Company	4,30.38	3,22.20
Benefits paid	(5,06.26)	(2,37.60)
Actuarial gain / (loss) on Plan Assets	(28.92)	9.76
Fair value of Plan Assets at the end of the year	44,39.71	41,72.88
iii) Actual return on Plan Asset		
Expected return on Plan assets	3,71.63	2,29.01
Actuarial gain / (loss) on Plan Assets	(28.92)	9.76
Actual Return on Plan Assets	3,42.71	2,38.77
iv) Amount Recognized in Balance Sheet		
Liability at the end of the year	55,87.30	52,51.03
Fair value of Plan Assets at the end of the year	44,39.71	41,72.88
	11,47.59	10,78.15
v) Components of Defined Benefit Cost		
Current Service Cost	3,35.19	2,60.74
Interest Cost	4,57.65	2,96.22
Expected Return on Plan Assets	(3,71.63)	(2,29.01)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	78.61	6.13
Total Defined Benefit Cost recognised in Profit and Loss and OCI	4,99.82	3,34.08
vi) Balance Sheet Reconciliation		
Opening Net Liability	10,78.15	9,74.71
Add:- On account of merger of SPL (Refer Note no.61)	–	91.56
Expenses as above	4,99.82	3,34.08
Employers Contribution	(4,30.38)	(3,22.20)
Amount Recognized in Balance Sheet	11,47.59	10,78.15

vii) Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
G-Sec/ Corporate Securities	55.13%	48.81%
Equity	4.60%	3.21%
Fixed Deposit and other assets	6.04%	15.66%
Life Insurance Corporation of India	34.23%	32.32%

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, 2022 (Contd.)

(Amount Rs. in lakhs)

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the company as at March 31, 2022 is given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Privileged Leave	22,79.19	21,61.32
Sick Leave	14,35.81	12,22.69
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.10%	7.00%
Rate of Return on Plan Assets	7.10%	7.00%
Salary Escalation Rate	5.50%-6.00%	6.00%
Withdrawal Rate	1-8 %	1-8 %

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. 3,60.00 lakhs (previous year Rs. 2,80.00 lakhs) to Gratuity fund in 2022-23.

Recognised in Other Comprehensive Income

	Gratuity (Funded)	
Particulars	As at March 31, 2022	As at March 31, 2021
Remeasurement - Actuarial loss/(gain)	78.61	4.77
For the year ended	78.61	4.77

Sensitivity analysis:

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended 31st March, 2021		
Discount Rate	+1%	35,70.46
	-1%	42,82.45
Salary Growth Rate	+1%	42,81.83
	-1%	35,67.32
Withdrawal Rate	+1%	39,23.06
	-1%	38,84.05
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.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

History of experience adjustments is as follows:

Particulars	Gratuity
For the year ended March 31, 2021	
Plan Liabilities - loss/(gain)	(10.14)
Plan Assets - loss/(gain)	(9.76)
For the year ended March 31, 2022	
Plan Liabilities - loss/(gain)	97.25
Plan Assets - loss/(gain)	28.94

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity
01 April 2022 to 31 March 2023	13,29.44
01 April 2023 to 31 March 2024	2,49.66
01 April 2024 to 31 March 2025	3,56.87
01 April 2025 to 31 March 2026	3,91.38
01 April 2026 Onwards	27,01.20

Particulars	As at March 31, 2022	As at March 31, 2021
Average no. of people employed	2867	2875

51. (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 has been subsequently allotted to Steel Authority of India Limited (SAIL). The parent company also understand that the SAIL has handed over back the said coal block to the custody of BCCL. The Ministry of Coal has once again put up the Parbatpur Coal Block in the list of mines to be auctioned (for commercial mining) and the auction is likely to be concluded soon subject to receiving adequate qualified bids.

Following a petition filed by the parent Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the parent Company has claimed Rs.15,31,76.00 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 parent 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 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 11.11.2019 awarding an additional compensation of Rs. 180 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019. Based on the valuation report submitted to the Nominated Authority, the valuer had recommended a valuation based on total direct / hard cost, for such specified assets, which is under consideration of the Nominated Authority and a final compensation has not been declared as yet. The parent company has also approached the newly appointed Nominated Authority/ Ministry of Coal 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 parent Company is also exploring other possibilities.

