MSP STEEL & POWER LIMITED
Registered Office : 16/S, Block-A, New Alipore, Kolkata-700 053, Phone: 033 4005 7777
Fax: 033 2398 2239 | E-mail: contactus@mspsteel.com | Website: www.mspsteel.com

Date: 28th August, 2023

To,	To,
The Manager,	The Manager,
National Stock Exchange of India Limited	**BSE Limited**
“Exchange Plaza”, C-1, Block-G	Phirozee Jeejeebhoy Towers
Bandra- Kurla Complex, Bandra (E)	Dalal Street
Mumbai- 400 051	Mumbai – 400 001
Company Symbol: MSPL	**Scrip Code No.: 532650**

Dear Sir,

Sub: Submission of Notice of the 54th Annual General Meeting (AGM) along with the Annual Report for the Financial Year ended 31st March, 2023

Pursuant to Regulation 30 read with Part A (Para A) of Schedule III and Regulation 34(1) (a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), we hereby enclose the following:

1. **Notice of the 54th Annual General Meeting** (“the AGM”) of your Company to be held on Tuesday, September 19, 2023 at 12.00 P.M. (IST) through Video Conferencing or Other Audio Visual Means
2. **Annual Report** of the Company for Financial Year ended March 31, 2023.

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide remote e-Voting facility. **The remote e-voting period will commence on Saturday, September 16, 2023 (9:00 A.M. IST) and will end on Monday, September 18, 2023 (5:00 P.M. IST).** During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e. Friday, September 8, 2023, may cast their votes. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

The web-link of the Notice along with the Annual Report for the Financial Year ended March 31, 2023 is being sent only through e-mails to the shareholders of the Company at their registered e-mail addresses and the same has also been uploaded on the website of the Company at https://www.mspsteel.com/investors/general-meeting/agm-2023

This is for your information and record.

Thanking you.
Yours faithfully,
For MSP Steel & Power Limited

Shreya Kar

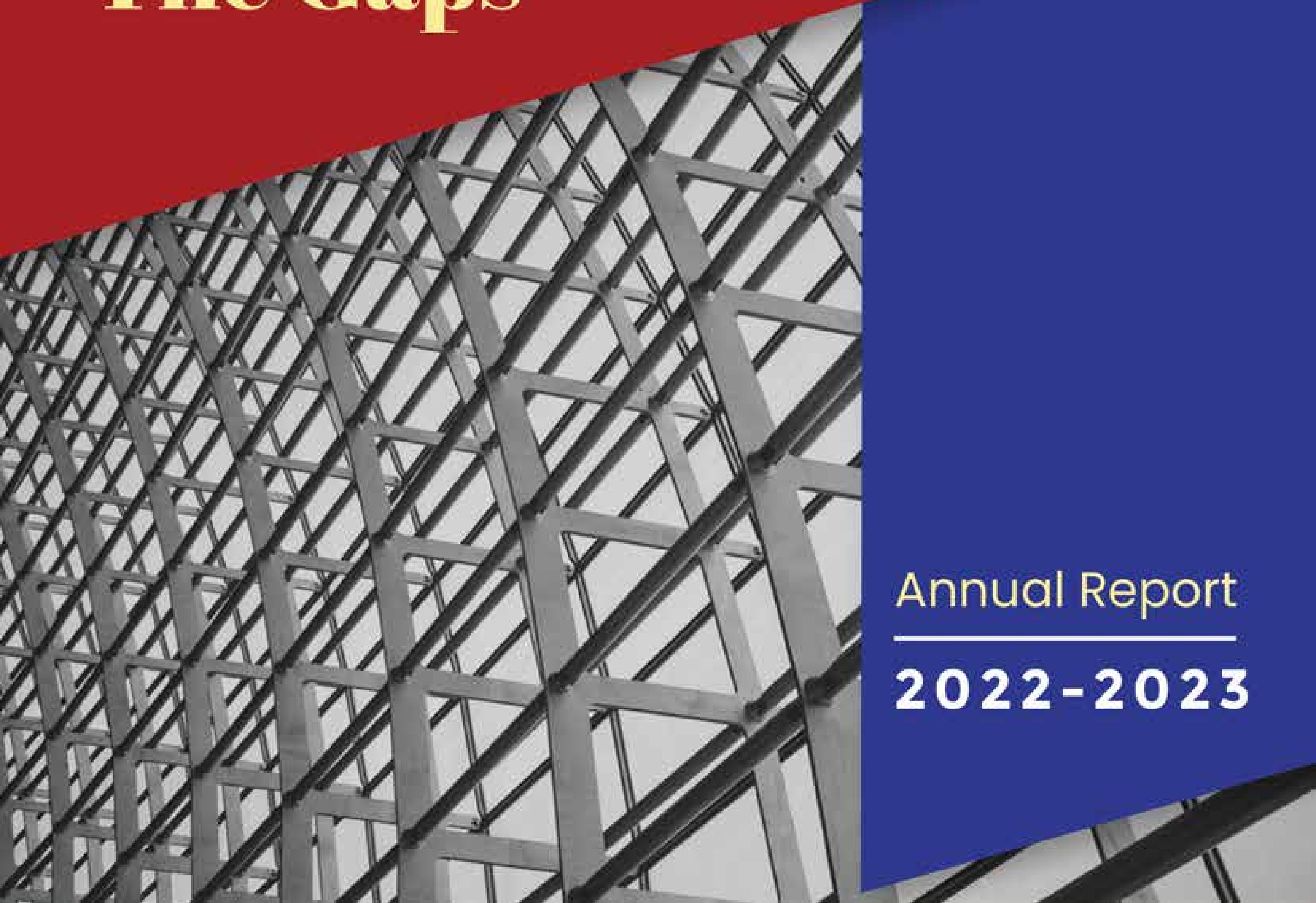
Digitally signed by Shreya Kar
DN: c=IN, o=Personal, postalCode=700004, l=Kolkata, st=West Bengal, street=57 Shyam Bazar Street , Shyambazar Mail, Kolkata West Bengal India- 700004-, title=1837, 2.5.4.20=7950044a299c01e4e056c2ac8e24fcc2a568eef3fe479dd01a7518fec2587239, serialNumber=5fef0a88d54458be5a4aa419b89ad86d2cf30f03685a0a17b69ad7ca316ade93, email=shreyakar07@gmail.com, cn=Shreya Kar
Date: 2023.08.28 22:52:15 +05'30'

Shreya Kar
Company Secretary & Compliance Officer
Mem No: A41041
Encl.: As above

MSP

TMT BARS | STRUCTURALS

Bridging The Gaps



Annual Report

2022-2023

CONTENTS

ABOUT MSP

Building Bridges:
"Connecting a World of Possibilities."

"The finest steel has to go through the hottest fire"

MSP STEEL & POWER LIMITED, incorporated in 1968 is one amongst the leading and efficient steel manufacturer in India. From a single-product manufacturing unit, we have grown to become one of the country's major steel companies. Our state-of-the-art facilities, qualified workforce, comprehensive product portfolio and sound management practices have established us as a trusted partner in India's development as a progressive industrial economy.

Forward Looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations. We have tried wherever possible to identify such statements by using words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operational or financial performance. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CORE VALUES

INTEGRITY
- Adhere to the highest standards of integrity with all stakeholders
- Commit to the highest level of ethical & professional standards
- Manage company resources e ciently
- Build relationships based on trust by being fair in communication and transaction

TEAMWORK
- Create a familial environment to promote teamwork
- Work as one team and drive our collective energy to drive performance
- Develop one another through apprenticeship and mentoring
- Ensure empathy and respect in all interactions with your colleagues

INNOVATION
- Continuously improve the company's performance through innovation
- Apply new management practices to drive organisational performance
- Adopt and invest in new technologies to maintain a competitive edge
- Adopt a learning/intellectual mindset

EXCELLENCE
- Strive for excellence in performance, quality and behaviour
- Combine bold thinking and a practical approach to deliver results
- Embrace an ownership mindset by taking responsibility & translating decisions into actions
- Sustain a meritocratic culture that rewards people for individual & collective performance

PURPOSE & PASSION

To be an **Admired Nation Builder**

'Admired' by having high ethical standards and enriching people's lives

'Nation Builder' by developing infrastructure and generating employment

EXECUTIVE **COMMITTEE**

Mr. Suresh Kumar Agrawal
Chairman

Mr. Saket Agrawal
Managing Director

Mr. Manish Agrawal
Director

Mr. Pradip Kumar Dey
Director

We welcome talented people who have a hunger and passion for innovation, exuberate integrity in action and purpose, seek excellence in everything they do and believe in teamwork as a collaborative tool to achieve success.

INDEPENDENT DIRECTORS

Mrs. Suneeta Mohanty
(Non- Executive Independent Director)

Mr. Navneet Jagatramka
(Non- Executive Independent Director)

Mr. Ashok Kumar Soin
(Non- Executive Independent Director)

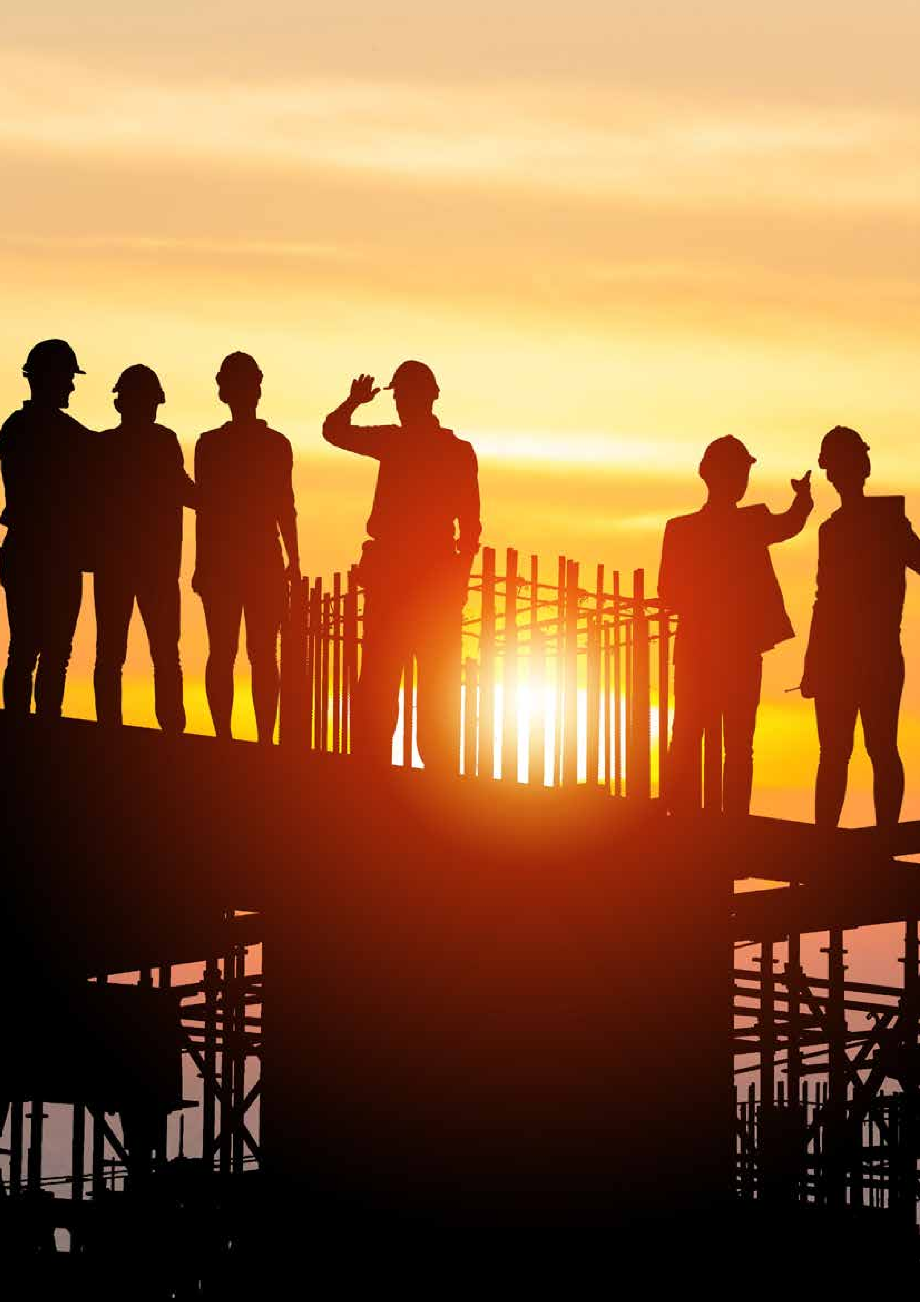
Mr. Prateek Bansal
(Non- Executive Independent Director)

TEAM OF **KEY MANAGERIAL PERSONNELS**

Mr. Saket Agrawal
Managing & Executive Director

Mr. Kamal Kumar Jain
Chief Financial Officer

Ms. Shreya Kar
Company Secretary & Compliance Officer



COMPANY INFORMATION

CORPORATE IDENTITY NUMBER
L27109WB1968PLC027399

REGISTERED OFFICE & CORPORATE OFFICE
16/S Block –A, New Alipore, Kolkata-700053

STATUTORY AUDITORS
M/s S K Agrawal & Co Chartered Accountants LLP

COST AUDITOR
Mr. Sambhu Banerjee

SECRETARIAL AUDITOR
M/s Bajaj Todi & Associates

BANKERS
State Bank of India
Union bank of India
Indian Bank
Punjab National Bank
Canara Bank Ltd.
ICICI Bank Ltd.
Indian Overseas Bank
UCO Bank
Bank of Baroda
Kotak Mahindra Bank
DBS Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENT
KFin Technologies Ltd
(Formerly known as KFin Technologies Pvt. Ltd.)
Karvy Selenium Tower-B, Plot No. -31& 32, Gachibowli,
Financial District, Nanakramguda, Seriligampally, Hyderabad- 500032
Ph. No. (040)-6716-2222/3321-1000, Fax No.:(040)-2300-1153
Email:compliance.ksbl@karvy.com, einward.ris@kfintech.com
Website: www.karvyfintech.com

MESSAGE FROM

Chairman's Desk

"The key to sustainable growth is never sacrificing long-term values for short-term results."

OUR VISION IS TO BE AT THE FOREFRONT OF SUSTAINABLE INNOVATION AND TO INSPIRE POSITIVE CHANGE ACROSS OUR INDUSTRY.

Dear shareholders,

With great pleasure and privilege, I present to you the Annual Report of MSP Steel & Power Ltd for the Financial Year 2022-23. I wish this message reaches you and your loved ones in good health and safety. In the last year, the world has seen a new era of uncertainty caused by the aftermath of the unprecedented pandemic which resulted in the disruption of the supply chain where further chaos ensued as a result of the Russia-Ukraine war. We find ourselves confronting the prospect of a global era characterized by elevated interest rates and record high inflation.

Throughout the fiscal year 2022-23, the global business landscape has been heavily influenced by macro-economic volatility and geo-political factors. With the ongoing recession, the global markets for the year 2023 should experience a deceleration in economic growth. Even amidst this scenario, the Indian economy is expected to stay resilient in its journey of economic growth fuelled by the Government's policy support driving investments and robust private consumption.

Despite market volatility, your Company focused on operational performance, cost optimisation and improvement initiatives, and flexible procurement strategies. Aided also by the rise in market prices of the finished goods, the Company recorded turnover of Rs. 2,55,039.96 lakhs in FY 2023 as against Rs. 2,33,957.86 crores in FY 2022.

Battling with all the uncertainties, your Company succeeded in recording profits of Rs. 24.44 crores in the last quarter ending March 2023 despite a stressful year. We are confident that we will be able to continue and scale this performance in the upcoming years.

At MSP, we prioritize sustainable growth as an integral part of our business ethos. Our vision is to be at the forefront of sustainable innovation and to inspire positive change across our industry. We will explore new avenues to further reduce our environmental impact, support social development, and enhance stakeholder engagement.

We are deeply invested in empowering the communities in which we operate. Through various social initiatives and responsible business practices, we have strived to make a positive impact on the lives of those around us. Our partnerships with local organizations and charitable endeavours are a testament to our dedication to social progress. As we move forward, we will continue to prioritize sustainable growth as an integral part of our business ethos.

None of this would be possible without the unwavering dedication and hard work of our talented employees. I extend my heartfelt appreciation to each member of our team for their commitment to our shared values and aspirations.

To our valued shareholders and stakeholders, I assure you that we are committed to generating long-term value while staying steadfast in our pursuit of sustainable growth.

I would like to extend my profound appreciation for the overwhelming support of my fellow Board members, our employees, business partners, governments, investors and our community members, whose support and guidance have helped create the dynamic legacy of MSP Group.

Warm regards,

Suresh Kumar Agrawal
(Chairman & Director)

"Innovation is the key to growth."

MESSAGE FROM

Managing Director

GROWN FROM **Rs. 2339.57 CRORES** IN ANNUAL REVENUES IN 2022 TO **Rs. 2550.39 CRORES** REVENUES FROM CONTINUING OPERATIONS IN 2023.

Dear shareholders,

The FY 2022-23 was a challenging time for the Indian economy due to the inflationary pressures and supply chain bottlenecks it faced as a result of the Russia-Ukraine war and the accompanying global sanctions.

In spite of the difficult beginning, the Indian economy grew 7.2% in FY 2022-23, as a result of Government's push on capital expenditure led economic growth, improvement in capacity utilisation and efforts taken by the Reserve Bank of India (RBI) to control inflation.

How does demand look for steel, both domestic and export-wise?

The steel industry is indeed experiencing a notable disparity between domestic demand and exports. On the domestic front, the consumption of finished steel has demonstrated robust growth, expanding by a significant 13.3% year-on-year (y-o-y) throughout the fiscal year 2023. This impressive upsurge in demand can be primarily attributed to the strong requirements emanating from critical sectors such as infrastructure development, real estate, and the automobile industry. However, the export segment of the steel industry is grappling with substantial hurdles. Steel exports have encountered a sharp decline, plummeting by 50.2% y-o-y. This decline can be attributed to a series of measures taken by the Government of India to regulate steel exports and bolster domestic availability. One of these measures involved imposing export duties on various finished steel products, which subsequently contributed to an increased supply of steel within the domestic market. Furthermore, these challenges in the export market have been exacerbated by broader global dynamics. The industry has been confronted by weakened global demand, largely stemming from ongoing geopolitical tensions and inflationary trends across different regions. These factors collectively have contributed to the export difficulties faced by the steel industry, thereby creating a notable contrast between the thriving domestic demand and the constrained export landscape.

How does not having export duty on steel anymore affect the demand outlook? How does this pan out for the company?

Effective from November 19, 2022, the removal of export duties is a notable step taken by the government to support domestic manufacturers in competing more effectively on the global stage. According to the finance ministry notification issued on the aforementioned date, various changes have been made to the export duty rates for steel products and iron ore. For instance, exports of iron ore lumps and fines with 'less than 58 per cent Fe' will now attract zero export duty. Similarly, iron ore pellets and certain categories of pig iron and steel products will also be exempted from export duties. Indian companies will leverage these new opportunities to increase exports.

In essence, this move aligns with the government's "Make in India" and "Local to Global" vision, fostering a more favourable environment for domestic manufacturers to expand their reach beyond national borders and tap into global markets. Also the removal of export duties is likely to drive increased export volumes and decrease the substantial stock dumping in local market by prominent large companies. This development has the potential to influence the pricing dynamics of steel products in the Indian market, thereby creating a favourable opportunity for your company.

How does the Company wish to capitalize upon the Government initiatives to drive economic growth?

The Company is trying to strategically position itself to capitalize on the Government's initiatives aimed at driving economic growth in India. As the Indian economy aims to ascend to the status of the third largest economy globally by 2030, the steel industry is poised to play a pivotal role in facilitating this transformative journey. The Government's strategic investments in infrastructure development, coupled with the rapid urbanization trend, the increasing demand for personal mobility, expansion in the capital goods sector, and the overarching focus on achieving self-reliance through the "Aatmanirbhar Bharat" initiative, are all set to catalyze the demand for steel across various segments. Moreover, the Company recognizes that the acceleration of the rural economy is emerging as an additional driver for steel demand. As rural areas evolve and contribute more substantially to economic growth, the demand for steel in construction, agriculture, and related sectors is expected to witness significant growth. Harnessing leadership skills, commitment to innovation, and dedication to sustainable growth, the Company aims to capitalize on these favorable conditions effectively and Company intends to cater to the evolving demands of the market even with limited resources. Through strategic decisions, efficient operations, and a customer-centric approach, the Company endeavors to be at the forefront of the industry's growth trajectory. The company is now operating under tight fund flow and needs to manage its existing working capital efficiently. It's also mentioned that no additional funds will be available to the company from financial institutions. In this scenario, the company is facing a financial challenge that requires careful management and strategic decisions. In the given scenario, our organization's ability to leverage government initiatives is constrained. However, we can still capitalize on efficient opportunities through a customer-centric approach and well-informed strategic decisions.

Would you like to talk about the challenges that lie ahead of the Company?

Moreover, steel demand is cyclical. So, during a downturn, the return on investments gets eroded. From 2004–2011, steel demand increased at a fast pace. This prompted most steel makers to expand existing capacities. However, the Indian steel industry faced a severe downturn between FY 2014 and 2016. This eventually resulted in many steel makers facing bankruptcy proceedings in FY 2018, and various other restructuring procedures which also resulted in restructuring debt of your company under the **Scheme for Sustainable Structuring of Stressed Assets (S4A) in the FY 2018** As a result of aforementioned situations in the steel market, the financial institutions today have become wary of lending to the sector. Increasingly, environmental concerns are taking centre stage and the Indian steel industry is not immune to this trend. The steel industry is energy-intensive and is the second biggest consumer of energy globally. This leads to a higher carbon footprint and also affects the immediate environment. Using energy-efficient methods to produce steel will not only reduce production costs but also improve competitiveness. This can be achieved through highly developed energy management systems and usage of the latest technologies in steel production.

What are the Company's debt reduction plans?

We are committed to reducing our debt, and this commitment is evident in the actions we have taken as reflected in our Balance Sheet. Our debt reduction plans are designed to improve our financial health, enhance our creditworthiness, and create a more stable foundation for our operations. Through a combination of prudent financial management, cost optimization, and strategic initiatives, we aim to steadily reduce our debt burden over time. This approach aligns with our long-term financial goals and ensures that we are well-positioned to navigate the evolving business landscape while maintaining a strong and sustainable financial position.

What are your thoughts on the topic?

To conclude, there has been a lot of talk of Green Steel lately, its production in India is a complex task that requires significant investment in infrastructure, technology, and raw materials. The government needs to address these challenges and provide a conducive environment for the growth of the green steel industry.

With warm regards,

Saket Agrawal,
Managing Director

LIFE AT MSP

TO ENRICH LEARNING

GO GREEN

CSR ACTIVITY

HEALTH CHECK-UP CAMP

EDUCATION

STATUTORY REPORT

Management Discussion and Analysis Report 2022-2023

The primary aim of this report is to provide the Management's comprehensive perspective on various facets of our operations during the Financial year 2022-23. This report includes

- analysis of the external environment and the steel industry,
- an overview of our strategic direction,
- insights into our operational and financial performance,
- updates on human resources and industrial relations,
- identification of risks and opportunities, and an evaluation of the effectiveness of our internal control systems.

It is essential to read this report in conjunction with the Company's financial statements, schedules, and notes, as well as other relevant information forming part of the Report.

GLOBAL ECONOMIC OVERVIEW

The return to a "new normal" following the COVID-19 pandemic was quickly disrupted by the outbreak of war in Ukraine, ushering in a fresh series of crises in food and energy – triggering problems that decades of progress had sought to solve. The world economy has been heavily burdened by significant macroeconomic pressures ranging from the COVID-19 pandemic to the Russia-Ukraine conflict, supply chain disruptions and resulting inflationary pressures that have then led to monetary tightening by central banks.

According to International Monetary Fund (IMF),

- Global growth is expected to slow from 3.4 percent in 2022 to 2.7 percent in 2023.
- Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024.rise
- Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023.
- In USA, the growth rate in 2023 is expanded to be 12% which is lower than CY 2022 due to tighter monetary and fiscal policy and partly on account of relatively subdued consumer sentiment. Europe's economy too has been exhibiting a similar trend, as high energy costs and lower output is affecting overall growth. China's 'Zero COVID' policy weakened local demand, which had a spill-over effect overseas, keeping global supplies under pressure and inflation higher.

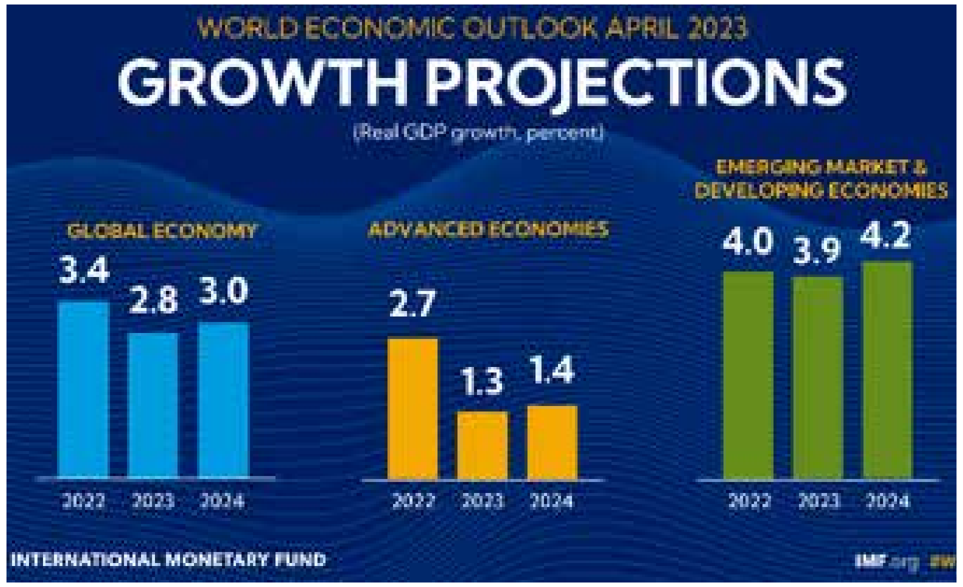
Particulars	Estimate	Projections	
	2022	2023	2024
World Output	3.4	2.9	3.1
Advanced Economies	2.7	1.2	1.4
India	6.8	6.1	6.8

GLOBAL OUTLOOK

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia's invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

Management Discussion and Analysis Report 2022-2023

Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year Russia's invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies.



INDIAN ECONOMY – An expectation to add impetus to Economic Growth

The Indian economy appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23.

India's steel consumption was at 106 million tonnes in FY22, up from 95 million tonnes in FY21, an increase of 11% y-o-y on account of increased consumption by the government on varied infrastructure projects, as well as the resumption of real estate and construction work on a lower-base of FY21. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022.

IN FY 2022-23, India reported an estimated economic growth of 7% and becoming the fifth largest global economy by overtaking UK. India surpassed China to become the world's most populous nation.

Growth of Indian Economy

Particular	FY 21	FY 22	FY 23
Real GDP Growth %	-6.6	8.7	7

India's economic growth in FY23 has been principally led by private consumption and capital formation, this has helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. The Capital Expenditure (Capex) of the central government, which increased by 63.4 percent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. The credit growth to the Micro, Small,

Management Discussion and Analysis Report 2022-2023 (Contd.)

and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government. Moreover, World's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption.

Strong domestic demand and supportive government policies are likely to sustain India's status as one of the world's fastest-growing major economies. It has also been noted that the Union Budget for FY 2023-24 includes various measures to boost demand, mainly through increased public spending on capex, which is expected to stimulate private investment and improve overall demand.

INDIAN OUTLOOK

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment.

The average domestic finished steel prices reached their peak on April 2022, the same sharp rise was pinned down by sharp decline in December 2022, this decline was due to imposition of heavy export duties on a range of finished good and increasing in domestic inventories. Moreover Rising inflation, fiscal deficit, and environmental concerns are also the main difficulties confronting the Indian economy. Yet, the Indian economy has emerged stronger and fared better than other global economies, which can be attributed to the country's well-considered policy reforms and effective regulatory measures.

GLOBAL STEEL INDUSTRY SCENARIO

As the world's most important engineering and construction material, steel is essential to the global economy. The global steel industry is an essential sector that holds a significant role in the worldwide economy. It serves as a fundamental material for construction, infrastructure, manufacturing, and various other industries. The post-pandemic recovery of the global economy has encountered several obstacles that have affected its momentum. Persistent inflation, US monetary tightening, China's economic slowdown, and the ongoing supply disruptions resulting from the Russia-Ukraine war have all contributed to the challenges. Notably, high energy prices, increasing interest rates, and declining confidence have hindered the recovery of steel demand after a decline in 2022. These factors have created a difficult environment for the steel industry.

While uncertainties remain due to the complex interplay of various factors, these positive developments offer hope for the steel industry's recovery and growth in the coming year.

Total Global crude steel production in 2022 dropped by 4.2% to 1,878.5 million tonnes due to rising geopolitical tensions and supply-chain constraints. China has dominated steel production as the largest global producer and recorded production of 1013 million tonnes, closely followed by other major players such as India, Japan, the United States, and Russia, but Chinese steel demand experienced a contraction in both 2021 and 2022 as the economy decelerated sharply due to unexpected lockdowns.

Management Discussion and Analysis Report 2022-2023 (Contd.)

Top 10 crude steel Production countries are

Rank		2022	2021	%2022/2021
1	China	1 013.0	1 034.7	-2.1
2	India	124.7	118.2	5.5
3	Japan	89.2	96.3	-7.4
4	United States	80.7	85.8	-5.9
5	Russia	71.5	77.0	-7.2
6	South Korea	65.9	70.4	-6.5
7	Germany	36.8	40.2	-8.4
8	Turkey	35.1	40.4	-12.9
9	Brazil	34.0	36.1	-5.8
10	Iran	30.6	28.3	8.0

Source: World Steel Association

Demand Supply Outlook

Persistent inflation and high-interest rates in most economies will limit the recovery of steel demand in 2023, despite positive factors like China's reopening, Europe's resilience in the face of the energy crisis, and the easing of supply chain bottlenecks.

Indian Steel Industry Scenario

India's Steel sector is one of the fastest growing, in-demand and robust sectors. While the pandemic and global export/import circumstances did cause the sector to slow down for a while, recent development is bringing the sector back to its glory. Today, the Indian steel industry ranks second in global production.The Indian steel industry outlook for 2023 looks promising with the country gearing to become a US $5 trillion economy by 2030 (or sooner).

India is the second-largest producer of crude steel in the world, with an output of 126.2 MnT in FY 2022-23. Crude steel production rose 5.0% year-over-year while finished steel consumption rose 13.3% to 119.9 MnT4. The imposition of export duty on steel led to the built-up of domestic inventories, as exports became unviable in the weak global price environment. India's steel exports dipped by 54.1% to 47.41 lakh tonnes from April to December 2022, largely due to the weak global demand. The distribution of iron and steel industry is spread across the states of Odisha, Jharkhand, Chhattisgarh, Karnataka, Maharashtra, West Bengal, and Gujarat, while the use of steel in construction, automotive, railways, capital goods and consumer durables, has been growing.

Opportunities:

- Infrastructure Development: India's ambitious infrastructure projects, such as smart cities, highways, railways, and ports, present significant opportunities for increased steel consumption
- Make in India Initiative: The government's Make in India campaign encourages domestic manufacturing, leading to higher steel demand in various sectors.
- Global Export Potential: With its competitive production costs and improving quality, the Indian steel industry has opportunities to expand its presence in the international market.
- Government Intiatives: Government Policies like Production Linked Incentive (PLI), Jal Jeevan Mission, PM Ji-van Yojana targeting development in various sectors like infrastructure, housing and development pose a unique opportunity for Steel Industry

Management Discussion and Analysis Report 2022-2023 (Contd.)

Threats:

Steel has been one of the most important materials in the industrialisation of economies worldwide. Steel has been the backbone of modern infrastructure, from skyscrapers to cars, bridges to pipelines. However, the steel industry is not without its challenges, and it faces significant obstacles in today's global economy. Major setbacks are

- Capital and labour intensive industry-One of the main challenges of the steel industry is it is highly capital and labour intensive.
- Steel industry stimulated growth of a nation and acts as the economy booster for the nation's industrial growth, Producing low cost high quality steel with optimal usage of all type of resources is the biggest challenge today.
- Establishing steel plants requires substantial investment, and managing labor remains a challenge.
- Fluctuating Demand: Predicting demand accurately is difficult, leading to delayed returns on investment.
- Logistics Issues: Handling bulk materials like iron ore and steel poses logistical challenges, impacting transportation costs.
- Disruptions in Raw Material Supply: Imports of coking coal can face supply chain disruptions and price fluctuations.
- Unexpected circumstances, such as the COVID-19 pandemic, can affect the Company's operations, supply chain, and product demand. The pandemic of COVID-19 has underlined the significance of having a resilient business model that can react to unforeseen occurrences and market changes.

OUTLOOK OF INDIAN STEEL INDUSTRY

India, one of the fastest growing major economies, is likely to become the third-largest economy in the world by 2030. The steel industry will have a major role to support this growth. Increased investments in infrastructure will be a major contributor to the growth of India's domestic steel demand. In 2022, India's economy stood out as a beacon of strength within the global steel industry. This was largely due to the country's effective management of inflation, propelling the economy onto a healthy growth trajectory. Notably, there was a notable increase in the share of investment in the GDP, mainly attributed to the government's substantial spending on infrastructure projects.

Furthermore, the residential sector showed promise and was expected to grow, buoyed by the development of affordable housing projects and increasing urban demand. The implementation of the Production-Linked Investment (PLI) Schemes played a pivotal role in fostering private investment, further boosting economic prospects.

Several other sectors also witnessed positive trends. The capital goods sector was poised to benefit from the infrastructure momentum and investments in renewable energy. Moreover, the automotive and consumer durables industries were anticipated to maintain robust growth, supported by sustained private consumption.

Looking ahead, demand was projected to exhibit healthy growth rates of 7.3 per cent in 2023 and 6.2 per cent in 2024, following an impressive 8.2 per cent growth in 2022. These projections painted a promising picture of India's economic future.

1. The Rising Demand for Steel

With cities expanding, technological advent of Industry 4.0, and rise in construction and engineering projects, the meteoric rise of the steel industry is not unexpected. Today, there are different types of steel manufactured and used in India to cater to its rising demand. From the industry-wide use of steel coils to steel channels and

Management Discussion and Analysis Report 2022-2023 (Contd.)

steel structurals, there is a market ready for steel products everywhere. The India government has set a target to increase crude steel production capacity from 160 MTPA in FY 2022-23 to 300 MTPA by FY 2030-31 under the National Steel Policy. Further, the NITI Aayog has stated that India will become the world's production centre for green steel and pave the way for its worldwide adoption. The domestic steel industry, which grew between 5% to 7% on a year-on-year basis, is expected to play a bigger role in enabling India to achieve the 5 trillion economy target by 2025. We anticipate that the recent government policy announcements would support a relatively solid demand recovery and drive the need for iron & steel products.

An Indian steel industry overview analysis has identify the following as some of reasons for the growth of the steel sector in India

1. **Resource availability:** Though the cost of iron-ore has been on the rise in recent years, it is still one of the most widely available resources domestically. In addition to that, considering that the production of steel is a capital- and labor-intensive process, labour is also available economically. This naturally has helped to balance steel production costs.
2. **Industry-wide application:** Steel and steel products have its uses across multiple industries – shipbuilding, automotive, pharmaceutical, aviation, real estate, energy, home appliances, electronics etc. Whether it's using corrugated sheets in roofing or using TMT bars in buildings for safety against natural disasters, the use of steel as a raw material is visible across all industries.
3. **Longevity of steel metal:** Steel as a metal has longevity. For instance, stainless steel used in making cutlery lasts longer than glass. Steel is also low on maintenance. TMT bars used in housing construction projects can stand for years unlike wood or other raw material used. Moreover, based on its composition and type, steel is strong, ductile, can bear heavy load, is corrosion and heat resistant – in short, it's more cost-effective and value-for-money than other raw materials. Recycling of steel is also possible which makes it a preferred raw material in industries, adding to its growing demand.
4. **Government initiatives:** As stated previously, the government has introduced several initiatives to boost steel production in India and reach 300 MT in production by 2030. It has removed the 15% export taxes, and working towards removing technology, logistics and infrastructure bottlenecks.
5. **Ease of purchase:** Technology has made buying and selling of steel and steel products easier today. Buyers can buy steel online through reliable steel marketplaces and online websites, in a secure, transparent, and quick manner.

2. Policy Support: -

The Ministry of Steel signed 57 MoUs with 27 companies for specialty steel under the PLI scheme (Production Linked Incentive). Under the scheme the government has approved a sum of ₹6322 crore for steel sector growth. Apart from creating new jobs and contributing to making India the 3rd largest economy globally (by 2030-31), the scheme aims to create an additional capacity of 25 MT of specialty steel in the next five years.

The government has introduced several initiatives to boost steel production in India and reach 300 MT in production by 2030. It has removed the 15% export taxes, and working towards removing technology, logistics and infrastructure bottlenecks.

Management Discussion and Analysis Report 2022-2023 (Contd.)

1. COMPANY'S (FINANCIAL AND OPERATIONAL) PERFORMANCE

a. The Financial performance of the Company for 2022-2023 is given below:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	F.Y. 22-23	F.Y. 21-22	F.Y. 22-23	F.Y. 21-22
Revenue from Operations	2,55,039.96	2,33,957.86	2,55,039.96	2,33,957.86
Other Income	1,157.47	339.42	1,161.28	339.59
Total Income (A)	**2,56,197.43**	**2,34,297.28**	**2,56,201.24**	**2,34,297.45**
Profit/(Loss) Before Tax	**(6,028.27)**	**3,816.29**	**(5,717.95)**	**2,990.01**
Provision For Taxation	-	-	-	-
Deferred Tax	(658.65)	421.09	(658.22)	421.59
Net Profit/(Loss)	**(5,369.62)**	**3,395.20**	**(5,059.73)**	**2,568.42**
Other Comprehensive Income/(Loss)(net of tax)	226.24	62.43	216.73	62.43
Total Comprehensive Income	**(5,143.38)**	**3,457.63**	**(4,842.99)**	**2,630.85**

- **Highlights of Standalone Results**

  Revenue from Operations for the year ended 31st March, 2023 stood at Rs. 2,55,039.96 lakhs as compared to Rs. 2,33,957.86 lakhs in the previous financial year 2021-2022.

- **Highlights of Consolidated Results**

  Revenue from Operations for the year ended 31st March, 2023 stood at Rs. 2,55,039.96 lakhs as compared to Rs. 2,33,957.86 lakhs in the previous financial year 2021-2022.

b. Details of significant changes in key financial ratios are as given below:-

Sr. No.	Particulars	UOM	Year Ended 31.03.2023	Year Ended 31.03.2022	Growth YOY
1	Debtor Turnover Ratio	Times	33.99	29.56	4.43
2	Inventory Turnover Ratio	Times	5.27	5.37	0.1
3	Revenue Growth	Rs. In Lakhs	21,082.10	61,644.42	(40,562.03)
4	EBITDA	Rs. In Lakhs	7,072.64	15,862.23	(8,789.59)
5	EBITDA MARGIN	%	2.77	6.78	(4.01)
6	ROE %	%	(13.35)	8.81	(22.16)
7	ROCE%	%	(4.81)	9.10	(13.91)
8	PBT	Rs. In Lakhs	(6,028.27)	3,816.29	(9,844.56)
9	PAT	Rs. In Lakhs	(5,369.62)	3,395.20	(8,764.82)
10	Net Worth	Rs. In Lakhs	56,729.53	61,872.91	(5,143.38)
11	Capital Employed	Rs. In Lakhs	1,06,994.82	1,14,516.39	(7,521.57)
12	Current Ratio	Times	1.27	1.39	(0.12)
13	Debt to Equity Ratio	Times	1.41	1.33	0.08
14	Fixed Assets Turnover Ratio	Times	3.09	2.83	0.26

Management Discussion and Analysis Report 2022-2023 (Contd.)

c. Return on Networth :-

The details of return on net worth are given below:-

Particulars	2022-2023	2021-2022	Growth YOY
Return on Networth (%)	1.47	1.61	(0.14)

The Networth of the Company has decreased in the current Financial Year 2022-2023 due to decrease in the profits of the Company. It decreased to Rs. 56,729.53 Lakhs in comparison to the previous Financial Year 2021-2022 of Rs. 61,872.91 Lakhs.

d. Company's Subsidiary, Associates and Joint ventures:

The financial Statements of the following Companies were accounted for in making the Consolidated Financial Statements of MSP Steel & Power Limited:

MSP STEEL & POWER LIMITED
- MSP CEMENT LIMITED (WHOLLY OWNED SUBSIDIARY) 100%
- PRATEEK MINES & MINERALS PRIVATE LIMITED (SUBSIDIARY) 63.69%
- MADANPUR SOUTH COAL COMPANY LIMITED (JOINT VENTURE) 14.54%

The performance and financial position of the Company's Subsidiary, Associates and Jointly Controlled Entity are summarized herein below:

(Rs. In lakhs)

Name of the Company*	% of Share	Networth as on 31.03.2023	Profit/ (Loss) for the Year 31.03.2023
MSP Cement Limited CIN: U26940CT2008PLC002120	100%	28.73	0.26
Prateek Mines & Minerals Private Limited CIN:U14219WB2006PTC112186	63.69%	83.90	(4.69)
Madanpur South Coal Company Limited CIN: U10300CT2006PLC020006	14.54 %	2,792.60	2,096.49

*During the year under review an associate company of the your Company namely "AA ESS Tradelinks Pvt Ltd" have ceased to be an associate post its merger with M.A. Hire Purchase Private Limited w.e.f.18th July, 2022.

e. Earnings Per Share (EPS):-

The Earnings per Share (EPS-Basic and Diluted) of the Company for the current financial year 2022-2023 is Rs (1.39) and (1.29) respectively as compared to the (EPS-Basic and Diluted) for the previous financial year 2021-2022 was Rs. 0.88 and 0.82 respectively.

2. COMPANY'S PRODUCT PERFORMANCE

During Financial year 2022-2023 the Production figures indicate a mixed trend. Pellet production experienced a slight decrease, moving from 10,76,370 metric tons in 2021-22 to 10,67,416 metric tons in 2022-23. In contrast, Sponge Iron

Management Discussion and Analysis Report 2022-2023 (Contd.)

production exhibited a modest increase, rising from 3,59,041 metric tons to 3,65383 metric tons during the year. MS Billets showed a notable product growth, reaching 3,60,229 metric tons from the previous year 2,99,949 metric tons.

Turning to sales, 2022-23 demonstrated varied patterns. Pellet sales saw a substantial rise, surging from 4,28,343 metric tons to 6,47,195 metric tons. Conversely, Sponge Iron sales experienced a significant decline, decreasing from 80,330 metric tons to 37,653 metric tons. MS Billet; sales, however, showcased an upward trajectory, climbing from 19,030 metric tons to 24,442 metric tons.

Moreover, the TMT/ Structural category recorded growth in both production and sales. Production increased from 2,98,383 metric tons to 3,27,155 metric tons, and sales rose from 2,96,271 metric tons to 3,26,126 metric tons. On other hand, Power production witnessed a reduction, moving from 52,12,51,600 Kwh to 50,71,86,200 Kwh. Power sales also experienced a significant decline, dropping from 7,10,20,603 Kwh to 3,84,38,400 Kwh during the year.

3. FINANCIAL MANAGEMENT

Financial management is strategic planning, organising, directing, and controlling of financial undertakings in the Company. It also includes applying management principles to the financial assets of an organisation, while also playing an important part in fiscal management.