Pending finalisation of the matter as above;

- 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.
- 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
- 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. 20,54.70 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.

Disclosures of above balances as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

51. (b) Various balances pertaining to Coal Block claim and handing over the same as detailed in different heads of accounts includes:

Particulars	As at March 31, 2022		As at March 31, 2021	
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	3,34,93.90		3,34,93.90	
Mine Development including overburden removal expenses (Net) (refer note no: 54 (a))	8,69,09.74	12,04,03.64	8,69,09.74	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	(6,54.92)	(20,54.70)	(6,54.92)	(20,54.70)
Total		12,80,31.81		12,80,31.81

51. (c) Due to reasons stated in note no. 51(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. 51(b) considering the circumstances and objective of the financial statements.

52. 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 expired on January 11, 2017. The parent company filed a writ petition before the Hon'ble High Court at Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the parent company.

The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the Hon'ble High Court, Rs. 34,53.33 lakhs (previous year Rs. 38,95.26 lakhs) so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress, advances and security deposit.

53. 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. 23,18.35 lakhs during the earlier years. During the current year, the parent company has carried forward the balance lying in the books of accounts amounting to Rs. 17,78.11 lakhs as an abundant precaution and grouped under other expenses. However the parent company continues to pursue its claim with the Railway Authorities.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

54. (a) The expenses incurred for projects/assets during the construction/mine development period are classified as "Pre-operative Expenses" pending capitalization are included under capital work in progress and will be allocated to the assets on completion of the project/assets. Consequently expenses disclosed under the respective head are net of amount classified as preoperative expenses by the parent company (refer note no. 51 and 52). The details of these expenses are as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Balance brought forward	8,79,85.74	8,79,85.74
Add:		
Miscellaneous Expenses	–	–
Total preoperative expenses	8,79,85.74	8,79,85.74
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	8,79,85.74	8,79,85.74

54. (b) CWIP ageing schedule as on March 31, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15,37.86	18,39.55	25,75.59	24.06	59,77.06
Projects temporarily suspended (also refer note no. 51 & 52)	–	–	–	11,47,99.91	11,47,99.91
Total	15,37.86	18,39.55	25,75.59	11,48,23.97	12,07,76.97

Particular	Amount
Projects which have exceeded their original timeline/original budget	12,04,29.07

Details of capital-work-in progress completion schedule as at March 31, 2022

Details of Project	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Under Progress (A)					
DIP Expansion Project	42,16.46	–	–	–	42,16.46
Additional Power & Water Project	4,12.85	–	–	–	4,12.85
MBF Expansion	4,51.45	–	–	–	4,51.45
Others	5,48.40	–	–	–	5,48.40
Total (A)	56,29.16	–	–	–	56,29.16
Temporarily Suspended (B)					
Iron-Ore Mines	–	–	–	27,52.16	27,52.16
Coal Mines	–	–	–	11,20,47.75	11,20,47.75
Total (B)	–	–	–	11,47,99.91	11,47,99.91
Total (A+B)	56,29.16	–	–	11,47,99.91	12,04,29.07

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

CWIP ageing schedule as on March 31, 2021

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,58,75.49	29,02.10	49.64	1.57	1,88,28.80
Projects is temporarily suspended.	49.21	–	–	11,47,99.91	11,48,49.12
Total	1,59,24.70	29,02.10	49.64	11,48,01.48	13,36,77.92

Particular	Amount
Projects which have exceeded their original timeline/original budget	13,36,77.92

Details of capital-work-in progress completion schedule as at March 31, 2021

Details of Project	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Under Progress (A)					
DIP Expansion Project	61,06.38	2,77.22	–	–	63,83.60
Coke Oven Plant	7,54.67	–	–	–	7,54.67
MBF Expansion	1,01,03.05	–	–	–	1,01,03.05
Land Development	–	4,84.69	–	–	4,84.69
Others	8,70.55	2,32.24	–	–	11,02.79
Total (A)	1,78,34.65	9,94.15	–	–	1,88,28.80
Temporarily Suspended (B)					
Iron-Ore Mines	–	–	–	27,52.16	27,52.16
Coal Mines	–	–	–	11,20,47.75	11,20,47.75
Infrastructure development - Pipe Project	–	–	–	49.21	49.21
Total (B)	–	–	–	11,48,49.12	11,48,49.12
Total (A+B)	1,78,34.65	9,94.15	–	11,48,49.12	13,36,77.92