The objectives involved in financial management include:

- Maintaining enough supply of funds for the organisation;
- Ensuring shareholders get good returns on their investment;
- Optimum and efficient utilisation of funds;
- Creating real and safe investment opportunities.

The scope of Financial Management is as follows:-

Financial Management
- Financial Planning
- Financial Control
- Financial Decision-Making

The Board of Directors and the Senior Management personnel of the Company takes part in financial decision of the Company such as adequate forecasting of the total financial cash requirements, proper utilisation of finance cash, proper resourcing, maintaining proper cash flow, survival of the Company,creating reserves, creating goodwill, increase efficiency which leads to financial planning, control and decision-making. This ensures regular and adequate supply of funds, optimum funds utilization, safety on investment, i.e, funds should be invested in safe ventures so that adequate rate of return can be achieved.

The Company's highly efficient teams of professionals and technicians are responsible for overseeing factory operations. The team ensures that the established organisational procedures laid down by the senior management at a strategic level are followed and translated even in financial results and periodic management reports.

4. HUMAN RESOURCES MANAGEMENT & INDUSTRIAL RELATIONS

People are the essential part of the organization. As they say, it's people who make the organization successful.

Management Discussion and Analysis Report 2022-2023 (Contd.)

People are foundation and pillar that hold the organization strong and tall as they provide skills and competencies necessary to make organizational strategies work. We at MSP truly believe the same and work towards attracting, retaining and developing best talent in the organization.

Your Company's Workforce consists of 1,137 employees as on 31st March, 2023 as compared to the previous year as on 31st March, 2022, which was 1,087 employess. Your Company maintains a cordial relationship with its employees and values the safety of its employees ensuring safe work practices. In order to maintain lively and enthusiastic environment, your Company organises various employee engagement activities and in terms of celebration, various occasions like Diwali, Holi, Christmas, Women's Day are celebrated. Various sports activities including Cricket tournament were organized at our plant Location as well as at corporate office. Various other engagement activities like plant sapling on "World Environment Day", yoga training on "Yoga Day" etc. In terms of development, various in-house and external trainings were organised by the Company.

Your Company has a culture of working together through joint consultation between Senior Management and employees and a very strong commitment towards mutual development. Your Company believes in developing long term relationships with all our employees on an ongoing basis. Industrial relations at all the manufacturing units of your Company have been harmonious and peaceful with active involvement of the employees in the collective bargaining process.

5. STATUTORY COMPLIANCE

Statutory compliance adherence provides a great deal of security, starting from employees' minimum wages to the company's business existence. The Company has adequate systems and processes to ensure that it is in compliance with all applicable laws and it is complying with all the Statutory rules and regulations applicable to it. The HR department complies with Statutory Acts like Factories Act, PF & Misc Provision Act, ESI Act, Minimum Wages Act, Bonus Act, Professional Tax Act, Shop and Establishment Act, Maternity Benefit Act, Payment of Wages Act and Other Labour Regulations as applicable for the organization. The Accounts Department complies with Income Tax Act and Service Act, etc. The Company Secretary complies with Companies Act, SEBI Regulations and other allied corporate laws applicable to the Company.

All the Statutory Compliances are met for the smooth functioning of the Company.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

To ensure effective internal controls across business process and systems, the Company has established a robust framework that is designed to provide reliable and quality assurance related to the Company's financial and operational information so that it can comply with applicable laws and safeguard the Company assets. The framework comprises both entity level controls and business process controls. The adequacy and efficacy of these controls are evaluated on a regular basis.

Apart from strong internal control, your Company has also appointed external and independent Audit Firms as its Internal auditors for periodical checking and monitoring of the Internal Control Measures.

The Company's internal financial control framework commensurate with the size and the operation of the business and is in line with requirements of the Companies Act, 2013. The Company has laid down Standard Operating Procedures and policies to guide the operations of each of its functions. The Audit Committee also meets the

Management Discussion and Analysis Report 2022-2023 (Contd.)

Company's Internal Auditors as well as Statutory Auditors to ascertain for their views on the adequacy of internal control systems of the Company and keeps the management informed of its major observations Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The Management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

7. RISK AND CONCERN

Our company understands that all businesses inherently carry certain risks, but we place great importance on actively identifying and minimizing these risks. To achieve this, we have implemented a robust organizational risk management system that consistently evaluates both our internal and external environment to detect potential risks. By doing so, we can develop effective strategies to mitigate these risks effectively. We ensure that these measures are integrated into our strategic plans, thereby ensuring their implementation throughout the organization.

The risks we address are diverse and encompass various types, such as geopolitical developments (e.g. war or natural calamities), travel restrictions, industry-specific risks, foreign currency volatility, client concentration, technology hazards, and financial risks, among others. To manage these significant threats, we have already put in place measures at different levels of management.

Moreover, we continuously review and monitor our risk mitigation plans to guarantee their ongoing effectiveness in safeguarding our business from potential threats. Our commitment to proactive risk management underscores our dedication to the long-term stability and success of our company.

8. CAUTIONARY STATEMENT

The Management Discussions and Analysis describe Company's projections, expectations or predictions and are "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on current information and may differ from actual results due to risks and uncertainties. Important factors that could make a difference to the Company's operations include demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations, tax laws, natural calamities including critically of pandemic (Covid- 19), litigation and industrial relations, economic developments within the country and other factors.

Board's Report

Dear Members,

The Board of Directors of the Company is pleased to present the **Fifty-Fourth** integrated Annual Report and Financial Statements of the Company, for the Financial Year ended 31st March, 2023.

CORPORATE OVERVIEW

Since its incorporation in 1968, your Company has transfigured from a single product manufacturing unit to an integrated steel plant with state of art facilities, an excellent workforce, technology driven processes and a product portfolio to cater to the needs of the varied Customers.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

Key highlights of financial performance of your Company for the financial year 2022-23 are provided below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	F.Y. 22-23	F.Y. 21-22	F.Y. 22-23	F.Y. 21-22
Revenue from Operations	2,55,039.96	2,33,957.86	2,55,039.96	2,33,957.86
Other Income	1,157.47	339.42	1,161.28	339.59
Total Income (A)	**2,56,197.43**	**2,34,297.28**	**2,56,201.24**	**2,34,297.45**
Profit/(Loss) Before Tax	**(6,028.27)**	**3,816.29**	**(5,717.95)**	**2,990.01**
Provision For Taxation	-	-	-	-
Deferred Tax	(658.65)	421.09	(658.22)	421.59
Net Profit/(Loss)	**(5,369.62)**	**3,395.20**	**(5,059.73)**	**2,568.42**
Other Comprehensive Income/(Loss)(net of tax)	226.24	62.43	216.73	62.43
Total Comprehensive Income	**(5,143.38)**	**3,457.63**	**(4,842.99)**	**2,630.85**

PERFORMANCE 2022-2023

The standalone gross revenue from operation stood at Rs. 2,55,039.96 Lakhs in the financial year 2022-2023 as compared to Rs. 2,33,957.86 Lakhs in the previous Financial Year F.Y. 2021-2022.

The Management has taken initiative for improving the performance of the Company resulting from optimization of the cost, to focus on yields and productivity.

The financial performance of the subsidiary company, associate company and Joint venture are included in the consolidated financial statement of the Company.

The company reported consolidated revenue from operation of Rs. 2,55,039.96 Lakhs in the financial year 2022-2023 as compared to Rs. 2,33,957.86 Lakhs in the previous financial year 2021-2022.

2. DIVIDEND

For the financial year under review, your Company have not recommended any dividend at the ensuing Annual General Meeting (AGM) for the year ended 31st March, 2023 to utilize the surplus for future growth of the Company.

Board's Report (Contd.)

Dividend Distribution Policy:

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Dividend Distribution Policy which is accessible at the Company's website at *https://www.mspsteel.com/images/corporate-policies/dividend-distribution-policy.pdf*

3. TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

During the year there has been no transfer of unclaimed dividend and shares to investor education and protection fund.

4. TRANSFER TO RESERVES

For the financial year under review, your Company has proposed not to transfer any amount to the General Reserves.

5. SHARE CAPITAL

During the Financial Year 2022-2023, there was no change in the Authorized Share Capital and Paid-up Share Capital of the Company. The equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

6. OPTIONALLY CONVERTIBLE DEBENTURES (OCD)

The aggregate outstanding amount of Optionally Convertible Debentures ("OCD") of the Company as on 31st March 2023 is. Rs. 451.97 consisting of 45,19,70,554 OCDs of face value of Rs.10/- each.

During the year under review the Company has not issued any OCDs.

7. SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

In line with Section 129(3) of the Act read with Companies (Accounts) Rules, 2014, the Listing Regulations and in accordance with Indian Accounting Standards, Consolidated Financial Statements (CFS) prepared by your Company includes financial information of the Subsidiary and Associate Companies and their contribution to the overall performance of your Company during the year under reviews. The statement containing the salient features of our subsidiaries in the prescribed form **AOC-1** is appended as **Annexure-1** to the Director's Report and forms part of this report. The Statement provides the detailed performance of the Subsidiaries including associate company and a Joint venture.

The Company has 2 Subsidiaries, 1 Joint Venture Company as on 31st March, 2023

- **MSP Cement Limited** is a wholly owned subsidiary of the Company having its Registered Office at Banglapara North Chakradhar Nagar Raigarh- 496001 was incorporated on 2nd June, 2008 for manufacturing and sale of cement and clinker products.
- **Prateek Mines & Minerals Private Limited** is a subsidiary of the Company having its Registered office at 16/S, Block-A New Alipore, Kolkata - 700053, was incorporated on 19th December, 2006 for producing and dealing in all types of Minerals and their bye- products.
- **Madanpur South Coal Company Limited** was incorporated on 23rd May, 2006, having its registered Office at Raipur, Chhattisgarh was formed by the Venture partners MSP Steel & Power Limited, Hindustan Zinc Ltd., Akshay Investment Pvt. Ltd., Chhattisgarh Steel & Power Limited and Chhattisgarh Electricity Company Ltd with respect to obtain mining rights in respect of the Coal Blocks of Madanpur and use coal for its captive requirements.

During the year under review an associate company of the your Company namely "AA ESS Tradelinks Pvt Ltd" have ceased to be an associate post its merger with M.A. Hire Purchase Private Limited w.e.f.18th July, 2022

Your Company has formulated a policy for determining 'Material Subsidiary', in terms of the Regulation 16(c) of the Listing Regulations. The said policy is also available at the Company's website *https://www.mspsteel.com/images/corporate-policies/POLICY-FOR-DETERMINING-MATERIALITY-OF-EVENTS.pdf*

In accordance with Section 136 of the Act, the audited financial statements, including the CFS and related information of the Company and separate financial statements of each of the subsidiary companies kept open for inspection by the shareholders at the registered office of the Company during business hours on all days except on Saturday, Sunday or on public holidays upto the date of Annual General Meeting. The Audited Financial Statement including standalone and consolidated and all other documents received to be attached thereto and Financial Statement of each of Subsidiaries have been uploaded on the website of your Company at *https://www.mspsteel.com/investors/financials/financials-of-the-subsidiary-companies*

8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

9. PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits falling under the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 framed thereunder.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to financial statements forming part of the Annual Report.

11. MANAGEMENT' DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section and forms an integral part of the Annual Report.

12. CORPORATE GOVERNANCE

Your Company re-affirms its commitment to the standards of corporate governance. This Annual Report carries a Section on Corporate Governance and benchmarks your Company with the relevant provisions of the Listing Regulations. The requisite Certificates by a Secretarial Auditor confirming compliance with the Corporate Governance is attached with the report on Corporate Governance.

Board's Report (Contd.)

13. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Company accordingly does not falls under the top 1000 listed companies based on the market capitalization as on 31st March, 2023. Therefore, the BRSR as stipulated under the Regulation 34(2) (f) of the Listing Regulations is not applicable to the Company for the financial year 2022-2023.

14. ANNUAL RETURN

The draft Annual Return (e-form MGT-7) for the financial year ended 31st March, 2023 is placed on the website of the Company i.e., *https://www.mspsteel.com/investors/annual-report-and-returns/annual-returns* pursuant to section 92 and 132(3) (a) of the Act read with Companies (Management and Administration) Rules, 2014 and any amendment thereon.

15. DIRECTORS & KEY MANAGERIAL PERSONNEL

Board of Directors

Your Company's Board is duly constituted and in compliance with the requirements of the Act, the Listing Regulations and provisions of the Articles of Association of the Company. Your Board has been constituted with requisite diversity, wisdom, expertise and experience commensurate to the scale of operations of your Company.

i) *Composition of the Board of Directors:-*

The Board of Directors comprised of 8 Directors, of which 1 is Executive Director, 3 are Non-Executive Directors and 4 are Independent Director including a Women Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act. Detail note on the composition of Board including its term of reference is provided in the Corporate Governance Report.

ii) *Change in Directorate:-*

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Suresh Kumar Agrawal (DIN: 00587623) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

Appointment and Cessation

During the year under review, Mr. Dhananjay Uchit Singh (DIN: 01018678) demitted from the position of Executive Director and as a Key Managerial Personnel ("KMP") of the Company effective from the end of business hours on 10th January 2023. The Board placed on record its appreciation for the valuable contribution made by Mr. Dhananjay Uchit Singh during his association with the Company.

Mr. Pradip Kumar Dey (DIN:00587842) was appointed as Non- Executive Director of the Company, liable to retire by rotation, subject to the provisions of Articles of Association of the Company and based on the recommendation of Nomination & Remuneration Committee, and approval of the Board on 10th January, 2023 and of the Members (through postal ballot) on 4th April, 2023.

Details of the Appointment and cessation is updated on the website of the Company at *https://www.mspsteel.com/investors/company-updates*.

Board's Report (Contd.)

iii) *Key Managerial Personnel in the Board*

Following persons are the Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with Rules framed thereunder:

1. Mr. Saket Agrawal – Managing Director
2. Mr. Dhananjay Uchit Singh – Executive Director*
3. Mr. Kamal Kumar Jain – Chief Financial Officer
4. Ms. Shreya Kar – Company Secretary & Compliance Officer

*Mr. Dhananjay Uchit Singh (DIN: 01018678) has resigned from the board dated 10th January, 2023.

Independent Directors

Following persons are designated as Independent Directors of the Company pursuant to The Act and Regulation 25 of the Listing Regulations:

i. Mr. Prateek Bansal
ii. Mr. Navneet Jagatramka
iii. Mrs. Suneeta Mohanty
iv. Mr. Ashok Kumar Soin

Declaration

The Company has inter alia, received the following declarations from all Independent Directors in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the Listing Regulations, and that they are not aware of any circumstances or situation, which may 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, after undertaking due assessment of veracity of the same.

- they meet the criteria of independence as prescribed under the provisions of the Act, read with the Rules made thereunder and Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity required to discharge their duties with an objective independent judgment and without any external influence. List of key skills, expertise and core competencies of the Board, including the Independent Directors, forms a part of the Corporate Governance Report.

None of the Directors on the Board of your Company are disqualified for being appointed as a Director as specified under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014 or applicable regulations of the Listing Regulations.

Board's Report (Contd.)

Committees of the Board

The Board of Directors of your Company had constituted four committees as mentioned here under for best Corporate Governance Practices and in compliance with the provisions of the Act and the Listing Regulations comprising of:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders Relationship Committee

The Board meets once every quarter. Additional meetings of the Board/Committees are convened as may be necessary for the proper management of the business operations of the Company. The details of the change in composition of the Committees, its term of reference and number of meetings held and attendance in the meetings during the financial year 2022-2023, have been disclosed separately in the Corporate Governance Report.

iv) ***Meetings of the Board of Directors & Independent Directors***

During the year under review, 11 meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2022-23 are given in the Corporate Governance Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act and the Listing Regulations.

Meeting of Independent Director

The Independent Directors of the Company should meet at least once during the year pursuant to requirements of Schedule IV of the Act and Regulation 25 of the Listing Regulations. A meeting was scheduled on 14th February, 2023, without the attendance of non-independent directors and members of the management, interalia, to:

a. Review the performance of non-independent directors and the Board of Directors as a whole;

b. Review the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non- Executive Directors;

c. assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

d. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy, if any; and

e. ascertain and ensure that the Company has an adequate and functional vigil mechanism.

16. FAMILARISATION PROGRAMME OF INDEPENDENT DIRECTORS

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis. The details of the training and familiarisation programme are provided in the Corporate Governance Report and is also available on the website of the Company at *https://www.mspsteel.com/about-us/corporate-policies*

Board's Report (Contd.)

17. BOARD EVALUATION

The Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including independent directors) which includes criteria for performance evaluation of Non-executive Directors and Executive Directors.

In accordance with the manner of evaluation specified by the NRC, the Board carried out annual performance evaluation of the Board its Committees and Individual Directors. The independent directors carried out annual performance evaluation of the Chairman, the non-independent directors and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on the report of evaluation received from respective Committees. A consolidated report on performance evaluation was shared with the Chairman of the Board for his review and giving feedback to each Director.

18. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules and the disclosures relating to remuneration and other details, is annexed as **Annexure – 3** to this report.

19. NOMINATION & REMUNERATION POLICY

In terms of Section 178(3) of the Act and Regulation 19 of the Listing Regulations, your Company has in place a Nomination & Remuneration Policy which broadly lays down the guiding principles, procedures and basis for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel, including criteria for determining qualification, positive attributes, independence of a Director and payment of Remuneration to Directors, Key Managerial Personnel, Senior Management Personnel and other Employees.

The Nomination and remuneration policy has been revised by the Board during the year under review to ensure its continued relevance and to align it with changes in applicable law and regulations. The detail of the policy have been included in the Report of Corporate Governance, forming part of the Annual Report and also the same has been uploaded on your Company's website at the link *https://www.mspsteel.com/about-us/corporate-policies*

20. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Committee has been constituted in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") of the Companies Act, 2013. The details of the composition of the Committee, scope and functions are listed in the Corporate Governance Report annexed to this Board's Report.

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company's CSR policy provides guidelines to conduct CSR activities of the Company. The salient features of the Policy forms part of the Annual Report set out in **Aneexure-2** annexed to the Board's Report. The CSR policy is available on the website of the Company at *https://www.mspsteel.com/images/corporate-policies/corporate-social-responsibility-policy.pdf*

The CSR Committee confirms that the implementation and monitoring of the CSR Policy was done in compliance with the CSR objectives of the Company.

Board's Report (Contd.)

In view of the losses incurred by the Company during the previous financial years, the Company has no obligation for spending CSR during the FY 2022-23. However for decades, the Company has pioneered various CSR initiatives. The Company continues to address societal challenges through societal development programs and remains focused on improving the quality of life. The Company have spent Rs. 222.81 Lakhs towards multiple initiativesates undertaken in the domains of (a) education, (b) financial literacy, (c) empowerment of women, (d) agriculture & livelihood, (e) eradication of poverty. The Company undertakes to make a positive contribution especially to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2023, in accordance with the Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules").

21. RISK MANAGEMENT

Risk management is integral to your Company's strategy and for the achievement of our long-term goals. The success of an organization depends on the ability to identify and leverage the opportunities while managing the risks.

With the continuation of the COVID 19 pandemic, the challenges of uncertain lockdowns, unlock phases, health hazards and supply chain disruptions across the globe continues to impact the business. These challenges have brought a mix of opportunities and uncertainties impacting the Company's objectives. Risk management, which aims at managing the impact of these uncertainties, is an integral part of the Company's strategy setting and decision making process. The Company regularly identifies uncertainties and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact your Company's long term goals. This process of identifying and assessing the risks is a two-way process with inputs being taken from employees across the organisation.

The Board of Director of your Company aimed to ensure resilience for sustainable growth and sound corporate governance by having a process of risk identification and management in compliance with the provisions of the Act and the Listing Regulations. In concern to the same the Board of Directors of your Company has approved and adopted a revised Risk Management Policy of your Company. The said policy is available on your Company's website at the link: *https://www.mspsteel.com/about-us/corporate-policies*

22. VIGIL MECHANISM/WHISTLE BLOWER

The Company promotes ethical behaviour in all its business activities and in line with the best governance practices. The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. No Complaint was received during the year or was pending at the end of the year and no person was denied access to the Audit Committee.

The Policy was revised by the Board during the year under review to build and strengthen a culture of transparency and trust. The details of the Whistle Blower Policy are provided in the Corporate Governance Report and is also available at on the website of the Company at the web-link: *https://www.mspsteel.com/about-us/corporate-policies*.

Board's Report (Contd.)

23. PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment Act"), the Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates and it has zero tolerance towards sexual harassment at the workplace. The Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity.

No complaint is received during the year under review in relation to Sexual Harassment of Women at Workplace [Prevention, Protection and Redressal Act, 2013].

24. RELATED PARTY TRANSACTIONS

All transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on dealing with and materiality of related party transactions and the related party framework, formulated and adopted by the Company.

The Company's Policy on dealing with and materiality of related party transactions is available on the website of the Company at *http://mspsteel.com/about-us/corporate-policies*

During the year under review, all related party transactions entered into by the Company, were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. Since all related party transactions entered into by the Company were in the Ordinary course of business and were on arm's length basis, Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone/consolidated financial statements forming part of this Annual Report 2022-2023

The disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards to the stock exchanges. The said disclosures can be accessed on the website of the Company at *https://www.mspsteel.com/investors/stock-exchange-compliances/related-party-transaction*

25. DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors 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 as at March 31, 2023 and of the losses incurred by the Company of the Company for the year ended on that date;

c) the Directors 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) the Directors have prepared the annual accounts on a going concern basis;

Board's Report (Contd.)

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

26. SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1), Revised Secretarial Standard on General Meetings (SS-2), issued by Institute of Company Secretaries of India.

27. LISTING ON STOCK EXCHANGES

The Company's shares are listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The relevant information as required under sub-section (3)(m) of Section 134 the Act read with Companies (Accounts) Rules, 2014 are given in **Annexure-4** to the Board's Report.