55. Calculation of Earning Per Share is as follows:

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	3,47,27.73	(91,19.89)
	Net profit for basic and diluted earnings per share	3,47,27.73	(91,19.89)
(b)	Weighted average number of equity shares for calculation of basic and diluted 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 and diluted EPS	594605247	513554987
(c)	Weighted average number of equity shares outstanding	594605247	513554987
(d)	Earnings per share (EPS) of Equity Share of Re. 1 each:		
	i) Basic (Rs.)	5.84	(1.78)
	ii) Diluted (Rs.)	5.84	(1.78)

after incorporating the impact of equity share issued in lieu of the scheme of arrangement w.e.f. october 01, 2020.

**56. Commitments**

Particulars	As at March 31, 2022		As at March 31, 2021	
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):	51,51.68		38,25.71	
(b) Other commitments	in million	Rs. in lakhs	in million	Rs. in lakhs
i) Sell Forward contract				
In USD	30.01	2,27,44.14	20.35	1,48,77.14
In Euro	33.40	2,80,12.08	18.13	1,55,45.80
In GBP	5.58	55,48.89	2.95	29,69.14
In SGD	1.30	7,27.22	0.75	4,07.77
ii) Buy Forward Contract				
In USD	71.43	5,41,32.87	25.89	1,84,34.95
iii) Option contract outstanding				
In USD	22.32	1,69,15.01	25.21	1,89,15.87

57.(i) Contingent Liabilities not provided for in respect of:

Particulars	As at March 31, 2022	As at March 31, 2021
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	63,18.90	91,78.13
ii) Entry Tax	2,21.66	2,57.12
iii) Excise, Custom Duty and Service tax	48,50.61	48,35.25
iv) Income Tax	5,86.96	11,88.49
v) Goods & Service Tax	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 Parent company retrospectively from Feb'86. In the opinion of the management the revised power tariff is not applicable to the Parent 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	46,52.53	44,24.34
ii) The Subsidiary	22,64.19	4,11.54

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 company and the matter is pending before the Hon'ble High Court at Calcutta.

g) In case of the matter related to Forest Department fee amounting to Rs. 9,28.90 lakhs 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 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 disclosed contingent liabilities, 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

57. (ii) Contingent assets (not recognised for) in respect of :

Particulars	As at March 31, 2022	As at March 31, 2021
a) Benefits under Industrial Promotion Scheme **	Amount unascertainable	Amount unascertainable

** Pre Goods & Service Tax (GST), the Parent company was enjoying certain benefits under Industrial Promotion scheme of state government. Post GST, pending notifications by the state government, on prudent basis, the Parent company has not recognised any income under the scheme for the period July 01, 2017 to March 31, 2019.

58. 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) Associate Company | Srikalahasthi Pipes Limited (upto 17.09.2020) |
| 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 31.12.2021)
Mr. Sunil Katial - Chief Executive Officer & Wholetime Director
Mr. Ashutosh Agarwal - CFO & Wholetime Director (w.e.f. 03.01.2022)
Ms. Priya Manjari Todi - Wholetime Director (w.e.f. 14.02.2022)
Ms. Radha Kejriwal Agarwal - Wholetime Director (w.e.f. 14.02.2022)
Mr. Madhav Kejriwal - Wholetime Director (w.e.f. 14.02.2022)
Ms. Nityangi Kejriwal Jaiswal - Wholetime Director (w.e.f. 14.02.2022)
Mr. Pradip Kr. Khaitan - Chairman
Mr. Binod Kumar Khaitan - Director
Mr. S Y Rajagopalan - Director
Mr. Vyas Mitre Ralli - Director
Mr. Amrendra Prasad Verma - Director
Dr. Mohua Banerjee - Director
Mr. Rajkumar Khanna - Director (appointed w.e.f. 15.06.2020)
Mr. Bal Kishan Choudhury - Director (appointed w.e.f. 10.02.2022)
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 |
| 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 Ltd.
Global Exports Ltd.
Sree Khemisati Constructions Private Limited
G K & Sons Private Limited
Electrosteel Thermal Coal Limited
Badrinath Industries Ltd.
Electrocast Sales India Limited
Uttam Commercial Company Limited |

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

B) Related Party Transactions

Particulars	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.22	Outstanding as on 31.03.21
Sale						
Previous Year						
Srikalahasthi Pipes Limited	4,87.71	–	–	4,87.71	–	–
Purchase						
Previous Year						
Srikalahasthi Pipes Limited	55,04.59	–	–	55,04.59	–	–
Remuneration						
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 Kr. 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	–	
Total	–	23,82.35	–	23,82.35	3,39.94	
Previous Year						
Mr. Umang Kejriwal	–	2,90.05	–	2,90.05	–	17.22
Mr. Mayank Kejriwal	–	3,68.70	–	3,68.70	–	7,20.48
Mr. Uddhav Kejriwal	–	1,93.32	–	1,93.32	–	11.18
Mr. Mahendra Kumar Jalan	–	1,72.47	–	1,72.47	–	11.01
Mr. Sunil Katial	–	2,17.98	–	2,17.98	–	8.33
Mr. Ashutosh Agarwal	–	1,49.33	–	1,49.33	–	12.08
Ms. Priya Manjari Todi	–	79.43	–	79.43	–	1,11.47
Ms. Radha Kejriwal Agarwal	–	35.88	–	35.88	–	1.35
Ms. Nityangi Kejriwal	–	82.67	–	82.67	–	4.52
Dr. Mohua Banerjee	–	17.35	–	17.35	–	12.48
Mr. Rajkumar Khanna	–	19.00	–	19.00	–	12.48
Mr. Vyas Mitre Ralli	–	10.50	–	10.50	–	6.48
Mr. S Y Rajagopalan	–	10.50	–	10.50	–	6.48
Mr. Binod Khaitan	–	13.70	–	13.70	–	6.48
Mr. Pradeep Kr. Khaitan	–	13.50	–	13.50	–	6.48

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Particulars	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.22	Outstanding as on 31.03.21
Mr. Amrendra Prasad Verma	–	12.70	–	12.70	–	6.48
Rent Paid						
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 Ltd.	–	–	27.65	27.65	–	–
Total	–	–	1,70.74	1,70.74	–	–
Previous Year						
Tulsi Highrise Private Limited	–	–	62.14	62.14	–	–
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 Ltd.	–	–	13.43	13.43	–	–
Service Charges Paid						
Sree Khemisati Constructions Private Limited	–	–	3,86.39	3,86.39	5.72	–
Global Exports Ltd.	–	–	90.00	90.00	–	–
Sri Gopal Investments Venturess Ltd	–	–	2.98	2.98	0.09	–
Total	–	–	4,79.37	4,79.37	5.81	–
Previous Year						
Sree Khemisati Constructions Private Limited	–	–	2,84.42	2,84.42	–	5.53
Global Exports Ltd.	–	–	90.00	90.00	–	–
Sri Gopal Investments Venturess Ltd	–	–	2.24	2.24	–	–
Reimbursements of expenses received						
Previous Year						
Srikalahasthi Pipes Limited	1.10	–	–	1.10	–	–
Security Deposits						
Sri Gopal Investments Venturess Ltd	–	–	–	–	11.55	–
Electrosteel Thermal Coal Limited	–	–	–	–	1,90.68	–
Tulsi Highrise Private Limited	–	–	–	–	2,85.00	–
Global Exports Ltd.	–	–	–	–	15.00	–
Total	–	–	–	–	5,02.23	–
Previous Year						
Sri Gopal Investments Venturess Ltd	–	–	–	–	–	11.55
Electrosteel Thermal Coal Limited	–	–	–	–	–	1,90.68
Tulsi Highrise Private Limited	–	–	–	–	–	2,85.00
Global Exports Ltd.	–	–	–	–	–	15.00
Dividend Received						
Previous Year						
Srikalahasthi Pipes Limited	13,51.09	–	–	13,51.09	–	–
Advances Given						
Domco Private Limited	–	–	–	–	7,00.00	–