29. AUDITORS & AUDITOR'S REPORT

Statutory Auditors

M/s S K Agrawal & Co Chartered Accountants LLP (Firm Registration No. 306033E/E300272) Chartered Accountants, were appointed as Statutory Auditors of the Company, for a term of 2 (two) consecutive years, at the Annual General Meeting (AGM) held on September 27, 2022 till the conclusion of AGM of the Company to be held for the Financial Year 2023-24.

The Statutory Auditors' Report forms part of the Annual Report as an integral part, it does not contain any qualification, reservation or adverse remark for the year under review. There was no instance of fraud during the year under review to report to the Audit Committee and/ or Board under Section 143(12) of Act and Rules framed thereunder.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company had appointed M/s. Bajaj Todi & Associates, Practicing Company Secretaries, (Membership Number ACS: 13216 COP: 3502) to undertake the Secretarial Audit of the Company for the FY 2022-2023, based on consent received from M/s. Bajaj Todi & Associates. The Secretarial Audit Report for the financial year 2022-2023, is set out in **Annexure – 5** to this Report.

The Report does not contain any qualification, reservation or adverse remarks.

Cost Auditor

The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Act. Mr. Sambhu Banerjee, Cost Auditor (Membership No. 9780), have carried out the cost audit for applicable products during the financial year 2022-23.

The Board of Directors of the Company, on the recommendation made by the Audit Committee, have appointed Mr. Sambhu Banerjee, Cost Auditor (Membership No. 9780), as the Cost Auditors of the Company to conduct the audit of cost records of products for the financial year 2023-24. Mr. Sambhu Banerjee, being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2023-24. As required under the Act, a resolution seeking member's approval for the ratification of remuneration payable to Mr. Sambhu Banerjee, Cost Auditor forms part of the Notice convening the 54th Annual General Meeting for their ratification.

Board's Report (Contd.)

The Cost Audit Report for the financial year 2022-2023 does not contain any qualification, reservation, or adverse remark.

30. REPORTING OF FRAUD

The Auditors of the company have not reported any fraud as specified under Section 143(12) of the Act. Further, no case of Fraud has been reported to the Management from any other sources.

31. INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT SYSTEM AND COMPLIANCE

The Company has adopted and implemented robust policies and procedures for ensuring the orderly and efficient conduct of its business. MSP has constituted a web based legal Compliance Management System to comply with applicable laws, prevention and detection of fraud, maintain accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Company has documented its internal financial controls considering the essential components of various critical processes, both physical and operational. This includes its design, implementation and maintenance along with periodic internal review of operational effectiveness and sustenance, and whether these are commensurate with the nature of its business.

32. SIGNIFICANT AND MATERIAL ORDERS

There are no such significant or material orders passed by the regulators or courts or tribunals impacting the going concern status of the company's operation in future.

33. INVESTOR SERVICES

The Company and its Registrar M/S KFin Technologies Limited (KFintech) is looking after the physical as well as demat work and also shareholders correspondence in terms of SEBI direction for having a common Registrar and Share Transfer Agent, endeavored their best to service the Investors satisfactorily.

34. LISTING FEES

The listing fees payable for the financial year 2022-2023 have been paid to Bombay Stock Exchange(BSE) and National Stock Exchange of India Limited (NSE) within due date.

35. AWARDS AND RECOGNITIONS

During the year under review, your Company was recognized in various ways/by various institutions and some of the awards presented to the Company are listed below:

1. Awarded "MOST TRUSTED BRAND OF INDIA" 3RD edition presented by Marksmen Daily.
2. Recognized "TOP MOST HR LEADERS (The Eastern India)" on 8TH September, 2022 presented by EIILM, Kolkata.
3. Awarded "EXCELLENT INTEGREATED QUALITY CONCEPT- the gate way to Global Leadership" on 30th December, 2022 presented by Quality Circle Forum of India.

36. OTHER DISCLOSURES/REPORTING

i) None of the Directors of the Company have resigned during the year under review.

ii) There are no change in the nature of business of the Company during the year under review.

iii) The Managing Director of the Company has not received any remuneration or commission from any of the subsidiary companies. Further the Company doesn't have any Holding Company.

iv) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

v) The Company has not issued any sweat equity shares to its directors or employees.

Board's Report (Contd.)

vi) There was no revision of financial statements and Board's Report of the Company during the year under review.

vii) No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

viii) The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

ix) The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company;

x) The Company's securities were not suspended during the year under review;

37. ANNEXURES FORMING PART OF THIS REPORT

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form part of this Report:

Annexure	Particulars
1	FORM AOC-1
2	Corporate Social Responsibility for the F.Y. 2022-2023
3	Statement of Disclosures on Remuneration of Directors and Employees of the Company
4	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
5	Secretarial Audit Report

38. CAUTIONARY STATEMENT

Statement in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectation and forecast may be "forward looking Statements" within the meaning of applicable securities laws and Regulations. Actual result may differ materially from those expressed in the statement. Important factors that may influence that company's operational include global and domestic demand and supply conditions & selling prices of finished goods, input availability and prices, changes in government regulating tax laws, economic developments within the country and other parts.

39. ACKNOWLEDGEMENTS

Your Board of Directors places its gratitude and appreciation for the support and co-operation from its members and other regulators, Customers, Dealers, Agents, Suppliers, Investors, Banks/Financial Institutions for their continued support and faith reposed in the Company during the year. Your Board is deeply grateful to our investors and stakeholders for the confidence and faith that has always been reposed in us.

The Directors place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

For and behalf of the Board
MSP STEEL & POWER LIMITED

Saket Agrawal
DIN: 00129209
(Managing Director)

Suresh Kumar Agrawal
DIN: 00587623
(Chairman)

Date: 18th August, 2023
Place: Kolkata

Annexure - 1

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

Part "A": Subsidiaries

(₹ In Lakhs)

Sl. No.	Name of the Subsidiary	MSP CEMENT LIMITED	PRATEEK MINES & MINERALS PRIVATE LIMITED
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2022-23	2022-23
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees	Rupees
3	Share Capital	58.07	8.95
4	Reserves & Surplus	-29.34	74.95
5	Total assets	230.41	176.86
6	Total liabilities	230.41	176.86
7	Investment	0	0
8	Turnover	0	0
9	Profit before taxation	0.26	-4.26
10	Provision for taxation	0	0.42
11	Profit after taxation	0.26	-4.68
12	Proposed Dividend	0	0
13	% of Shareholding	100.00	63.69

Part "B": Associates and Joint Ventures

(₹ In Lakhs)

Name of Associates/ Joint Ventures	MADANPUR SOUTH COAL COMPANY LTD
REPORTING CURRENCY	Rs.
1. Latest audited Balance Sheet Date	March 31, 2023
2. Shares of Associate/ Joint Ventues held by the company on the year end	
Number	94,427
Amount of Investment in Associates / Joint Ventures Extend of Holding %	14.54%
3. Description of how there is significant influence	Joint Venture
4. Reason why the associates/ joint venture is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	2,792.60
6. Profit / Loss for the year	
i. Considered in Consolidation	2,161.87
ii. Not Considered in Consolidation	-

Note: During the year under review an associate company of the your Company namely "AA ESS Tradelinks Pvt Ltd" have ceased to be an associate post its merger with M.A. Hire Purchase Private Limited w.e.f.18th July, 2022.

For and on behalf of the Board of Directors

Suresh Kumar Agrawal
Chairman (DIN: 00587623)

Saket Agrawal
Managing Director (DIN:00129209)

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
Mem. No. A41041

Date: 18-08-2023
Place: Kolkata

Annexure - 2

Corporate Social Responsibility for the F.Y. 22-23 (Pursuant to Section 135 of the Companies Act, 2013)

1. **Brief outline on CSR Policy of the Company:** Corporate Social Responsibility is a process whereby the Company integrates social and environmental concerns in their business operations in a way through which a Company achieves a balance of social. Economic and environmental imperatives and at the same time meeting up to the expectations of stakeholders and enhancing shareholders value.

   Your Company understands the need of promoting social well being of the weaker section of the society. As a part of initiative under Corporate Social Responsibility the Company has undertaken various projects to promote health, growth development and education in the rural areas.

   The CSR Policy of the Company is available at: *www.mspsteel.com*

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
1	Mr. Manish Agrawal	Chairman	1	1
2	Mr. Saket Agrawal	Member	1	-
3	Mr. Prateek Bansal*	Member	1	1

*Prateek Bansal has been appointed as an Independent Director on 1st September, 2022

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 at *www.mspsteel.com*

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): NA

5. Details of the amount available for setoff in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for setoff for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. in Lakhs)	Amount required to be set-off for the financial year, if any (in Rs.)
1	2019-20	173.91	0
2	2020-21	156.76	0
3	2021-22	160.82	0
	TOTAL	**491.49**	**0**

6. Average net profit of the company as per section 135(5): **Rs.(657.05) Lakhs**

7. **(a)** Two percent of average net profit of the company as per section 135(5): **Rs.(13.74) Lakhs**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **NA**
   (c) Amount required to be set off for the financial year, if any: **NA**
   (d) Total CSR obligation for the financial year(7a+7b-7c): **Rs.(13.74) Lakhs**

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (Rs. in Lakhs)	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
194.38	NIL				

Annexure - 2 (Contd.)

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
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.	Eradication of Illiteracy	(ii)	Yes	Chhattisgarh	Raigarh	1,46,30,547	Yes		
2.	Healthcare	(i)	Yes	Chhattisgarh	Raigarh	1,76,659	Yes		
3.	Infrastructural Development	(i)	Yes	Chhattisgarh	Raigarh	14,93,835	Yes		
4.	Social Activity	(iv) & (v)	Yes	Chhattisgarh	Raigarh	31,37,243	Yes		
	TOTAL					**1,94,38,284**			

(d) Amount spent in Administrative Overheads - **NIL**

(e) Amount spent on Impact Assessment, if applicable - **N.A**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **N.A**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per section 135 (5)	NIL
(ii)	Total amount spent for the Financial Year	194.38
(iii)	Excess amount spent for the financial year [(ii)-(i)]	194.38*
(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)]	194.38

***Note:** Due to losses incurred, the Company did not have CSR obligation for the FY 21-22. However, as part of company's continued commitment to the society, Rs.194.38 lakhs was spent towards CSR Activities on a voluntary basis which is deemed to be available for set-off.

Annexure - 2 (Contd.)

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

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): NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in Which the project was comme-nced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in there reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing
NIL								

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) - None

(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 percent of the average net profit as per section 135(5) - Not Applicable

For **MSP Steel & Power Ltd.**

Sd/-	Sd/-
Manish Agrawal	**Prateek Bansal**
Chairman	Member
CSR Committee	

Annexure - 3

Statement of Disclosure under section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name of the Director	Remuneration of Director/KMP for financial year 2022-2023 (Rs. in Lakhs)	% increase in remuneration in the F.Y 2022-2023	Ratio of Remuneration of each Director/ to median remuneration of employees
1	Saket Agrawal	58.67	12.50	58.67:2.52
2	Suresh Kumar Agrawal	55.89	13.14	55.89:2.52
3	Manish Agrawal	55.45	13.39	55.45:2.52
4	Dhananjay Uchit Singh	13.41	3.95	12.90:2.52
5	Ashok Kumar Soin	Nil	Nil	Nil
6	Navneet Jagatramka	Nil	Nil	Nil
7	Suneeta Mohanty	Nil	Nil	Nil
8	K.D.Pandey	Nil	Nil	Nil
9	Kamal Jain	34.75	10.18	31.54:2.52
10	Shreya Kar	9.45	24.67	7.58:2.52

i. The median remuneration of employees of the Company during the financial year was approximately Rs. 2,51,568/-

ii. There has been increase in the median remuneration as compared to the previous year.

iii. There were 1137 permanent employees on the rolls of Company as on March 31, 2023;

iv. Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2021-22 was 13.47%

v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

Annexure - 4

Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchanges Earning & Outgo:

Pursuant Section 134(3) (m) of the Companies Act, 2013 read with relevant Rule 8(3) of Companies (Accounts) Rules, 2014 Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo relating to the financial year ended 31st March, 2023 are as follows:

A. Conservation of energy

In FY 2022-23, in sync with MSP Steel's sustainability vision and goals, the Company continued to focus on energy efficiency measures. The Company deployed several initiatives and technological interventions to conserve energy and use renewable sources of energy. The Company is always conscious about the need for energy conservation. Continuous monitoring optimization of energy conservation is undertaken at plant level.

1. Prevention/minimization-i.e., preventing wastage/minimization of energy usage by relentless optimization of process parameters to achieve lower values of fuel / energy consumption.
2. Improving Recovery – deploying innovative methods of recovering higher amount of unused fuel heat in various process exhausts /recovery systems.

i. Steps taken for conservation of energy:

Chhattisgarh

- Efficient Steam Turbine of Capacity 12MW in CPP-1.
- CI impeller in place of SS Impeller in CWP-1 in CPP-2.
- CPP-2 Boiler APH performance improvement by refurbishment (800 Tube replaced with new tubes).
- Overrated IE1 Motor (55kW) replaced with efficient IE3 motor 37kW in CPP-2 Cooling Tower Fan.
- Pellet-2 Specific Energy Consumption improvement by enhancing production capacity.
- Modification of ID fan-1&2 with proper size of impeller and VFD in motors to optimize energy consumption in Pellet Plant-2.
- Installation of proper size VFD in HR Fan -1&2 motors to optimize energy consumption in Pellet Plant-2.
- Annealing Process Optimization to reduce Specific Energy Consumption in Binding Wire Mill.
- VFD installation in Stand No 5&6 in rolling Mill Division to optimize energy consumption and breakdown.
- Operation of one new pump along with One old pump-2 instead of three pumps (Pump-1, 2 & 4).
- Optimization in sequence gap in the CCM supply line to LSM to improve production and reduce idle running energy loss.
- Soft starter installed in online conveyor of Structure Mill.
- Energy efficient LED lighting system installed in place of conventional lights in the plant.
- Recasting of DRI kiln-1 & 2 to reduce radiation loss.
- Compressor operational optimization (One compressor fully stopped).
- VFD implementation in Cold well pump-1 in Kiln 1 & 2.

ii. Steps taken by the company for utilizing alternate sources of energy:

Chhattisgarh

During the FY 2022-23, there was no major project implemented for utilization of alternate sources of energy, however the company has implemented three Waste heat recovery boilers (2X39.2 TPH and 1X40TPH) for power generation of capacity 24MW and another one Waste heat recovery Boiler is under commissioning stage.

iii. Capital investment on energy conservation equipments:

Sl. No.	Particulars	Rs. Lakhs
	Chhattisgarh	
1.	Investment cost for Efficient Steam TG	413
2.	Cost of castable material for Kiln	137.8
3.	Cost of CI Impeller	2.1
4.	Cost of IE3 Motor 37kW	
5.	Cost of APH Tubes	22.9
6.	Cost of VFD of ID fan-1&2 in Pellet Div.	39.6
7.	Cost of Pellet Div HR fan VFD	31.2
8.	Cost of VFD of RMD Stand 5&6	4.17
9.	Cost of RMD new Pump	2.7
10.	Cost of Conveyer soft starter	11.5

Annexure - 4 (Contd.)

B. Research and Development

Chhattisgarh

i. Specific areas in which R&D activities were carried out by the company:

Research and Development (R&D) activities at MSP Steel involves new Process and Product development, process improvements for maximisation of quality, cost and energy optimisation, waste utilisation and conservation of natural resources.

The key focus includes:

- Optimizing of resource utilization.
- Quality & productivity improvements and cost optimization through process efficiency improvements.
- Product development, customization and new applications.
- Recycling and reuse of process waste and conservation of natural resources.
- Developing technology for treating low grade iron ores, dry beneficiation of iron ores, and demonstration of pilot scale facilities.
- New application developments and promotion of slag usage in the country.
- Cement less road.
- Fly ash Gypsum Composite Plaster for interior
- New process technology development for process intensification and productivity.

ii. Benefits derived as a result of R&D efforts:

- Utilization of Fly ash in road and plaster.
- Utilize Fly ash in combination of cement in brick making with desired compressive strength.
- Developed machine learning based for real-time monitoring at Pellet Plant enabling real-time monitoring of critical process parameter.

iii. The expenditure incurred on Research and Development: The Company has incurred expenditure of amount Rs. 10 lakh for Fly Ash Gypsum Composite plaster for interior application.

C. Technology absorption

Chhattisgarh

i. **The efforts made towards technology absorption:**
   - Induction billet heater in Structure Mill
   - Pellet plant-2 Kiln Shell modification

ii. **The benefits derived like product improvement, cost reduction, product development or import substitution:** Production improvement

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: N.A
   b. the year of import: N.A
   c. whether the technology has been fully absorbed: N.A
   d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A

D. Foreign exchange earnings and 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 outflows.

(₹ In Lakhs)

Particulars	22-23	21-22
Foreign Exchange Earned	-	-
Foreign Exchange Used	6,185.06	14,768.40

Annexure - 5

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2023

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

To, The Members,
MSP Steel and Power Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MSP Steel and Power Limited (hereinafter called "the Company").

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023, 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:

1. **We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, according to the provisions of:**
   (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      c. Securities and Exchange Board of India (Depository and Participants) Regulations, 2018
2. **Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act) were not applicable to the Company under the financial year under report:**
   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [replaced by Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 w.e.f 10/06/2021]; and
   e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Annexure - 5 (Contd.)

3. **The Company is in the business of manufacturing of steel & sponge iron. The following Acts, over and above other laws etc., are applicable to the Company:**
   - Indian Contract Act,1872
   - Factories Act, 1948
   - Income Tax Act,1961 and Indirect Tax Laws
   - Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003
   - Environment Protection Act, 1986 and other Environmental Laws.
   - All applicable Labour Laws
4. **We have also examined compliance with the applicable clauses of the following:**
   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
   (ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s) as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that under the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder, there were no External Commercial borrowings made, Foreign Direct Investment received, Overseas Direct Investment by Residents in Joint venture/Wholly Owned Subsidiary abroad received, during the financial year under report.
6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
9. **We further report that:**
   (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
   (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
10. 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.

For **Bajaj Todi & Associates**
(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
UDIN : A013216E000805469

Date : 16/08/2023
Place : Kolkata

Annexure - A

To,
The Members
MSP Steel and Power Limited

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

MANAGEMENT'S RESPONSIBILITY

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

AUDITOR'S RESPONSIBILITY

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bajaj Todi & Associates**

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
UDIN : A013216E000805469

Date : 16/08/2023
Place : Kolkata

REPORT ON CORPORATE GOVERNANCE

For the Financial Year 2022-2023

[Pursuant to Regulation 34 read with Chapter IV and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (" the Listing Regulations") as amended]

1. MSP'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

"*Corporate governance is the framework that bridges the gap between management and shareholders, fostering trust and accountability.*"

Integrity and transparency are key to our Corporate Governance practices and performance and ensure that we gain and retain the trust of our stakeholders at all times. The Company's philosophy on corporate governance is to build a relationship of trust and accountability between a Company's management and its shareholders. It implies that effective governance practices create a transparent and open communication channel, ensuring that shareholder's interests are protected, and management is held responsible for their actions.

MSP firmly believes that good governance is not just a regulatory requirement but a fundamental aspect of responsible and sustainable business conduct.

As we embark on the next phase of our journey, we remain steadfast on our dedication to continuous improvement in our corporate governance practices. We will remain vigilant in upholding our principles, staying abreast of regulatory changes, and adopting best practices to enhance our governance framework. By doing so, we aim to foster trust, inspire confidence, and create sustainable value for our shareholders and stakeholders.

In conclusion, our commitment to strong corporate governance is an integral part of who we are as an organization. It guides our actions, shapes our values, and drives our success. We are proud to present our annual report, showcasing the strides we have taken in Corporate Governance and reaffirming our commitment to ethical conduct, transparency, and accountability.

CORPORATE GOVERNANCE STRUCTURE

The Corporate Governance structure at MSP is as follows:

At MSP Steel & Power Ltd, Corporate governance structure comprises of Board of Directors, committees of the board and the management. The Board formulates strategies, regularly reviews the performance of the Company, and ensures the projected targets and agreed objectives are met on consistent basis. The Board holds a fiduciary position, exercises appropriate control and independent judgement, monitors effectiveness of Company's governance and supervises the strategic decisions on behalf of the shareholders and other stakeholders.

2. BOARD OF DIRECTORS

Our Board of Directors play a pivotal role in driving our organization's success, and we are pleased to present an overview of their contributions in this annual report. Comprised of highly experienced and diverse individuals, our Board brings a wealth of expertise and strategic guidance to our organization. Throughout the year, the Board actively engages with management, providing strategic oversight and guidance. They review and approve key initiatives, monitor our financial performance, and assess risks and opportunities. Their insights and experience contribute to sound decision-making, fostering long-term value creation and sustainable growth.

(a) ***Size and Composition of Board***

The Company has a balanced mix of Executive Directors, Non-Executive Directors, and Independent Directors. As on March 31, 2023, the Board of Directors comprised of 8 Directors, of which 1 is Executive Director, 3 are Non-Executive Directors and 4 are Independent Directors including a Women Director. The

Report on Corporate Governance (Contd.)

Board periodically evaluates the need for change in its composition and size. Detailed profile of our directors is available on our website at *https://www.mspsteel.com/about-us/board-of-directors*

The composition of the Board is in conformity with Regulation 17 of The Listing Regulations read with Section 149 and Section 152 of the Act.

(b) ***Board Meetings & Procedures***

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses.

Your Company holds at least four Board Meetings in a year, one in each quarter to review the financial results and other items of the agenda. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company.

In order to facilitate effective discussions at the virtual meetings, the agenda of the meetings of the Board is bifurcated into items requiring approval and items which are to be taken note of by the Board. Clarification(s)/ queries, if any, on the items which are to be noted/taken on record by the Board are sought in advance and resolved before the meeting, to ensure focused and effective discussions at the meetings.