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Particulars	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.22	Outstanding as on 31.03.21
Previous Year						
Domco Private Limited	–	–	–	–	–	7,00.00
Interest Paid						
Previous Year						
Srikalahasthi Pipes Limited	75.97	–	–	75.97	–	–
Professional Charges						
Mr Rajkumar Khanna	–	42.48	–	42.48	–	–
Mrs. Madhu Agarwal		12.75	–	12.75	–	–
Mr. Apurva Agarwal		12.75	–	12.75	–	–
Total	–	67.98	–	67.98	–	–
Previous Year						
Mr Rajkumar Khanna	–	21.24	–	21.24	–	–
Mrs. Madhu Agarwal		8.50	–	8.50	–	–
Mr. Apurva Agarwal		8.50	–	8.50	–	–

1. The following transactions with the relatives of KMPs/ Directors of the Company were taken place in the erstwhile Srikalahasthi Pipes Limited (merged with the company w.e.f October 1, 2020 and the certified copy the Court Order filed with the ROC on 31st December 2021) between 1st April 2021 to 31st December 2021 and previous financial year between October 1, 2020 to March 31, 2021. These transactions were not falling under the ambit of “Related Party Transaction” from SPL’s stand point of view and has been disclosed here for enhanced disclosures.

Name of related party	Nature of transaction	Amount	Outstanding as on 31.03.22	Outstanding as on 31.03.21
Mr Madhav Kejriwal	Salary	83.12	–	–
Ms Suman Katial	Professional Services	14.25	–	–
Mr Monish Katial	Professional Services	14.25	–	–
Mr Aman Agarwal	Professional Services	97.35	–	–
Previous Year				
Mr Madhav Kejriwal	Salary	40.95	–	4.11
Ms Suman Katial	Professional Services	7.92	–	1.58
Mr Monish Katial	Professional Services	4.75	–	4.75
Mr Aman Agarwal	Professional Services	48.68	–	9.74

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.

C. Details of compensation paid to KMP during the year are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits;	20,23.55	15,14.67
Post-employment benefits*	1,13.54	8.18
Other long-term benefits*	–	–

*Post-employment benefits and other long-term benefits is being disclosed based on actual payment made 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 Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

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.
 - 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.
- 58.1 In respect of the above parties, there is no provision for doubtful debts as on March 31, 2022 and no amount has been written off or written back during the year in respect of debt due from/to them.
- 58.2 The above related party information is as identified by the management..
- 58.3 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. 8,8A and 14).
 - b) Details of Corporate Guarantee/ Standby Letter of Credit given by the Parent company are as follows:

Name of the Company	Purpose	As at March 31, 2022	As at March 31, 2021
Electrosteel Europe SA	Short Term Loan Facility	16,77.18	25,72.13
	Short Term Loan Facility	–	12,00.33
Electrosteel Algerie SPA	Working capital facility	9,09.45	8,77.26
Electrosteel Castings (UK) Ltd.	Short Term Loan Facility	19,90.63	20,14.63
Electrosteel USA LLC	Working capital facility	18,94.69	18,27.63

59. The Group operates mainly in one business segment viz Pipes 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:

Particulars	2021-22			2020-21		
	Within India	Outside India	Total	Within India	Outside India	Total
Sales (gross)	38,30,67.05	14,34,09.83	52,64,76.88	23,84,51.21	10,66,35.08	34,50,86.29
Non-Current Assets other than financial instruments	39,04,85.70	89,97.68	39,94,83.38	38,92,51.39	1,01,35.51	39,93,86.90

60. 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". Accordingly, during the year ended March 31, 2022, the net exchange difference of Nil [previous year Nil] on foreign currency loans have been adjusted in the carrying amount of fixed assets / capital work in progress. The unamortised balance is Rs 2,83,40.19 lakhs (previous year Rs 2,89,75.03 lakhs).