During the financial year 2022-2023 eleven Board Meetings were conducted as against the minimum requirement of four Board Meetings and all the Board and Committee meetings were conducted through physical means. The intervening period between 2 (two) consecutive Board meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

The notice of Board Meeting is given well in advance to all the Directors. Usually, meetings of the Board are held at the registered office of the Company i.e 16/S, Block-A, New Alipore, Kolkata-700053.

The Company Secretary attends all the meetings of the Board and its Committees to advise and assure on compliance with applicable laws and governance principles.

The necessary quorum was present for all the meetings. The details of attendance of Directors at Board meetings during the financial year 2022-2023, is as reproduced below:

Board Meeting Dates	Board Strength	Numbers of Directors Present
30th May, 2022	8	5
04th July, 2022	8	6
09th August, 2022	8	6
01st September, 2022	8	8
29th September, 2022	8	7
14th November, 2022	8	5
19th December, 2022	8	3
10th January, 2023	8	5
14th February, 2023	8	5
27th February, 2023	8	4
20th March, 2023	8	5

(c) **Attendance of the Directors at the Board Meeting and the last Annual General Meeting (AGM):**

The names and categories of the directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on 31st March, 2023 are given herein below.

Report on Corporate Governance (Contd.)

Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public limited companies in which he/she is a director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of The Listing Regulations.

The details of each member of the Board along with the number of Directorship/Committee Membership in other Companies, as at 31st March 2023 are as follows:

Name of the Director	Category	Date of Joining Board	No. Of Board Meeting Attended during the FY 2022-2023	Whether attended last AGM held on 27th September, 2022	Number of Directorship in other public Companies (listed and unlisted excluding MSPL) [1]	No. of Committee Memberships and Chairmanship in other Companies [2]		Directorship in Other Listed Entity and category of Directorship
						Chairman	Member	
Mr. Suresh Kumar Agrawal DIN: 00587623	Chairman (Non-Executive Director)	10th August, 2004	09/11	yes	4	NIL	NIL	Howrah Gases Limited (Managing Director/ Executive Director)
Mr. Saket Agrawal DIN: 00129209	Managing Director (Executive Director)	30th September, 2003	08/11	Yes	4	NIL	NIL	-
Mr. Manish Agrawal DIN: 00129240	Non-Executive Director	5th July, 2003	08/11	No	3	NIL	1	-
Mr. Dhananjay Uchit Singh[3] DIN: 01018678	Executive Director	21st September, 2015	04/11	Yes	NIL	NIL	NIL	-
Mr. Navneet Jagatramka DIN: 01579357	Non-Executive Independent Director	12th December, 2003	10/11	Yes	NIL	NIL	NIL	-
Mr. Ashok Kumar Soin DIN: 02986145	Non-Executive Independent Director	21st September, 2012	7/11	No	NIL	NIL	NIL	-
Mrs. Suneeta Mohanty DIN: 08398436	Non-Executive Independent Director	25th March, 2019	5/11	Yes	2	1	2	Howrah Gases Limited (Independent Non-Executive Director)
Mr. Kapil Deo Pandey [4] DIN: 07208719	Non-Executive Independent Director	17th June, 2015	0/11	No	2	1	1	-
Mr. Prateek Bansal[5] DIN: 01836662	Non-Executive Independent Director	01st September, 2022	5/11	Yes	NIL	NIL	NIL	-
Mr. Pradip Kumar Dey[6] DIN: 00587842	Non-Executive Director	10th January, 2023	2/11	No	2	NIL	NIL	-

Report on Corporate Governance (Contd.)

Notes:-

1. Excludes directorship in MSP Steel & Power Limited. Also excludes directorship in private companies, foreign companies, companies incorporated under Section 8 of the Act and alternate directorships.
2. For the purpose of considering the limit of Committee membership and chairmanship of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies/ public listed have been considered. Also excludes the membership & chairmanship in MSP Steel & Power Limited.
3. Mr. Dhananjay Uchit Singh has resigned from the post of directorship on 10th January, 2023.
4. The Company expresses their deep condolences at the sad demise of Mr. Kapil Deo Pandey on 27th July, 2022 who was acting as a Non-Executive Independent Director.
5. Mr. Prateek Bansal has been appointed as an Independent Director on 1st September, 2022.
6. Mr. Pradip Kumar Dey has been appointed as a Non-Executive Director on 10th January, 2023.

(d) ***Disclosure of inter-se relationship between Directors***

None of the Directors are relatives of other Directors except Mr. Suresh Kumar Agrawal, Chairman and Non-Executive Director who is father of Mr. Saket Agrawal, Managing Director of the Company. The term "relative" is considered as defined under Section 2(77) of the Act.

(e) ***Shareholding of Non-Executive Directors of the Company as on 31st March, 2023 are given below:***

SL No.	Name of the Directors	Category	Number of Equity Shares held	% to the paid up Share Capital of the Company
1	Mr. Manish Agrawal	Non-Executive, Non-Independent	309,000	0.08
2	Mr. Suresh Kumar Agrawal*	Non-Executive, Non-Independent	141,000	0.04

Note: No Non-Convertible Instrument held by Non-Executive Directors of the Company.
*Does not include shares held by Suresh Kumar Agrawal HUF

(f) ***Independent Director***

Separate Meetings of Independent Directors

Schedule IV of the Act, the Listing Regulations and SS – 1 mandates that the Independent Directors of the Company holds at least 1 (one) meeting in a year, without the attendance of Non-Independent Directors.

The Independent Directors convened a separate meeting on 14th February, 2023 without the presence of Non-Independent Directors and members of the management to discuss all such issue as they may consider relevant.

At the said meeting, the Independent Directors considered the following:

- Reviewed the performance of non- independent directors and the Board as a whole;
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Report on Corporate Governance (Contd.)

Familiarisation Program of Independent Directors

A Familiarisation Program for Independent Directors is a structured initiative designed to provide newly appointed independent directors with a comprehensive understanding of the company they will be serving on the board. It also helps existing independent directors stay updated on the company's operations, policies, and the industry it operates in. The main goal of such a program is to equip independent directors with the knowledge and insights they need to effectively discharge their duties and responsibilities.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company at the link: *https://www.mspsteel.com/about-us/corporate-policies*

Core Skill/Expertise/Competencies of Board of Directors

The Board of Directors play a crucial role in the governance and strategic direction of a company.

- **INDUSTRY KNOWLEDGE:** In-depth understanding of the steel industry, including market trends, supply and demand dynamics, raw material sourcing, pricing fluctuations, and the competitive landscape.
- **FINANCIAL ACUMEN:** Strong financial expertise to analyze the company's financial performance, assess capital allocation decisions, and evaluate investment opportunities in new technologies or expansion projects.
- **OPERATIONS AND SUPPLY CHAIN MANAGEMENT:** Knowledge of steel production processes, plant operations, and supply chain logistics to optimize efficiency, reduce costs, and ensure timely delivery of products.
- **REGULATORY COMPLIANCE:** Awareness of the complex regulatory environment that governs the steel industry, including environmental regulations, safety standards, and trade policies.
- **RISK MANAGEMENT:** Expertise in identifying and managing industry-specific risks, such as fluctuations in raw material prices, currency exchange rates, and geopolitical risks that can impact steel production and distribution.
- **MARKET DEVELOPMENT AND SALES STRATEGY:** Understanding of customer needs, market segmentation, and sales strategies to expand market share and enhance customer relationships.
- **TECHNOLOGICAL INNOVATION:** Knowledge of emerging technologies in steel production, process automation, and energy efficiency to drive innovation and maintain competitiveness.
- **HEALTH, SAFETY, AND ENVIRONMENT (HSE):** Strong focus on HSE practices to ensure a safe working environment for employees and compliance with environmental regulations.
- **CORPORATE GOVERNANCE AND ETHICS:** A commitment to upholding strong corporate governance principles and promoting ethical behaviour throughout the organization.
- **SUSTAINABILITY AND ESG (ENVIRONMENTAL, SOCIAL, AND GOVERNANCE):** Understanding the importance of sustainability initiatives and incorporating ESG factors into business strategies.
- **STAKEHOLDER ENGAGEMENT:** Ability to engage effectively with various stakeholders, including shareholders, employees, local communities, and governmental authorities.

Report on Corporate Governance (Contd.)

Chart of all the skills/expertise/competencies reflected in the Board as on 31st March, 2023 are as follows:-

Parameters	Mr. Suresh Kumar Agrawal	Mr. Saket Agrawal	Mr. Manish Agrawal	Mr. Navneet Jagatram-ka	Mr. Ashok Kumar Soin	Mrs. Suneeta Mohanty	Mr. Prateek Bansal	Mr. Pradip Kumar Dey
Industry Experience	✔	✔	✔	✔	✔	✔	✔	✔
Financial Expertise	✔	✔	✔	-	-	-	✔	✔
Technical Expertise	✔	✔	✔	-	-	-	-	-
Consumer Behaviour	✔	✔	✔	-	-	-	-	✔
Legal and Compliance	-	✔	✔	✔	-	✔	-	✔
Corporate Governance	✔	✔	✔	✔	✔	✔	✔	✔
Strategy and Decision Making	✔	✔	✔	✔	✔	✔	✔	✔

3. COMMITTEES OF BOARD OF DIRECTORS

To enable better and focused decision making for the Company, the Board Committees are set up under the formal approval of the Board and with clearly defined roles. The Board Committees play a crucial role in ensuring the accuracy, reliability, and transparency of the financial information disclosed in the annual report.

The composition and terms of reference of all the Committees are in compliance with the Act and the Listing Regulations, as applicable.

During the year, all the recommendations made by the respective Committees were accepted by the Board. Our Board of Directors recognizes that specialized committees are instrumental in addressing key aspects of our business, ensuring rigorous oversight, and promoting accountability. Each committee comprises a select group of directors with expertise and experience in relevant fields, working collectively to fulfill their specific mandates

The Board currently has four Committees:

A. **Audit Committee,**

B. **Nomination and Remuneration Committee,**

C. **Stakeholders Relationship Committee,**

D. **Corporate Social Responsibility Committee.**

A. Audit Committee

Throughout the year, our committee diligently fulfilled its responsibilities in ensuring the integrity of financial reporting, assessing internal controls, and overseeing risk management practices. Our primary goal is to enhance transparency and maintain your trust in MSP's financial affairs.

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations, and Section 177 of the Act, as applicable along with other terms as referred by the Board of Directors.

Extract of Terms of References:

The terms of reference of the Audit Committee are:

1. Review and approval of the company's financial statements and related disclosures;
2. Oversight of the external audit process, including the appointment and evaluation of the external auditor.
3. Review of significant accounting policies and practices.
4. Evaluation of the adequacy and effectiveness of internal controls and risk management systems.
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
6. Laying down the criteria for granting omnibus approval in accordance with the Company' policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
7. Monitoring compliance with legal and regulatory requirements, including the company's code of conduct and whistle-blower policy.
8. Review of related party transactions and potential conflicts of interest.
9. Assessment of the performance and independence of the internal audit function.
10. Scrutinizing of inter-corporate loans and investments;
11. Evaluation of internal financial controls and risk management systems;
12. Review of the company's tax planning and policies.
13. Monitoring and reporting on any significant legal, regulatory, or ethical issues.
14. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

Composition of Audit Committee, details of Meetings and attendance:

During the Financial year under review, the Audit Committee met 5 times on 30th May, 2022; 9th August, 2022; 1st September, 2022, 14th November, 2022, and 14th February, 2023. The time gap between any two meetings did not exceed one hundred and twenty days. The required quorum of 2 members (with at least 2 Independent Directors) was present at all the meetings. The Company Secretary acted as Secretary to all the Committee meetings.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2022-2023, is detailed below:-

Sl. No.	Name of Members	Category	Nature of Membership	Number of Meeting		% of total meetings attended
				Held	Attended	
1	Mrs. Suneeta Mohanty	Independent Director	Chairperson	5	5	100%
2	Mr. Navneet Jagatramka	Independent Director	Member	5	4	75%
3	Mr. Kapil Deo Pandey[1]	Independent Director	Member	5	0	0%
4	Mr. Prateek Bansal[2]	Independent Director	Member	5	3	75%
5	Mr. Saket Agrawal	Executive Director	Member	5	2	50%

Notes:-

[1] Ceased to be member

[2] Appointed as member

Report on Corporate Governance (Contd.)

B. Nomination and Remuneration Committee (NRC):

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the Listing Regulations, 2015 read with Section 178 of the Act.

This policy reflects our commitment to sound corporate governance, attracting and retaining top talent, and aligning executive compensation with the long-term interests of shareholders.

Terms of Reference:

The terms of reference of this Committee are as follows:

1. Identifying and recommending candidates for appointment or reappointment to the board, including independent directors.;
2. Evaluating the skills, knowledge, and experience required of board members and making recommendations for board diversity
3. Reviewing and recommending the remuneration policies and packages for directors and executives, ensuring they align with company strategy and performance.;
4. Devising a policy on Board diversity;
5. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
6. Overseeing and approving the remuneration structure, including salary, bonuses, benefits, stock options, and other incentives for executives.;
7. Determining 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;
8. Recommend to the board, all remuneration, in whatever form, payable to senior management;
9. Overseeing the company's succession planning process for key executives and directors.
10. Reviewing and recommending governance policies and practices related to board effectiveness and corporate governance.
11. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

Composition of Nomination and Remuneration Committee, Meetings and Attendance:

During the Financial year under review, the Nomination and Remuneration Committee met 3 times on 01st September, 2022, 14th November,2022 and 10th January,2023. The required quorum of 2 members (with at least 1 Independent Director) was present at the meeting. The Company Secretary acted as Secretary to the Committee meetings. The composition of the NRC of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2022-2023, is detailed below:

Report on Corporate Governance (Contd.)

Sl. No.	Name of Members	Category	Nature of Membership	Number of Meeting		% of total meetings attended
				Held	Attended	
1.	Mr. Prateek Bansal[1]	Independent Director	Chairman	3	3	100%
2.	Mr. Kapil Deo Pandey[2]	Independent Director	Chairman	3	0	0%
3.	Mr. Navneet Jagatramka	Independent Director	Member	3	3	100%
4.	Mr. Manish Agrawal	Non-Executive Director	Member	3	3	100%

Notes:-

[1]Appointed as member

[2]Ceased to be member

Performance Evaluation

In terms of the requirements of the Act and Regulations 17(10),19(4) and Part D of Schedule II of the Listing Regulations, a Board Evaluation Policy has been framed and approved by the Nomination and remuneration Committee (NRC) and by the Board.

The Nomination and remuneration Committee (NRC) conducts a thorough evaluation of the performance of the Board and its individual members on an annual basis. The evaluation process assesses the effectiveness of the Board in fulfilling its responsibilities and identifies areas for improvement.

The company maintains a robust succession plan for key executive positions, including the CEO and other senior management roles. The Nomination and remuneration Committee (NRC), in coordination with the Board, reviews and updates this plan regularly to ensure a smooth leadership transition and continuity of business operations. We aim to strike a balance between fixed and variable components of compensation to ensure that executive remuneration is linked to individual and company performance. The aforementioned manner of performance evaluation is as per the provisions of the Act and The Listing Regulations.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the directors being evaluated. The performance evaluation of the Board as whole, the Chairman and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on 14th February, 2023.

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. The performance of each individual director was evaluated based on various criteria, including attendance and participation in meetings, expertise and contributions to discussions, commitment to corporate governance principles, and adherence to ethical standards.

The Board expressed its satisfaction on the manner, implementation and compliance of the performance evaluation carried out by the Company.

Report on Corporate Governance (Contd.)

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding senior management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Regulation 19 of the Listing Regulations.

The policy, inter alia, provides (a) the role of the Nomination and Remuneration Committee (b) policy on remuneration of directors, key managerial personnel and other employees. This policy outlines our commitment to maintaining a robust governance framework, attracting top talent, and fostering a culture of performance and accountability.

The remuneration paid to the Directors is in conformity with the Remuneration Policy of the Company. The Nomination and remuneration policy has been revised by the Board during the year under review to ensure its continued relevance and to align it with changes in applicable law and regulations. The Nomination and Remuneration policy of the Company has been uploaded on the Company's website at *https://www.mspsteel.com/about-us/corporate-policies*

C. Stakeholders Relationship Committee (SRC):

The Stakeholders Relationship Committee plays a crucial role in maintaining open communication channels with various stakeholders, ensuring their interests are safeguarded, and fostering strong relationships with our extended business community. The Stakeholders Relationship Committee has been constituted to specifically look into the various aspects of interest of shareholders, debenture holders and other security holders, in terms of the provisions of Section 178 of the Act and Regulation 20 read with Part D of the Schedule II of The Listing Regulations.

Terms of Reference:

1. Overseeing the development and implementation of stakeholder engagement strategies and policies.
2. Monitoring and responding to stakeholder concerns, received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary, Compliance officer and Registrar and Share Transfer Agent of the Company.
3. Reviewing the company's communication and disclosure practices to ensure transparency and open communication with stakeholders;
4. Issuing share certificates pursuant to duplicate/ remat / renewal requests as and when received by the Company;
5. Overseeing the company's initiatives related to corporate social responsibility, sustainability, and community engagement;
6. Assessing the effectiveness of the company's efforts to meet stakeholder expectations and interests.
7. Resolving the grievances of the security holders of the listed entity including related to transfer/ transmission of shares, non - receipt of annual report, issue of new/duplicate certificates, general meetings etc.
8. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of annual reports/ statutory notices by the shareholders of the Company.

Report on Corporate Governance (Contd.)

9. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

Composition of Stakeholders Relationship Committee, Meetings and Attendance:

During the Financial year under review, the Stakeholders Relationship Committee met 1 time on 14th November, 2022. The required quorum of 2 members were present at the meeting. The composition of the SRC of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2022-23, is detailed below:

Sl. No.	Name of Members	Category	Nature of Membership	Number of Meetings		% of total meetings attended
				Held	Attended	
1	Mr. Prateek Bansal[1]	Independent Director	Chairman	1	1	100%
2	Mr. Kapil Deo Pandey[2]	Independent Director	Chairman	1	0	0%
3	Mr. Manish Agrawal	Non-Executive Director	Member	1	1	100%
4	Mr. Saket Agrawal	Executive Director	Member	1	1	100%

Notes:-

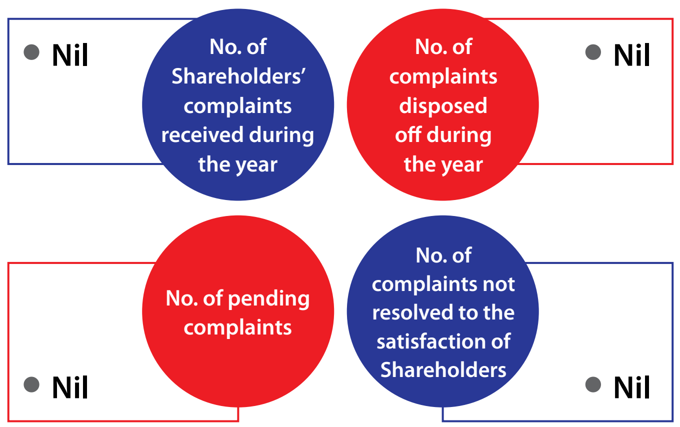
[1]Appointed as member

[2]Ceased to be member

Name and Designation of Compliance Officer:

Name : **Ms. Shreya Kar**
Designation : **Company Secretary & Compliance Officer**
Address : **16/s, Block-A, New Alipore, Kolkata- 700053**
Phone : **033-40005-7777**
Email : **Shreya.kar@mspsteel.com**

Investor Grievance Redressal



Report on Corporate Governance (Contd.)

D. Corporate Social Responsibility Committee (CSR):

The Committee's commitment to CSR remains an integral part of our business strategy as we strive to create a positive impact on society and contribute to sustainable development. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

Terms of Reference:

1. To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Act.
2. Developing and reviewing the company's CSR policy and strategy, including its environmental, social, and governance (ESG) priorities.
3. Overseeing the implementation of CSR programs and initiatives, ensuring they are aligned with the company's business values and contribute to sustainable development.
4. Monitoring and measuring the company's CSR performance and impact, including key performance indicators (KPIs) relevant to CSR and sustainability.
5. Assessing and advising on the company's social and community engagement programs and philanthropic activities.

i. To review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.

ii. To ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and shall monitor the CSR Policy from time to time.

ill. To identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.

Iv. To coordinate with such other agency for implementing programs and executing initiatives as per CSR policy and shall review the performance of such other agency periodically.

v. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

The Corporate Social Responsibility policy has been revised by the Board during the year under review to ensure its continued relevance and to align it with changes in applicable law and regulations. The CSR policy of the Company has been uploaded on the Company's website at *https://www.mspsteel.com/about-us/corporate-policies*

Composition of Corporate Social Responsibility Committee, Meetings and Attendance:

During the Financial year under review, the Corporate Social Responsibility Committee met 1 time on 14th February, 2023. The required quorum of 2 members were present at the meeting. The Company Secretary acted as Secretary to the Committee meetings. The composition of the CSR Committee along with the details of the meetings held and attended by the members of the Committee during the financial year 2022-2023, is detailed below:-

Report on Corporate Governance (Contd.)

Sl. No.	Name of Members	Category	Nature of Membership	Number of meetings		% of total meetings attended
				Held	Attended	
1	Mr. Manish Agrawal	Non-Executive Director	Chairman	1	1	100%
2	Mr. Kapil Deo Pandey[1]	Independent Director	Chairman	1	0	0%
3	Mr. Prateek Bansal[2]	Independent Director	Member	1	1	100%
4	Mr. Saket Agrawal	Executive Director	Member	1	0	0%

Notes:-

[1]Ceased to be member

[2]Appointed as member

4. REMUNERATION OF DIRECTORS

The committee reviews the remuneration policy periodically to ensure its alignment with company goals and industry standards. The policy is designed to attract and retain qualified directors, while also promoting responsible and sustainable governance practices.