61. Business Combination

Merger of Srikalahasthi Pipes Limited

The National Company Law Tribunal (Cuttack Bench) vide its order dated December 09, 2021 has approved the scheme of Arrangement between the Parent Company and its subsidiary "Srikalahasthi Pipes Limited" (SPL) whereby SPL has been merged with the parent company w.e.f. October 01, 2020 i.e. Appointed Date. Necessary filings with the Registrar of the Companies, Cuttack were made on December 31, 2021 and the scheme became effective from the appointed date. In view of the above, the corresponding previous year presented in these consolidated financial statements have been restated to bring in line with the accounting prescribed as per the approved scheme. The impact of such restatement on the group's results in the previous year ended 31st March 2021 is however not material.

SPL became the subsidiary of the Company w.e.f. September 18, 2020 and since then it has been consolidated in line with the guidelines prescribed under Ind AS 110 "Consolidated Financial Statements". In view of the above, the current year's consolidated financial statements are not strictly comparable with the comparative year results.

Further in view of the scheme, the holding company had issued 59 (fifty-nine) equity shares of Rs. 1 each fully paid up for every 10 (ten) equity shares of Rs. 10 each held by the shareholders of SPL as on the record date.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Summary of the assets and liabilities as on September 18, 2020 are as follows:

(a) Summary of Assets, Liabilities and Reserve of SPL

Particulars		Balances as at September 18, 2020 (Opening)
Assets		
Non Current Assets		
	Property, Plant & Equipment	8,86,27.58
	Capital work-in-progress	1,15,85.09
	Intangible assets	44.36
	Right to Use assets	20,21.64
	Financial Assets - Loans	11,10.80
	Financial Assets - Other financial assets	13.89
	Other non current assets	8,06.00
	Non current tax assets	3,85.72
Current Assets		
	Inventories	2,51,75.30
	Investments	1,82,99.00
	Trade receivables	2,84,94.67
	Cash & cash equivalents	17,31.01
	Bank balances other than above	4,01,31.60
	Loan	39,24.81
	Other Financial Assets	27,33.31
	Other Current Assets	1,00,35.46
	Current Tax assets	3,50.16
Total Assets	(x)	23,54,70.40
Liabilities		
Non Current Liabilities		
	Borrowings	1,31,57.26
	Lease liabilities	19,71.93
	Provisions	7,97.81
	Deferred Tax Liabilities (Net)	1,31,80.51
	Deferred Income	3,86.75
Current Liabilities		
	Borrowings	4,09,07.22
	Lease liabilities	1,38.01
	Trade payables	1,28,26.27
	Other financial liabilities	53,86.42
	Other current liabilities	63,84.38
	Provisions	7,47.28
Total Liabilities	(y)	9,58,83.84
Reserves acquired		
	Security Premium	2,39,40.81
	General Reserve	4,75,00.00
	Retained Earning	6,35,38.95
Total Reserve	(z)	13,49,79.76

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

Particulars	Balances as at September 18, 2020 (Opening)
Net Assets and Liabilities consolidated as at September 18, 2020 (x-y-z)	46,06.80
Less:- Value of Investment of SPL as on 18.09.2020 (also refer note no. 46) Net Asset/ Liabilities after cancellation of own investment.	4,73,11.15 (4,27,04.34)
Consideration Equity Share to be issued as per scheme	16,16.50
Capital Reserve on consolidation as on September 18, 2020	(4,43,20.84)

62. The financial statements of Electrosteel Brasil Ltda. Tubos e Conexoes Duteis for the year ended 31st March, 2022 has not been subjected to audit by their auditor.

63. Disclosure of Transactions With Struck Off Companies

The transactions with the Struck off companies as per the Companies Act, 2013 are as below:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period as at March 31, 2022	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at previous period as at March 31, 2021	Relationship with the struck off company, if any, to be disclosed
M D Trade Links Pvt Ltd	Payables	0.20	–	0.05	–
Kolaghat Thermal Power Station,WBPDCL	Receivables	0.27	–	0.27	–
Sew Eurodrive India Pvt Ltd.	Payables	–	–	–	–
Skylark Express Private Ltd.	Receivables	–	–	–	–
National Refractories	Payables	–	–	–	–
Shubhrajyoti Logistics Pvt Ltd	Payables	–	–	–	–
Igus (India) Pvt. Ltd.	Payables	–	–	–	–
RBC Bearings Pvt. Ltd.	Payables	–	–	–	–

64. Utilisation of Borrowed Fund and Security Premium

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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 person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the group 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.

65. The Group has not dealt with in crypto currency or virtual currency during the financial year.

66. The Group has not been declared as a wilful defaulter by any Banks or Financial Institutions or any other Lender.

67. The Group has used the borrowings from Banks and financial institutions for the specific purpose for which it was obtained.



Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

68. Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013

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)	(1,33.18)
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	31.47
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	1.50	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	10,36.86
Non controlling interest in all subsidiaries	(0.03)	(1,40.08)	(0.08)	(29.26)	–	–	(0.07)	(29.26)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2020-21		2020-21		2020-21		2020-21	
	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	90.80	26,04,65.38	(29.64)	43,24.11	17.55	25,85.43	46,76.25	69,09.54
Subsidiaries								
Indian								
Srikalahasthi Pipes Limited (w.e.f. 18.09.2020)	53.21	15,26,40.94	(62.66)	91,40.74	26.13	38,50.64	87,92.33	1,29,91.38
Foreign								
Electrosteel Castings (UK) Limited	0.75	21,46.42	0.87	(1,26.43)	1.46	2,15.64	60.37	89.20
Electrosteel Europe S.A.	2.59	74,31.49	(3.60)	5,25.17	1.38	2,02.81	4,92.69	7,27.99
Electrosteel Algeria SPA	(0.16)	(4,60.50)	(0.36)	53.07	0.36	52.32	71.33	1,05.39
Electrosteel USA, LLC	0.65	18,68.49	(0.81)	1,18.13	(0.41)	(60.87)	38.75	57.26
Electrosteel Trading, S.A.	0.04	1,20.09	(0.04)	5.51	0.02	3.17	5.87	8.68
Electrosteel Doha For Trading LLC	1.64	47,05.82	(7.86)	11,45.91	(0.87)	(1,27.62)	6,89.16	10,18.29
Electrosteel Castings Gulf FZE	0.90	25,76.65	(2.66)	3,88.23	(0.53)	(78.74)	2,09.46	3,09.49
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	(0.03)	(88.07)	–	–	(0.02)	(2.48)	(1.68)	(2.48)
Electrosteel Bahrain Holding W.L.L	0.70	20,18.53	(0.54)	78.27	(0.34)	(50.81)	18.59	27.47
Non controlling interest in all subsidiaries	(31.31)	(8,98,06.47)	37.03	(54,01.40)	0.02	2.90	(36,53.61)	(53,98.50)
Associates (Investment as per Equity method)								
Indian								
Srikalahasthi Pipes Limited (upto 17.09.2020)	25.01	7,17,34.55	(3.71)	5,41.65	(0.02)	(2.88)	3,64.63	5,38.77

Notes to Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(Amount Rs. in lakhs)

- 68.1 The financial statements of Domco Private Limited and North Dhadhu Mining Company Pvt Ltd have not been consolidated for reasons referred to in note no. 8.1 and 8.2.
- 68.2 Figures given herein above are as per standalone financial statements of the respective companies and hence effect of inter company and other adjustments carried out on consolidation has not been considered for the purpose of above disclosure.
69. The operations and consolidated financial results of the Group in the previous year were adversely impacted due to stoppage of operation in the months of April & May due to outbreak of covid 19 pandemic. During the year in the first quarter, few state governments had imposed certain restrictions due to surge in covid 19 cases, however there has been no significant impact on the group's operation and financial results during the year.
70. These consolidated financial statements have been approved by the Board of Directors of the Company on May 10, 2022 for issue to the shareholders for their adoption.
71. The previous year figures have been regrouped/reclassified wherever necessary, to conform the current period's classification in order to comply with amended Schedule III of the Companies Act 2013, effective from April 01, 2021.