The details of remuneration of Directors are provided in Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at *https://www.mspsteel.com/investors/general-meeting/agm-2023*

A. Remuneration to Executive Director

Remuneration to the Executive Directors are paid on monthly basis which includes fixed components and a variable performance incentive. Annual Increments done for the financial year if any, is based on the performance evaluation done by the Nomination and Remuneration of the Committee or otherwise. The Executive Directors were paid in accordance with the slab prescribed under Schedule V of the Act. Approval of the shareholders were accorded wherever required as per the provisions of the Act and the Listing Regulations.

B. Remuneration to Non- Executive Directors including Independent Directors

A Non- Executive Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board. Fees and compensation, if any paid to Non-Executive Directors and/or Independent Directors, is fixed by Board of Directors with recommendations of the Nomination and Remuneration Committee.

An Independent Director may receive remuneration by way of fee in conformity with the provisions of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the shareholders as recommended by the Committee and the Board.

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the company. The Company does not have any Stock Option Scheme for its Executive or Non-executive Directors. There are no separate provisions for notice period or severance fees.

The NRC policy of the Company has been uploaded on the Company's website and can be accessed at *https://www.mspsteel.com/about-us/corporate-policies*

Report on Corporate Governance (Contd.)

C. The details of the remuneration paid to Non-Executive Directors for the financial year 2022-2023 are as follows:

Name	Salary (Rs.) (in Lakhs)	Perquisite/ Benefit, etc. (fixed component)	Performance Linked Incentive (Rs. in Lakhs)
Mr. Suresh Kr. Agrawal (Chairman & Non-executive Promoter Director)	31.20	-	24.69
Mr. Dhananjay Uchit Singh (Executive Director)	6.00	-	7.41
Mr. Manish Agrawal (Non-executive Promoter Director)	37.20	-	18.25
Mr.Pradip Kumar Dey (Non-executive Director)	Nil	Nil	Nil

D. The details of the remuneration paid to Non-Executive Directors for the financial year 2022-2023 are as follows:

Name	Salary (Rs.) (in Lakhs)	Perquisite/ Benefit, etc. (fixed component)	Performance Linked Incentive (Rs. in Lakhs)	Period of Contract From
Mr. Saket Agrawal (Managing Director- Executive Director)	37.20	-	21.67	14th November, 2019 to 13th November, 2024

5. GENERAL BODY MEETINGS

A) Annual General Meeting

Information of last three Annual General Meetings (AGMs) held:

Financial Year	Annual General Meetings (AGM)	Date & Time	Venue	Details of Special Resolution Passed
2019-2020	51st AGM	30th September, 2020 at 5.00 PM	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility	• To approve the amount payable as Annual Remuneration to Mr. Suresh Kumar Agrawal, Non- Executive Director of the Company. • To increase overall Managerial Remune-ration of the Managerial Person of the Company.
2020-2021	52nd AGM	17th September, 2021 at 4.00 PM	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility	• Re-appointment of Mr. Kapil Deo Pandey (DIN 07208719) as an Independent Director of the Company
2021-2022	53rd AGM	27th September, 2022 at 3.30 PM	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility	• To appoint M/s. S.K Agrawal & Co., Chartered Accountants LLP, Chartered Accountants as Statutory Auditors of the Company • Appointment of Mr. Prateek Bansal (DIN 01836662) as an Independent Director

Note: Postal Ballot –No resolution was passed during the Financial Year ended March, 2023 through postal ballot under section 110 of the Companies Act, 2013 & Rules framed there now.

B) Whether Special resolutions were put through Postal Ballot last year? - No

C) Are Special resolutions proposed to be put through Postal Ballot? - Yes

D) During the year under review, no Extraordinary General Meeting of the members of the Company was convened.

6. MEANS OF COMMUNICATIONS

Financial Results:

Pursuant to the applicable regulations of The Listing Regulations, your Company publishes its financial results on Quarterly, Half Yearly, Nine Monthly and Annual basis which are duly reviewed by the Audit Committee before submission to the Board and are submitted to the Stock Exchanges. Prior intimation of the Board Meeting to consider and approve Unaudited/ Audited Financial Results of the Company is given to the Stock Exchanges and also disseminated on the website of the Company at *https://www.mspsteel.com/investors/financials*. The aforesaid Financial Results are immediately intimated to the Stock exchanges after the same are approved at the Board Meeting. The Unaudited Quarterly/Half Yearly Results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

Financial Results	Date of Approval	Date of Submission
Un-audited Financial Results for the quarter ended 30th June, 2022	09th August, 2022	09th August, 2022
Un-audited Financial Results for the quarter ended 30th September, 2022	14th November, 2022	14th November, 2022
Un-audited Financial Results for the quarter ended 31st December, 2022	14th February, 2023	14th February, 2023
Audited Financial Results for the year ended 31st March, 2023	29th May, 2023	29th May, 2023

Report on Corporate Governance (Contd.)

Publication of Financial Results:

The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are forthwith sent to the Stock Exchange and are published within 48 hours of the conclusion of the Board Meeting in which they are considered and approved, in one English newspaper and one vernacular newspaper of the region where Registered Office of the Company is situated. The results were published in the Business Standard in English and Arthik Lipi in Bengali (a regional daily newspaper) during the financial year 2022-2023.

Company Corporate Website:

The Company's website is a comprehensive reference on MSP's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations etc. The section on investor relations serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, Registrar and Share Transfer Agent.

The financial results, annual reports, official news releases and presentations if any along with any additional information are posted on website of the Company at *https://www.mspsteel.com*. There is a separate section "Investors" for shareholders information with sub-head "Financials" on the website of our Company whereby copy of the audited/ unaudited financial results for the respective quarters are posted.

Filing with BSE "Listing Centre"

Regulation 10 (1) of the SEBI (LODR) Regulations, BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory filings and any other information to be filed with the Stock Exchanges by Listed Entities. BSE also mandated XBRL submissions for Financial Results, Shareholding Pattern, Corporate Governance Report, Reconciliation of Share Capital Audit Report & Voting Results etc. All the data relating to financial results, various quarterly, half yearly, nine monthly and annual submissions/disclosure documents etc., have been filed Electronically/XBRL mode with the Exchange on the "Listing Centre" (*https://listing.bseindia.com*).

NSE Electronic Application Processing System (NEAPS)/ NSE Digital Portal

NSE Digital Portal/NEAPS is a web-based application designed by NSE for corporates. All the data relating to financial results, voting results, various quarterly/half yearly/annual submissions/disclosure documents etc., have been filed Electronically/XBRL mode with the Exchange on New Digital Exchange Platform/NEAPS.

Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, and Directors' Report along with relevant annexures, Business Responsibility, Sustainability Report, Auditor's Report, and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

Press/News Releases and Presentation made to Institutional Investor or to the analyst:

The Company has not made any press release and presentation to Institutional Investor or to the analyst for the financial year 2022-2023.

Report on Corporate Governance (Contd.)

7. General Shareholder Information

A) Annual General Meeting (AGM) for the Financial Year 2022-2023

Day, Date and Time of Annual General Meeting	**Tuesday, 19th September, 2023**
Venue of the Annual General meeting	Annual General Meeting through Video Conferencing/Other Audio-Visual Means [Deemed Venue for Meeting: Registered Office of the Company at 16/s New Alipore Kolkata-700053
Book Closure Date	Not Applicable as the Company is not declaring Dividend for the financial year 2022-2023
Financial Year	1st April, 2022 to 31st March, 2023
Dividend Payment Date	No dividend has been proposed

B) Tentative Calendar for Financial Year ending March 31, 2024 :

Financial Calendar [Current Financial Year 2022-2023]	Tentative Dates
First Quarter Results ending on 30th June, 2023	On or before 14th August, 2023
Second Quarter & Half yearly Results ending on 30th September, 2023	On or before 14th November, 2023
Third Quarter & Nine Months Ended Results ending on 30th December, 2023	On or before 14th February, 2024
Fourth Quarter & Annual Audited Financial Results of the Current Financial Year ending on 31st March, 2024	On or before 30th May, 2024
AGM for the year ended 2023-24	On or before 30th September, 2024

C) Dividend

The Board of Directors did not declare any dividend for the financial year 2022-2023.

D) Stock Exchanges and Depositories:

	The equity shares of the Company are listed on	
Name and Address of Stock Exchange	**1.**	**National Stock Exchange of India Ltd. (NSE)** Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 Tel. No.: (022) 2659 8100 – 8114 Fax No.: (022) 2659 8120 Website: www.nseindia.com
	2.	**BSE Limited (BSE).** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Tel. No.: (022) 2272 1233/4 (022) 6654 5695 Fax No.: (022) 2272 1919 Website: www.bseindia.com
Stock Code/ Symbol	NSE: MSPL BSE: 532650	

Report on Corporate Governance (Contd.)

D) Stock Exchanges and Depositories: (Contd.)

Payment of Listing Fees	The annual listing fees for the financial year 2023-2024 have been paid to the above Stock Exchanges.	
Depositories	**1.**	**National Securities Depository Limited** Trade World, A Wing, 4th Floor Kamala Mills Compound, Lower Parel Mumbai – 400 013 Tel. No.: (022) 2499 4200 Email: info@nsdl.co.in Website: www.nsdl.co.in
	2.	**Central Depository Services (India) Limited** Marathon Futurex, A-Wing, 25th Floor NM Joshi Marg, Lower Parel Mumbai – 400 013 Toll free No.: 1800-225-533 Email: complaints@cdslindia.com Website: www.cdslindia.com

E) ISIN for Depositories – INE752G01015

F) Stock Price Data:

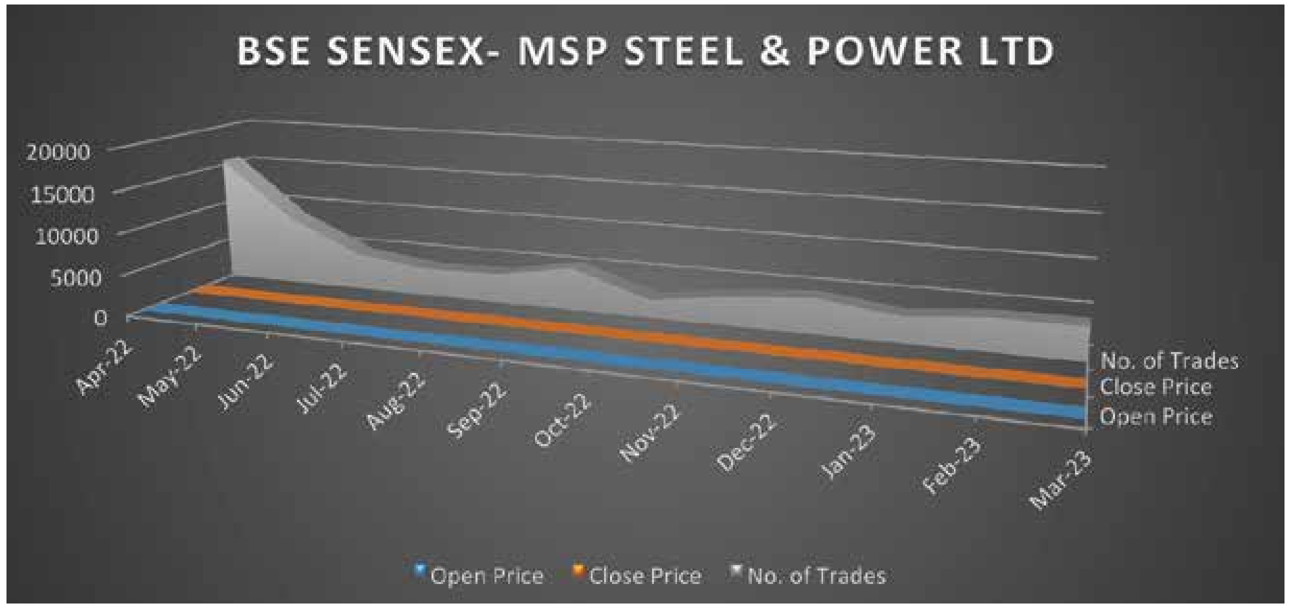
The reported high and low closing prices of equity shares (in ₹) of the Company traded on NSE and BSE during the period under review are set out in the following table:

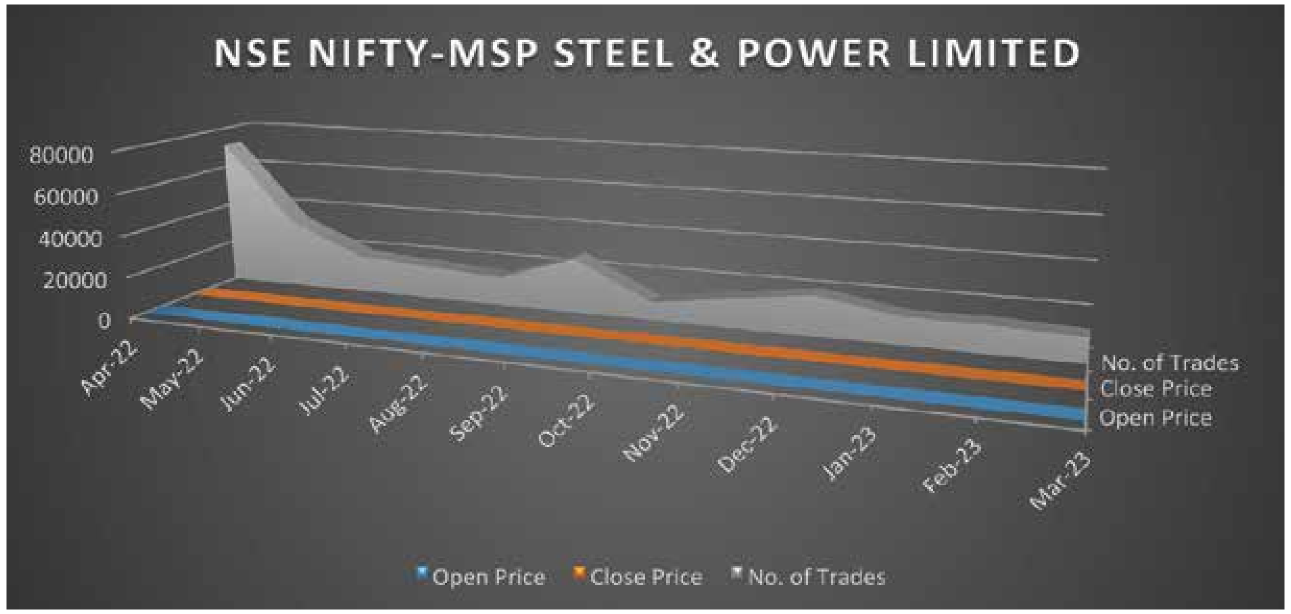
Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-22	16.03	10.16	16.00	10.60
May-22	13.40	10.00	13.25	9.80
Jun-22	11.90	8.63	11.90	8.50
Jul-22	10.80	9.05	10.60	8.40
Aug-22	10.50	9.25	10.20	9.15
Sep-22	11.30	9.03	11.20	9.05
Oct-22	10.00	9.12	10.05	9.00
Nov-22	10.50	8.80	10.35	9.10
Dec-22	10.65	8.15	10.70	8.75
Jan-23	10.29	8.75	10.25	8.65
Feb-23	9.70	8.21	9.55	8.05
Mar-23	10.29	7.49	9.50	7.45

Report on Corporate Governance (Contd.)

G) STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The chart below shows the comparison of the Company's monthly share price movement vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2023 (based on the month end closing):





H) There was no suspension of trading in the Securities of the Company during the financial year 2022-2023 under review.

I) REGISTRARS & TRANSFER AGENT:

Name: Kfin Technologies Limited (Formerly Kfin Technologies Private Limited)
Address: Karvy Selenium Tower-B, Plot No.-31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telengana-500032
Ph. No.: (040) -2331-2454/2332, Fax No.: (040)-2331-1968
E-mail: *compliance.corp@kfintech.com*, Website: *www.kfintech.com*

Report on Corporate Governance (Contd.)

J) Communication to Members

The RTA has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. The necessary forms in this regard have been made available on the website of the Company at *https://www.mspsteel.com/investors/share-holder-info* and its RTA at its website.

Members are advised to register their details with the RTA, in compliance with the said Circular for smooth processing of their service requests.

K) Share Transfer System

Our share transfer process is designed to ensure efficiency, accuracy, and transparency, enabling seamless transactions for our valued shareholders. The Board approves all confirmations for Transfer & Transmissions. Further, SEBI in continuation of its efforts to enhanced ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 mandated the listed entities to issue securities for the following service requests only in dematerialised form:

i. Issue of duplicate securities certificate;
ii. Claim from Unclaimed Suspense Account;
iii. Renewal/Exchange of securities certificate;
iv. Endorsement;
v. Sub-division/Splitting of securities certificate;
vi. Consolidation of securities certificates/folios;
vii. Transmission; and
viii. Transposition. The manner and process of making application as per the revised framework and operational guidelines thereto is available on the website of the RTA at *https://mfs.kfintech.com/investor*.

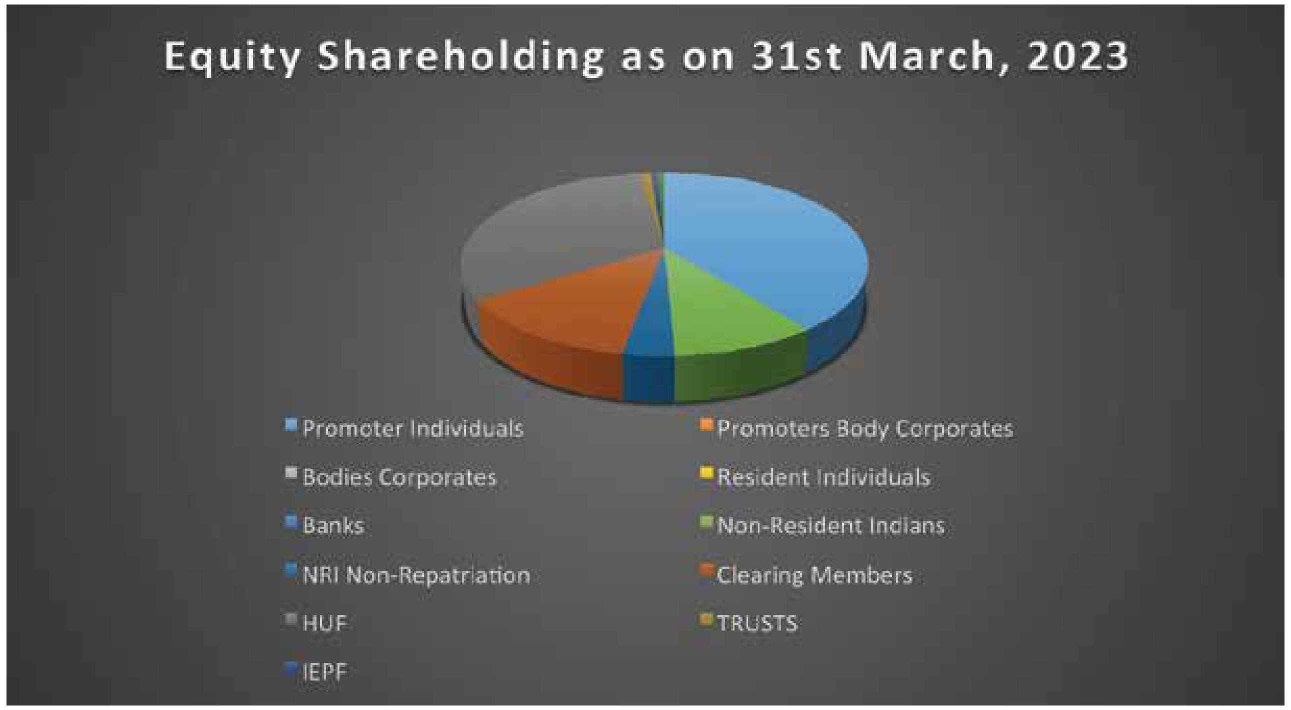
The Company's shares are traded under compulsory dematerialized mode and are freely tradable. The Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the Registrar and Share Transfer Agent of the Company i.e. Kfin Technologies Limited (Formerly Kfin Technologies Private Limited). An annual certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.

L) Distribution of Shareholding as on 31st March, 2023

Sl. No.	Category	No. of Cases	% of Cases	Amount (in Rs.)	% of Amount
1	1-5000	44682	75.98	55315330.00	1.44
2	5001- 10000	6278	10.68	54042130.00	1.40
3	10001- 20000	3361	5.72	53362160.00	1.38
4	20001- 30000	1285	2.19	33446820.00	0.87
5	30001- 40000	637	1.08	23151770.00	0.60
6	40001- 50000	697	1.19	33630190.00	0.87
7	50001- 100000	1033	1.76	80697260.00	2.09
8	100001& Above	831	1.41	3520504340.00	91.34
Total:		**58804**	**100.00**	**3854150000.00**	**100.00**

Report on Corporate Governance (Contd.)

M) Shareholding Pattern for the year ended 31st March, 2023



Category	No. of Shares Held	% of Holding
Promoter Individuals	20,23,240	0.52
Promoters Body Corporates	1,583,82,285	41.09
Bodies Corporates	10,28,59,979	26.69
Resident Individuals	5,54,44,054	14.39
Banks	6,39,83,087	16.60
Non-Resident Indians	4,77,485	0.12
NRI Non-Repatriation	2,21,117	0.06
Clearing Members	40,702	0.01
HUF	18,69,431	0.49
TRUSTS	50,001	0.01
IEPF	63,619	0.02
Total	**3,854,15,000**	**100.00**

Report on Corporate Governance (Contd.)

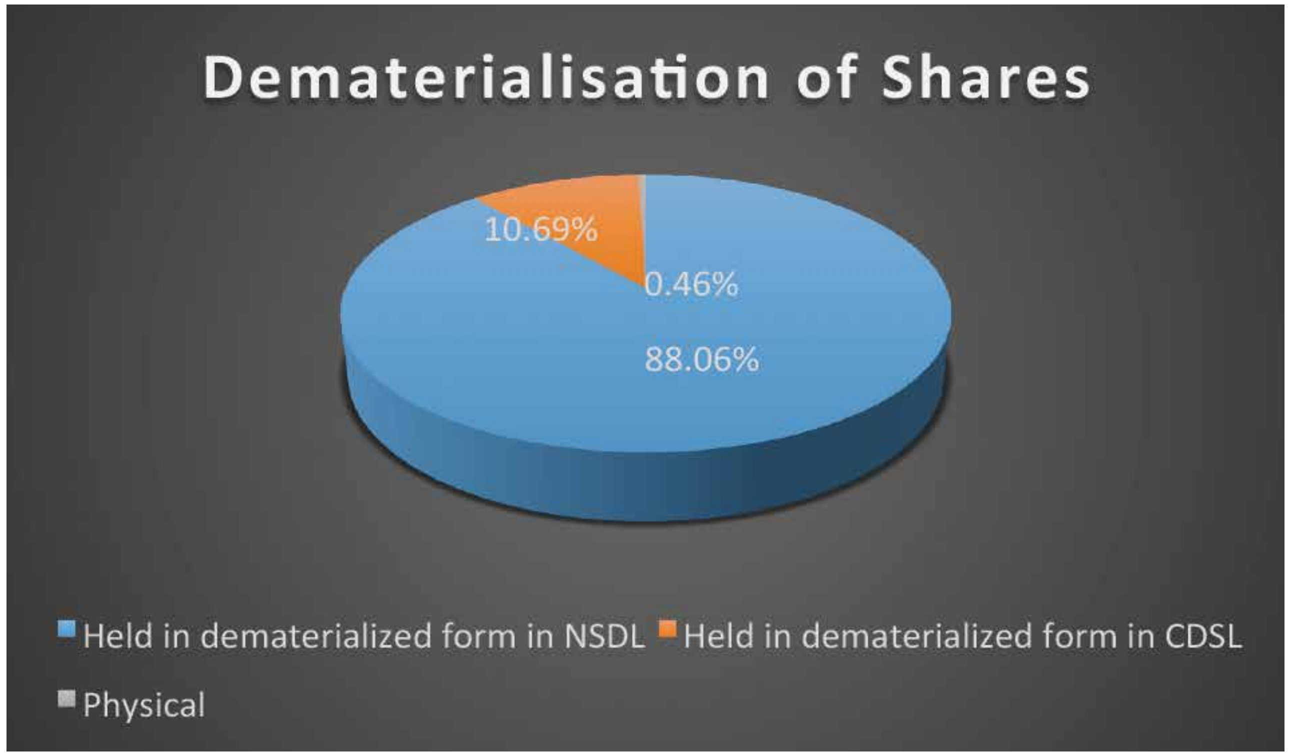
N) Top Ten Shareholders for the year ended 31st March, 2023

Sl. No.	Name of Share holders	Total Shareholding	Percent to Capital
1	STATE BANK OF INDIA	4,34,03,465	11.27
2	MOD COMMODEAL PVT. LTD.	3,14,99,538	8.17
3	SIKHAR COMMOTRADE PVT.LTD.	2,89,84,056	7.52
4	SHRINGAR MERCANTILE PVT. LTD.	2,82,11,200	7.32
5	MSP SPONGE IRON LIMITED	2,47,36,500	6.42
6	ADHUNIK GASES LTD.	2,34,79,000	6.09
7	MSP INFOTECH PVT. LTD.	12,529,760	3.25
8	LARIGO INVESTMENT PRIVATE LIMITED	1,20,50,000	3.13
9	RANGAN PROJECTS PRIVATE LIMITED	1,07,15,576	2.78
10	K. C. TEXOFINE PVT. LTD.	87,15,000	2.26
TOTAL		**22,43,24,095**	**58.20**

O) Dematerialization of shares

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

98.74% of the total equity shares, are held in dematerialized form and 0.46% of the Equity Shares are held in physical form. The register of Members is being maintained by the RTA in electronic form. The dematerialization requests received, if any, during the year were confirmed within 21 days.



Report on Corporate Governance (Contd.)

Name of Depository	No. of Shares	% of total issued Capital
Held in dematerialized form in NSDL	33,44,44,067	86.77
Held in dematerialized form in CDSL	4,92,09,789	12.76
Physical	1,761,144	0.46
Total	**38,54,15,000**	**100**

The Company's equity shares are actively traded shares on BSE and NSE. The shareholders holding shares in physical form are requested to dematerialise their shares for safeguarding their holdings and managing the same hassle free. Shareholders are accordingly requested to get in touch with any of the DP registered with SEBI to open a demat account. The shareholders may also visit website of Depositories viz. NSDL or CDSL for further understanding of the demat procedure.

P) Reconciliation of Share Capital Audit report

As stipulated by the Listing Regulations, a qualified Practicing Company Secretaries carries out Secretarial Audit to reconcile the total admitted capital with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's Shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the Total number of Shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Q) Commodity Price Risk and Foreign Exchange Risk-

Please refer Note No. 35 of the notes to the accounts attached with the Standalone Financial Statement of the Company for the year ended March 31, 2023.

R) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2023, as such instruments have not been issued in the past.

S) Credit Rating

During the Financial Year ended March 31, 2023, the Company has obtained credit rating from India Care Edge.

Instrument Type	Rating/Outlook	Rating Action
Long-Term Bank Facilities	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Re-affirmed
Short-Term Bank Facilities	CARE A3 (A Three)	Re-affirmed

T) Plant Location

The Company's plant is located at Jamgaon Village and PO, in the district of Raigarh, Chhattisgarh.
Address - Village Manupali P.O. Jamgaon, Dist Raigarh, Chhattisgarh – 496001.

Report on Corporate Governance (Contd.)

U) Address for Correspondence:

REGISTERED/CORPORATE OFFICE	**MSP STEEL & POWER LTD** Address:16/S, Block-A, New Alipore, Kolkata-700053 Email Id: *investor.contact@mspsteel.com* Phone Number: 033-40057777
INVESTOR QUERY	**MS. Shreya Kar** Email Id: *shreya.kar@mspsteel.com* Phone Number: 033-40057777

8. Other Disclosures

A. The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Particulars	Statutes	Details	Website Link for policy
Related Party Transactions	Regulation 23 of the Listing Regulations and as defined under the Act.	During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were in the ordinary course of business and at arm's length basis. Prior omnibus approval is obtained for unforeseen related party transactions which would be in the ordinary course of business and on an arm's length basis. Also, the Company did not enter into any material related party transactions. The details of the related party transactions are set out in the notes to financial statements forming part of this Annual Report. Further, the related party transactions undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations. During the year, SEBI introduced substantial changes in the related party transactions framework, inter alia, by enhancing the purview of the definition of related party, and overall scope of transactions with related parties. Considering the changes to the Listing Regulations relating to related party transactions, the Company's 'Policy on dealing with and materiality of related party transactions' was suitably amended to align the same with the new requirements prescribed by SEBI.	*https://www.mspsteel.com/about-us/corporate-policies*
Whistle Blower Mechanism/ Policy	Regulation 22 of the Listing Regulations	**The Company has this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.**	*https://www.mspsteel.com/about-us/corporate-policies*
Subsidiary Companies	Regulation 24 of The Listing Regulations	The audit committee reviews the consolidated financial statements of the unlisted subsidiary company. The minutes of the Board meetings along with a report on significant developments 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 company. The Company has a policy for determining 'material subsidiaries' which is disclosed on the website	*https://www.mspsteel.com/about-us/corporate-policies*
Details of Mandatory and Non-Mandatory Corporate Governance Requirements	-	The Company has complied with all mandatory requirements as prescribed by the Listing Regulations. The Quarterly/Yearly Reports on compliance of corporate governance in the prescribed format have been submitted to the Stock Exchange where the shares are listed within the stipulated time frame and the same have been uploaded on the Company's website. The Company has not adopted any non-mandatory requirement of the Listing Regulations.	*https://www.mspsteel.com/investors/stock-exchange-compliances*
Code of Conduct	Regulation 17 of the Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2023. A copy of the same is available on the Company's website. All the members of the Board and Senior Management Personnel have affirmed compliance to the Code of Conduct.	*https://www.mspsteel.com/about-us/corporate-policies*

Report on Corporate Governance (Contd.)

Particulars	Statutes	Details	Website Link for policy
Code of Conduct for Prevention of Insider Trading	-	As per SEBI (Prohibition of Insider Trading) Regulations, 2018, the Company has a code of practices and procedures for fair disclosure of unpublished price sensitive information to facilitate fair disclosure of events and occurrences that could impact price discovery in the market for its securities.	https://www.mspsteel.com/about-us/corporate-policies
Terms of Appointment of Independent Directors	Regulation 46 of the Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website	*https://www.mspsteel.com/about-us/board-of-directors*
Policy on De-termination of Materiality for Disclosures	Regulation 30 of The Listing Regulations	The Company has adopted this policy.	*https://www.mspsteel.com/about-us/corporate-policies*
Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;			NIL

B. Website:

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website at www.mspsteel.com.The section on investor relations serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars and Share transfer Agents and for this there is a separate section on 'Investors' on the website of the Company containing abovementioned requisite details.

C. Discretionary Requirements as specified in part E of Schedule II

i) **The Board:** The Company defrays expenses of the Non-Executive Chairman's office incurred in the performance of his duties.

ii) **Shareholder Rights:** furnishing of half-yearly results: The Company provides the copy of the quarterly and half-yearly results on receipt of a specific request from the Shareholders. Furthermore, the Company prepares quarterly investor updates of its Investor Grievance redressal mechanism. These updates are uploaded on the website of the Company and the stock exchanges.

iii) **Audit Qualifications:** During the year under review, there is no audit qualification in your Company's financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.

iv) **Reporting of Internal Auditors:** The Internal Auditors report directly to the Audit Committee.

Report on Corporate Governance (Contd.)

v) **Separate posts of Chairperson and the Managing Director:** The Company has separated posts of Chairman and MD and the Chairman is a Non-Executive Director.

D. Certificate from Practicing Company Secretary

Pursuant to Regulation 34(3) of the Listing Regulations a certificate confirming that none of the Director on the Board of the Company has 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 other Statutory Authority, has been received from Ms. Swati Bajaj of M/s. Bajaj Todi & Associates, Companies Secretaries and is annexed to this report as **Annexure – A**.

E. Certificate on Corporate Governance

As required by Regulation 34(3) Schedule V (E) of the Listing Regulations, the certificate from Practicing Chartered Accountant regarding compliances of conditions of Corporate Governance is annexed to this report as **Annexure-D**.

F. CEO/CFO Certification

The CEO/CFO of the Company have certified positively to the Board on the matters specified under Regulation 17(8) of the Listing Regulations for the year ended March 31, 2022.The said certificate is attached in this Annual Report and is set out as **Annexure -B**.

G. Details of utilization of funds raised

No funds were raised by the Company through preferential allotment or qualified institutions placement.

H. Disclosure in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act,2013 and Rules framed thereunder

Your Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy on prevention, prohibition, and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has complied with the formation of the Prevention of Sexual Harassment (POSH) Committee as prescribed under the Listing Regulations.

The number of complaints received during the financial year 2021-22 along with their status of redressal as on financial year ended March 31,2022 are as under:

SL. No.	Particulars	Number of Complaints
1.	Number of Complaints filed during the year	NIL
2.	Number of Complaints disposed of during the year	NIL
3.	Number of Complaints pending as on the end of financial year	NIL

I. Loans and Advances in which Directors are interested

The Company has not provided any loans and advances to any firms/companies in which Directors are interested.

Report on Corporate Governance (Contd.)

J. Payment Made to Statutory Auditors

During the Financial Year ended 31st March, 2023, the total fees paid by the Company to M/s S K Agrawal and Co, Chartered Accountants LLP(ICAI Firm Registration No.306033E), the Statutory Auditors, on a consolidated basis towards the services availed by the Company aggregates to Rs. 10.39 Lakhs. Refer Note 29.1 for Details.

K. Declaration affirming Compliance of Code of Conduct

The Company has adopted a Code of Conduct for all employees and for members of the Board and senior management personnel. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption, and anti-competitive practices.

All members of the Board and senior management personnel have affirmed compliance with the Code of Conduct for Board and senior management for the financial year 2022-23.

A declaration by the Chairman, Mr. Suresh Kumar Agrawal and Chief Financial Officer (CFO), Mr Kamal Kumar Jain affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith as **Annexure - C**.

L There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations.

M Disclosures with respect to demat suspense account/unclaimed suspense account.

The Company doesn't have any shares in the demat suspense account/unclaimed suspense account.

For and behalf of the Board
MSP STEEL & POWER LIMITED

Suresh Kumar Agrawal
DIN: 00587623
(Chairman)

Place: Kolkata
Date: 29th May, 2023

Annexure - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
MSP STEEL & POWER LIMITED
16/S Block – A, New Alipore
Kolkata – 700 053

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MSP STEEL & POWER LIMITED** having **CIN L27109WB1968PLC027399** and having registered office at **16/S Block-A, New Alipore Kolkata - 700053** (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2023, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Bajaj Todi & Associates**

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216
PR No.: P2020WB081300
UDIN: A013216E000364567

Place : Kolkata
Date : 24/05/2023

Annexure - B

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO)

[Pursuant to Regulation 17(8) read with Regulation 33(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015]

The Board of Directors
MSP Steel & Power Limited
16/S, Block-A, New Alipore
Kolkata- 700 053

In pursuance of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Suresh Kumar Agrawal, Chairman and Kamal Kumar Jain, Chief Financial Officer, responsible for the finance function certify to the Board of Directors that:

a) We have reviewed the financial statements and cash flow statements for the financial year ended on 31st March, 2023 and to the best of our knowledge and belief, state that:
   i) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 which are fraudulent, illegal or violation of the Company's code of conduct.

c) We accept responsibility for the establishing and maintaining internal control systems for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d) We have indicated to the auditors and the audit committee that:-
   i. There have been no significant changes in internal control over financial reporting during the year.
   ii. The significant changes in accounting policies during the Financial Year ended 31st March, 2023 arising from the adoption of the Indian Accounting Standards have been discussed and approved by the auditors and Audit Committee.
   iii. There have been no instances of significant fraud of which we have become aware and consequently no involvement therein, of the management or any employee having a significant role in the Company's internal control system over the financial reporting.

For and on behalf of the Board
MSP Steel & Power Limited

Place: Kolkata	**Suresh Kumar Agrawal**	**Kamal Kumar Jain**
Date: 29th May, 2023	Chairman	Chief Financial Officer

Annexure - C

DECLARATION AFFIRMING COMPLIANCE WITH THE CODE OF CONDUCT

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the Members of the Board and Senior Management Personnel of the Company have affirmed their compliance with the code of conduct for the Financial Year ended 31st March, 2023.

For and on behalf of the Board
MSP Steel & Power Limited

Place: Kolkata	**Suresh Kumar Agrawal**	**Kamal Kumar Jain**
Date: 29th May, 2023	Chairman	Chief Financial Officer

Annexure - D

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED.

The Members of MSP Steel & Power Limited

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

Managements' Responsibility

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

Auditors' Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance note on Reports or certificates for Special purpose and the guidance note on Certification of Corporate Governance, both issued by Institute of the Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purpose requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Annexure - D (Contd.)

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Register of Directors as on March 31, 2023 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
   iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2022 to March 31, 2023:
      (a) Board of Directors;
      (b) Audit Committee;
      (c) Annual General Meeting (AGM);
      (d) Nomination and Remuneration Committee;
      (e) Stakeholders Relationship Committee;
      (f) Corporate Social Responsibility Committee;
   v. Obtained necessary declarations from the directors of the Company.
   vi. Obtained and read the policy adopted by the Company for related party transactions.
   vii. Obtained the schedule of related party transactions during the year and balances at the year-end.
   viii. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.
   ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

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

Other Matters and Restrictions on use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
Firm Registration Number: 306033E/E300272

J K Choudhury
Partner
Membership Number: 009367
UDIN: 23009367BGWVBN1026

Place: Kolkata
Date: 29-05-2023

FINANCIAL REPORT

STANDALONE

Independent Auditor's Report

To the Members of **MSP Steel & Power Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **MSP Steel & Power Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (The "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 (ICAI) of India 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone 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 Standalone Financial Statements of the current period. 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

Descriptions of Key Audit Matter	How we addressed the matter in our audit
Revenue Recognition (Refer Note No. 1 and 21 and of the Standalone Financial Statement): Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable.	**Our audit procedures included the following:** Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof. ➢ Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls over recognition of revenue.

Descriptions of Key Audit Matter	How we addressed the matter in our audit
The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	➢ Evaluated the design, implementation and operating effectiveness of Company's controls in respect of revenue recognition. ➢ Tested the effectiveness of such controls over revenue cut off at year-end. ➢ On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents. ➢ Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end. ➢ Compared revenue with historical trends and where appropriate, conducted further enquiries and testing. Assessed disclosures in standalone financial statements in respect of revenue, as specified in Ind AS 115.
Inventory Management (Refer Note No. 1 and 8 and of the Standalone Financial Statement): The Company deals with various types of bulk material such as Coal, Iron Ore, sponge iron & pellets etc. The total inventory of such materials amounts to Rs. 35204.31 lakhs as on March 31, 2023. 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. We determined this to be key audit matter to our audit due to quantum of the amount, estimation involved.	**Our audit procedures included the following:** ● Obtained the understanding of the management with regards to internal financial controls relating to Inventory management. ● The Company deployed an Independent agency for verification of Bulk Materials. We have reviewed the internal verification process by the management for certain inventory items. ● We have reviewed the report submitted by external agency and obtained reasons/explanation for differences and also confirmed the adjustment made by the Company. Based on the above procedures performed, we concluded that measurement and valuation of the inventory at year end is appropriate.

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 but does not include the standalone financial statements and our auditor's 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report (Contd.)

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 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 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 Statements 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial 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.

Independent Auditor's Report (Contd.)

- 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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 Standalone 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 Standalone 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 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 Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

Independent Auditor's Report (Contd.)

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to 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 standalone financial statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act and

(h) 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. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Note 36 to the Standalone Financial Statements.

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on March 31,2023.

III. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

IV. (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, 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 to us that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entities, 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 our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-

Independent Auditor's Report (Contd.)

clause (i) and (ii) of Rule 11(e) as provided under paragraph 2(h) (iv)(a) &(b) above, contain any material misstatement.

V. The Company has not declared any dividend in previous financial year which has been paid in current year. Further, no dividend has been declared in current year. Accordingly, the provision of section 123 of the Act is not applicable to the company.

VI. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trial (edit log) facility is applicable to the Company with effect from 1st April 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules , 2014 is not applicable for the financial year ended March 31, 2023.

For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
Firm Registration Number: 306033E/E300272

J K Choudhury
Partner
Membership Number: 009367
UDIN: 23009367BGWBVL1567

Place: Kolkata
Date: May 29, 2023

Independent Auditor's Report (Contd.)

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company of even date)

i. In the respect of matters specified in clause (i) of paragraphs 3 the Order:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2023. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.

e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. In the respect of matters specified in clause (ii) of paragraphs 3 the Order:

a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below.

(₹ in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference
Consortium of Banks led by State Bank of India	26,000.00	19,164.23	June 30, 2022	28,794.27	40,309.61	-11,515.34
	26,000.00	23,862.26	September 30, 2022	27,434.85	40,061.39	-12,626.54
	26,000.00	23,013.77	December 31, 2022	26,305.76	39,921.45	-13,615.69
	26,000.00	23,626.34	March 31, 2023	26,162.00	41,832.70	-15,670.70

Also refer note 45 of the Standalone financial statements.

Independent Auditor's Report (Contd.)

iii. In the respect of matters specified in clause (iii) of paragraphs 3 the Order:

a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (c), is not applicable to the Company.

d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days.

e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In the respect of matters specified in clause (vii) of paragraphs 3 the Order:

a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except below:

Name of the Statute	Nature of the Dues	Rs. in Lakhs	Period to which the amount relates	Due Date
Income Tax Act, 1961	Income Tax	0.26	Assessment Year 2009-10	Not Ascertainable

As informed, the provisions of sales Tax, Service Tax, duty of excise and value added tax are currently not applicable to the Company.