As per our report of even date

For Singhi & Co.Chartered Accountants
(Firm Registration No. 302049E)Gopal Jain
Partner
(Membership No. 059147)Kolkata
May 10, 2022**For and on behalf of the Board of Directors**Umang Kejriwal
Managing Director
(DIN : 00065173)Indranil Mitra
Company SecretarySunil Katial
Wholetime Director & Chief Executive Officer
(DIN : 07180348)Ashutosh Agarwal
Wholetime Director & Chief Financial Officer
(DIN : 00115092)

**ANNEXURE I****Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Consolidated Audited Financial Results****Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022**

[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	533670.88	Not Ascertainable
	2.	Total Expenditure	489242.12	
	3.	Net Profit/(Loss) (including other comprehensive income)	40460.53	
	4.	Earnings Per Share	5.84	
	5.	Total Assets	862382.17	
	6.	Total Liabilities	862382.17	
	7.	Net Worth (Equity Share Capital plus Other Equity)	410307.86	
	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 2022 -

Sub Para (a): Note no. 4 in respect to cancellation of coal block allotted to the parent company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.

Sub Para (b): Note No. 5 in respect to parent company's investment amounting to Rs. 8298.26 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the parent company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the parent company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the earlier years, has been disputed by the parent company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

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 has been subsequently allotted to Steel Authority of India Limited (SAIL). The parent company also understand that the SAIL has handed over back the said coal block to the custody of BCCL. The Ministry of Coal has once again put up the Parbatpur Coal Block in the list of mines to be auctioned (for commercial mining) and the auction is likely to be concluded soon subject to receiving adequate qualified bids.

Following a petition filed by the parent Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the parent Company has claimed Rs.153176.00 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 parent 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 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 11.11.2019 awarding an additional compensation of Rs. 180 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019. Based on the valuation report submitted to the Nominated Authority, the valuer had recommended a valuation based on total direct / hard cost, for such specified assets, which is under consideration of the Nominated Authority and a final compensation has not been declared as yet. The parent company has also approached the newly appointed Nominated Authority/ Ministry of Coal 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 parent Company is also exploring other possibilities.

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. 2083.63 lakhs have been adjusted.

Disclosure as per Indian Accounting Standard 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 Electrosteel Steels 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 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.

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. 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.



During the quarter ending December 2018, shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at a price of Rs. 9.54 per share which was open till December 20, 2019. During the quarter the parent company has fair valued the equity share of ESL based on the fair valuation report obtained and a gain of Rs. 5350.86 lakhs has been accounted for in other comprehensive income.

Further 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 8298.26 lakhs as on March 31, 2022 are pledged with the lenders of the ESL. The notices issued by the consortium of lenders of ESL for invocation of pledge of parent company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year. The plea of the parent company for release of such pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs (value as at 31-03-2022) of the parent company, situated at Elavur, Tamilnadu, were mortgaged to a lender (SREI Infrastructure Finance Limited) of ESL and the lender 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. Further in an earlier year the ARC had taken the symbolic possession of such land against their alleged claim against the parent Company as per the notice issued under SARFESI Act. The parent Company had disputed the alleged assignment of the loan by the lender at Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, parent Company had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARFESI action and release of the title deeds. The DRT vide its order dated April 8, 2022 uploaded on the website on April 27, 2022 had dismissed the application of the Company. The parent Company has filed the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT and the matter is pending before DRAT. The ARC has also filed an application before the National Company Law Tribunal (NCLT), Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) against the Company and the matter is pending before the NCLT, Cuttack.

Pending finalization of the matter, these assets have been carried forward at their carrying 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 :

Managing Director	Umang Kejriwal <i>Managing Director</i>
CFO	Ashutosh Agarwal <i>(Chief Financial Officer)</i>
Audit Committee Chairman	Binod Kumar Khaitan <i>(Audit Committee Chairman)</i>
Statutory Auditor	For Singhi & Co <i>Chartered Accountants</i> Firm's Registration No.: 302049E Gopal Jain <i>(Partner)</i> Membership No: 59147

Place : Kolkata

Date : May 10, 2022

Notes

[illegible]

[illegible]



ELECTROSTEEL CASTINGS LIMITED
www.electrosteel.com