Independent Auditor's Report (Contd.)

b) According to the information and explanations given to us and the records of the Company examined by us. The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the Dispute is Pending
Central Excise Act, 1944	Excise Duty	1027.03	2006-07 to 2010-11 & 2013-14	Supreme Court
	Excise Duty	475.64	2008-10 and 2012-2017	Chief Commissioner-Raipur
The Finance Act, 1994	Service Tax	20.29	2015-16	CESTAT-Delhi
	Service Tax	182.62	2014-15	CESTAT-Delhi
Goods and Service Tax Act, 2017	Goods and Service Tax	1275.03	2017-19	Chhattisgarh High Court
The Income Tax Act, 1961	Income Tax	135.89	AY 2014-15	Dy. Commissioner of Income Tax (Rectifications)

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961(43 of 1961) as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. In the respect of matters specified in clause (ix) of paragraphs 3 the Order:

a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

c) The Company has not raised any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the 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 or joint ventures as defined under Companies Act, 2013.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x. In the respect of matters specified in clause (x) of paragraphs 3 the Order:

a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on 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/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

Independent Auditor's Report (Contd.)

xi. In the respect of matters specified in clause (xi) of paragraphs 3 the Order:

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 explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by using Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b) & (c) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. In the respect of matters specified in clause (xiv) of paragraphs 3 the Order:

a) The Company has an internal audit system commensurate with the size and nature of its business.

b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In the respect of matters specified in clause (xvi) of paragraphs 3 the Order:

a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

d) As represented by the Management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred cash losses in the current and immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (refer Note 46), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based

Independent Auditor's Report (Contd.)

on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due

xx. The Company is not required to spend on account of Corporate Social Responsibility as required under sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of these standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
Firm Registration Number: 306033E/E300272

J K Choudhury
Partner
Membership Number: 009367
UDIN: 23009367BGWBVL1567

Place: Kolkata
Date: May 29, 2023

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of even date)

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of MSP Steel & Power Limited ("the Company") as of March 31, 2023 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal

Independent Auditor's Report (Contd.)

financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
Firm Registration Number: 306033E/E300272

J K Choudhury
Partner
Membership Number: 009367
UDIN: 23009367BGWBVL1567

Place: Kolkata
Date: May 29, 2023

Standalone Balance Sheet As at March 31, 2023

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
A	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3(a)	82,585.05	82,605.56
	(b) Intangible Assets	3(c)	11.98	25.40
	(c) Investment in Subsidiary, Associate & Joint Venture	4	255.35	3,807.77
	(d) Financial Assets			
	(i) Investments	4	4,115.82	309.38
	(ii) Other Financial Assets	5	1,186.62	794.86
	(e) Deferred Tax Assets (Net)	6	3,323.90	2,660.92
			91,478.72	**90,203.89**
2	Current Assets			
	(a) Inventories	8	48,387.78	45,755.66
	(b) Financial Assets			
	(i) Trade Receivables	9	7,502.85	6,925.95
	(ii) Cash and Cash Equivalents	10	1,066.59	4,804.64
	(iii) Bank Balances other than (ii) above	11	1,468.56	4,720.63
	(iv) Other Financial Assets	5	55.53	76.14
	(c) Current Tax Assets (Net)	7	670.93	413.41
	(d) Other Current Assets	12	13,622.90	22,136.72
			72,775.14	**84,833.15**
	TOTAL ASSETS		**1,64,253.86**	**1,75,037.04**
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	13	38,541.50	38,541.50
	(b) Other Equity	14	18,188.03	23,331.41
			56,729.53	**61,872.91**
2	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	50,131.51	52,523.35
	(b) Provisions	16	133.78	120.13
			50,265.29	**52,643.48**
3	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	29,774.34	29,973.67
	(ii) Trade Payables			
	(a) Total outstanding dues to micro enterprises and small enterprises	18	574.78	90.59
	(b) Total outstanding dues to Creditors other than micro enterprises and small enterprises	18	20,074.50	26,702.29
	(iii) Other Financial Liabilities	19	1,347.27	1,082.94
	(b) Other Current Liabilities	20	5,193.82	2,382.05
	(c) Provisions	16	294.33	289.11
			57,259.04	**60,520.65**
	TOTAL EQUITY AND LIABILITIES		**1,64,253.86**	**1,75,037.04**
	Significant Accounting Policies	1		
	Key accounting estimates and judgements	2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date:
For **S K Agrawal and Co Chartered Accountants LLP**
Firm Registration No.-306033E/E300272
Chartered Accountants

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

J K Choudhury
Partner
Membership No.-009367

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
Mem No. A41041

Place: Kolkata
Date: 29th May, 2023

Statement of Standalone Profit & Loss for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	2022-23	2021-22
INCOME			
Revenue from Operations	21	2,55,039.96	2,33,957.86
Other Income	22	1,157.47	339.42
Total (I)		**2,56,197.43**	**2,34,297.28**
EXPENSES			
Cost of Material Consumed	23	2,04,265.98	1,88,929.53
Purchase of Stock in Trade	24	2,712.69	2,295.60
Changes in Inventories of Finished Goods, By-products, Work in Progress and Stock in Trade	25	2,524.83	(4,206.99)
Employee Benefits Expenses	26	5,778.24	5,143.63
Finance Costs	27	7,724.26	7,417.09
Depreciation and Amortization Expenses	28	5,407.40	5,446.51
Other Expenses	29	33,843.05	26,273.28
Total (II)		**2,62,256.45**	**2,31,298.65**
Profit/(Loss) before Exceptional Item and Tax (I-II)		**(6,059.02)**	**2,998.63**
Exceptional Items	30	30.75	817.66
Profit/(Loss) Before Tax		(6,028.27)	3,816.29
Tax Expenses	31		
Current Tax		-	-
Income tax for Earlier Year		-	-
Deferred Tax		(658.65)	421.09
Total Tax Expenses		**(658.65)**	**421.09**
Profit/(Loss) for the Year		**(5,369.62)**	**3,395.20**
Other Comprehensive Income	32		
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(1.35)	44.67
(b) Equity Instruments through Other Comprehensive Income		223.27	28.22
(c) Income taxes on items that will not be reclassified to profit or loss		4.32	(10.46)
Other Comprehensive Income (Net of Tax)		226.24	62.43
Total Comprehensive Income for the year		**(5,143.38)**	**3,457.63**
Earnings per equity share of face value of ₹10/- each	33		
Basic (₹)		(1.39)	0.88
Diluted (₹)		(1.29)	0.82
Significant Accounting Policies	1		
Key accounting estimates and judgements	2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date:
For **S K Agrawal and Co Chartered Accountants LLP**
Firm Registration No.-306033E/E300272
Chartered Accountants

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

J K Choudhury
Partner
Membership No.-009367

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
Mem No. A41041

Place: Kolkata
Date: 29th May, 2023

Standalone Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
1.	**Net Profit/(Loss) before taxes**	**(6,028.27)**	**3,816.29**
2.	**Adjustments for:**		
	Depreciation & Amortization Expense	5,407.40	5,446.51
	Interest Income	(160.97)	(96.46)
	Interest Expense on Loans	3,788.89	3,769.02
	Interest Expense on OCD	3,162.18	2,823.24
	Other Finance Expenses	626.31	481.90
	Provision for Doubtful debts/ Advances/ Deposits and Claims	220.14	244.35
	Unrealised (Profit)/Loss on Foreign Exchange Fluctuations	175.49	(238.11)
	Reversal of Impairment of Investment in Associate & Joint Venture (Net)	(30.75)	(817.66)
	(Profit) / Loss on sale of property, plant & equipment (net)	-	(3.40)
3.	**Operating Profit before working capital changes (1+2)**	**7,160.42**	**15,425.68**
4.	**Movement in Working Capital for:**		
	(Increase)/ Decrease in Trade & Other Receivables	7,156.28	(11,783.27)
	(Increase)/ Decrease in Inventories	(2,632.12)	(8,082.65)
	Increase/ (Decrease) in Trade & Other Payables	(3,341.47)	15,552.04
	Increase/ (Decrease) in Provisions	17.53	138.64
5.	**Cash generated from Operations (4+3)**	**8,360.64**	**11,250.44**
6.	Less: Direct Taxes Paid	257.51	240.26
7.	**Net Cash generated from Operating Activities (5-6)**	**8,103.13**	**11,010.18**
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of property, plant & equipment including CWIP	(5,373.46)	(2,561.40)
	Sale of property, plant & equipment	-	5.02
	Purchase of Investments	-	-
	Fixed Deposit given in form of Margin Money	3,419.64	(3,751.70)
	Interest received	181.58	93.12
	Net cash generated/(used) in investing activities	**(1,772.24)**	**(6,214.97)**
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Long Term Borrowings Received/ (paid) (Net)	(5,039.28)	(4,430.93)
	Short Term Borrowings Received/ (paid) (Net)	(714.33)	7,495.20
	Interest Paid	(3,690.19)	(3,680.80)
	Other Finance Expenses Paid	(626.31)	(474.21)
	Unclaimed Dividend transferred to Investor Education Protection Fund of India	1.17	-
	Net cash used in financing activities	**(10,068.94)**	**(1,090.74)**
	Net (Decrease) in Cash and Cash equivalents (A+B+C)	**(3,738.05)**	**3,704.48**
E1	**Cash and Cash equivalents as at the beginning of the year**	**4,804.64**	**1,100.16**
E2	**Cash and Cash equivalents as at the end of the year**	**1,066.59**	**4,804.64**
	Net Change in Cash and Cash equivalents (E2-E1)	**(3,738.05)**	**3,704.48**

Note:

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS -7) - Statement of Cash Flow.

Standalone Cash Flow Statement for the year ended March 31, 2023 (Contd.)

Note (Contd.):

b) Components of Cash and Cash equivalents

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash on hand	13.45	15.37
With Scheduled Banks on Current Account	730.93	4,595.32
Positive Balances in Cash Credit Account	322.21	193.95
	1,066.59	**4,804.64**

c) Reconciliation for total liability arising from financing activities:

(₹ in Lakhs)

Head	31st March 2022	Cash Flow	Non Cash Changes		Interest Paid*	31st March 2023
			Inter Head Movement	Interest Expenses*		
Long Term Borrowings**	30,941.93	(5,039.28)	(84.80)	1,684.56	1,599.49	25,902.92
Other Financial Liabilities ***	26.33	-	98.43	626.31	626.31	124.76
Borrowings - Current	25,215.67	(714.33)	(13.63)	2,104.33	2,090.70	24,501.34
	56,183.93	**(5,753.61)**	**(0.00)**	**4,415.20**	**4,316.50**	**50,529.02**

(₹ in Lakhs)

Head	31st March 2021	Cash Flow	Non Cash Changes		Interest Paid*	31st March 2022
			Inter Head Movement	Interest Expenses*		
Long Term Borrowings**	35,277.07	(4,430.93)	7.69	1,952.96	1,864.86	30,941.93
Other Financial Liabilities	26.22	-	(7.69)	577.26	569.46	26.33
Borrowings - Current	17,720.46	7,495.20	-	1,720.70	1,720.69	25,215.67
	53,023.75	**3,064.27**	**-**	**4,250.92**	**4,155.01**	**56,183.94**

* Interest expenses/paid also include the Other Financial Charges expenses/paid during the year.

** Long term borrowings include current maturities and exclude the Liability Component of Compound Financial Instruments.

*** Other financial Liabilities include ₹1.24 Lakhs due for MSME Interest grouped under Trade Payables in financials.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date:
For **S K Agrawal and Co Chartered Accountants LLP**
Firm Registration No.-306033E/E300272
Chartered Accountants

J K Choudhury
Partner
Membership No.-009367

Place: Kolkata
Date: 29th May, 2023

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
Mem No. A41041

Standalone Statement of changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
As at the beginning of the year	38,541.50	38,541.50
Changes in equity share capital during the year	-	-
As at the end of the year	**38,541.50**	**38,541.50**

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	6% Redeemable Preference Shares	Equity Component of Optionally Convertible Debenture	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2021	**15,055.59**	**(27,044.62)**	**3,112.99**	**28,506.44**	**243.38**	**19,873.78**
Profit/ (Loss) for the year	-	3,395.20	-	-	-	3,395.20
Remeasurement benefits Gain/(Loss) (Net of tax)	-	37.69	-	-	-	37.69
Fair Value of Equity Instrument through FVOCI	-	-	-	-	24.74	24.74
Balance as at 31st March, 2022	**15,055.59**	**(23,611.73)**	**3,112.99**	**28,506.44**	**268.12**	**23,331.41**
Balance as at 1st April, 2022	**15,055.59**	**(23,611.73)**	**3,112.99**	**28,506.44**	**268.12**	**23,331.41**
Profit/ (Loss) for the year	-	(5,369.62)	-	-	-	(5,369.62)
Remeasurement benefits Gain/ (Loss) (Net of tax)	-	(0.93)	-	-	-	(0.93)
Fair Value of Equity Instrument through FVOCI	-	-	-	-	227.17	227.17
Balance as at 31st March, 2023	**15,055.59**	**(28,982.28)**	**3,112.99**	**28,506.44**	**495.29**	**18,188.03**

Significant Accounting Policies	1
Key accounting estimates and judgements	2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date:
For **S K Agrawal and Co Chartered Accountants LLP**
Firm Registration No.-306033E/E300272
Chartered Accountants

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

J K Choudhury
Partner
Membership No.-009367

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
Mem No. A41041

Place: Kolkata
Date: 29th May, 2023

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

COMPANY BACKGROUND

MSP Steel & Power Limited ("the Company") is a public limited Company incorporated in India with its registered office in Kolkata, West Bengal, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is engaged in the manufacture and sale of iron and steel products and generation of power. The Company has a manufacturing plant at Raigarh, Chhattisgarh, India.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation of financial statements

1.1.1. Compliance with Ind-AS

The Financial Statements comply in all materials aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (The Act) [Companies (Indian Accounting Standards) Rules 2015] and Other reverent provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

– Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments: Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.
– Conceptual framework for financial reporting under Ind AS issued by ICAI.
– Ind AS 103: Business combination.
– Amendment to Ind AS 103- Business combination, Ind AS 116 - COVID-19 related rent concessions, Ind AS 105 – Non-current Assets.
– and Discontinued Operations, Ind AS 16 – Property Plant and Equipment and Ind AS 28 – Investments in Associates and Joint Ventures.

These amendments had no impact on the financial statements of the Company.

1.1.2. Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.1.3. Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

accounting principles in India under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- defined benefit plans - plan assets measured as per actuarial valuation.

1.2. Summary of Significant Accounting Policies

A. Property, Plant and Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the assets has

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of Assets	Years
Factory Building	30 years
Other Building	10 to 60 years
Plant & Machinery	5 to 40 years
Vehicle	8 to 10 years
Office Equipment	5 to 6 years
Furniture & Fixtures	10 years

Freehold land is not depreciated.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

De-recognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de- recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

B. Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including 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. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Particulars	No. of Years
Computer Software	5

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

De-recognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

C. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

D. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods/ services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods/services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods/services sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

Sale of products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. No element of financing is deemed present as the sales are generally made with a credit term which is consistent with market practice. The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

Sale of power/ services: Revenue from sale of power/services is recognized when the services are provided to the customer based on approved tariff rates/agreement established by the respective regulatory authorities/agreement with parties.

Interest and dividends: Interest income is recognized using effective interest method. Dividend income is recognized when the right to receive payments established.

E. Government Grants

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

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

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

F. Inventories

Raw materials, work-in-progress, finished goods, stores, spares, components, consumables, and stock- in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. By-product is valued at net realizable Value.

In determining the cost of raw materials, stock-in-trade, stores, spares, components, consumables, and other inventories weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

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

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

G. Financial Instruments

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

G.1. Financial Assets

- ***Initial recognition and measurement:*** The Company recognize a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

  Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

  In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

  However, trade receivables that do not contain a significant financing component are measured at transaction price.

- ***Subsequent measurement:*** For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

  ➢ The Company's business model for managing the financial asset and

  ➢ The contractual cash flow characteristics of the financial asset.

  Based on the above criteria, the Company classifies its financial assets into the following categories:

  ➢ Financial assets measured at amortized cost.

  ➢ Financial assets measured at fair value through other comprehensive income (FVTOCI).

  ➢ Financial assets measured at fair value through profit or loss (FVTPL).

- ***Financial assets measured at amortized cost:*** A financial asset is measured at the amortized cost if both the following conditions are met:

  ➢ The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

  ➢ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

  Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

  The amortized cost of a financial asset is also adjusted for loss allowance, if any.

- ***Financial assets measured at FVTOCI:*** A financial asset is measured at FVTOCI if both of the following conditions are met:

  ➢ The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

  ➢ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  The Company, through an irrevocable election at initial recognition, has measured investments in equity instruments at FVTOCI. This equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

  On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

- ***Financial assets measured at FVTPL:*** A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

  This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

- ***De-recognition:*** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

  ➢ The contractual rights to cash flows from the financial asset expires;

  ➢ The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

  ➢ The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

➢ The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On De-recognition of a financial asset [except as mentioned in above for financial assets measured at FVTOCI] difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

- ***Impairment of financial assets:*** The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

➢ Trade receivables.

➢ Financial assets measured at amortized cost (other than trade receivables and lease receivables).

➢ Financial assets measured at fair value through other comprehensive income (FVTOCI)- in case of debt instruments.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, considering the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

G.2. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

G.2.1. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

G.2.2. Financial liabilities

Initial recognition and measurement: The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement: All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

H. Offsetting financial instruments

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

I. Derivatives

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

J. Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognized, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognized in the statement of profit and loss.

K. Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- **Level 1** - quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3** - inputs that are unobservable for the asset or liability.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

L. Foreign Currency Translation

Initial Recognition: On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date: Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

M. Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax: Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit 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 under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax: Deferred tax is recognized on taxable 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 under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credit (MAT Credit Entitlement), Unabsorbed depreciation and any unused tax losses. Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. 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 the benefits of part or all of such deferred tax assets to be utilized.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax: Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

N. Provisions, Contingent Liabilities & Contingent Assets

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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

O. Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

P. Employee Benefits

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

Compensated absences: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

Post-Employment Benefits:

Provident Fund scheme: Retirement benefit in the form of Provident Fund is a defined contribution scheme and the company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. The Company has no obligations other than the contribution payable to the respective funds.

Gratuity scheme: Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Recognition and measurement of Defined Benefit plans: The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets, are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods. Re-measurement of defined benefit plans is recognized as a part of retained earnings in statement of changes in equity as per Division II of Schedule III of the Companies Act, 2013.

Q. Leases

The Company as lessor

Lease income from operating leases where the Company is a lessor is recognized in the statement of profit and loss on a straight- line basis over the lease term.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

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

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

R. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

S. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

T. Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

U. Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

V. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

W. Non-Current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. On-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held for sale are not depreciated or amortized.

X. Rounding Off

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

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

2. KEY ACCOUNTING ESTIMATES & JUDGEMENTS:

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

2.1. Significant judgments when applying Ind AS 115

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.2. Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of plant and equipment.

2.3. Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

2.4. Impairment of financial assets

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

2.5. Impairment of Investment in Associate/ Joint Venture

The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the respective company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

2.6. Income taxes/Deferred Tax

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

2.7. Recoverability of advances/ receivables

At each balance sheet date, based on discussions with the respective counterparties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counterparties, market information and other relevant factor.

2.8. Contingent assets and liabilities, uncertain assets and liabilities

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether Company will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

3(a) Property, Plant & Equipment

(₹ in Lakhs)

Particulars	Land	Factory Building	Other Building	Plant & Machinery	Furniture & Fixtures	Vehicle	Office Equipments	Total
GROSS CARRYING VALUE								
Balance as at 1st April, 2021	926.80	11,790.60	7,681.07	98,483.56	72.74	238.79	77.67	1,19,271.23
Additions	-	-	-	2,601.08	-	-	19.43	2,620.51
Deductions	-	-	-	-	-	32.52	-	32.52
Balance as at 31st March, 2022	926.80	11,790.60	7,681.07	1,01,084.64	72.74	206.27	97.10	1,21,859.22
Additions	34.87	-	-	5,318.07	-	3.58	16.95	5,373.47
Deductions	-	-	-	-		-	-	-
Balance as at 31st March, 2023	**961.67**	**11,790.60**	**7,681.07**	**1,06,402.71**	**72.74**	**209.85**	**114.05**	**1,27,232.69**
ACCUMULATED DEPRECIATION								
Balance as at 1st April, 2021	-	2,578.73	1,705.66	29,362.08	39.80	123.53	41.66	33,851.46
Depreciation expense		429.79	284.28	4,685.91	4.10	17.61	11.40	5,433.09
Deductions	-	-	-	-	-	30.89	-	30.89
Balance as at 31st March, 2022	-	3,008.52	1,989.94	34,047.99	43.90	110.25	53.06	39,253.66
Depreciation expense	-	429.79	284.28	4,649.14	4.05	14.19	12.53	5,393.98
Deductions	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	**-**	**3,438.31**	**2,274.22**	**38,697.13**	**47.95**	**124.44**	**65.59**	**44,647.64**
NET CARRYING VALUE								
Balance as at 31st March, 2022	926.80	8,782.08	5,691.13	67,036.65	28.84	96.02	44.04	82,605.56
Balance as at 31st March, 2023	**961.67**	**8,352.29**	**5,406.85**	**67,705.58**	**24.79**	**85.41**	**48.46**	**82,585.05**

3(b) Capital Work in Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
As at the beginning of the year	-	59.10
Movement during the year	-	(59.10)
As at the end of the year	**-**	**-**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

3(b) Capital Work in Progress (Contd.)

Capital Work in Progress (CWIP) ageing schedule

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				As at 31st March, 2023
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				As at 31st March, 2022
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

There are no projects as on March 31, 2023 where activity had been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

3(c) Intangible Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
As at the beginning of the year	25.40	38.82
Capitalized during the year	-	-
Amortized during the year	13.42	13.42
As at the end of the year	**11.98**	**25.40**

Intangible assets consists mainly of Computer Software.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

4. Non-Current Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares / Units	(₹ in Lakhs)	Number of Shares / Units	(₹ in Lakhs)
(a) Unquoted Investments in Equity Instruments				
(i) In Subsidiaries (at cost)				
MSP Cement Limited (₹10 each)	5,80,698	58.07	5,80,698	58.07
		58.07		**58.07**
Prateek Mines & Minerals Pvt Limited (₹10 each)	57,000	65.32	57,000	65.32
		65.32		**65.32**
(ii) In Associate Company (at cost)				
AA ESS Tradelinks Private Limited (₹10 each)	-	-	46,50,175	4,370.68
Less: Impairment of investment in Associate (refer note no. 30)		-		(787.51)
		-		**3,583.17**
(iii) In Joint Venture (at cost)				
Madanpur South Coal Company Limited (₹10 each)	94,427	131.96	94,427	131.96
Less: Impairment of investment in Joint Venture (refer note no. 30)		-		(30.75)
		131.96		**101.21**
Investment in Subsidiary, Associate & Joint Venture (i+ii+iii)		**255.35**		**3,807.77**
(iv) In Others (at fair value through OCI)				
MSP Metallics Limited (₹10 each)	4,20,000	-	4,20,000	-
MSP Properties (I) Limited (₹10 each)	7,500	6.66	7,500	5.91
MSP Sponge Iron Limited (₹10 each)	3,13,000	324.75	3,13,000	281.29
Catapult Fincap Limited (₹10 each) formerly known as MSP Power Limited	8,000	0.89	8,000	0.78
M.A Hire Purchase Private Limited (₹10 each)	38,34,623	3,760.23	-	-
		4,092.53		**287.98**
(b) Quoted Investments in Equity Instruments (at fair value through OCI)				
Howrah Gases Ltd (₹10 each)	93,700	15.00	93,700	15.00
Ashirwad Steel and Industries Limited (₹10 each)	2,500	0.47	2,500	0.39
Nageshwar Investment Limited (₹10 each)	11,000	0.22	11,000	0.22
Indian Overseas Bank (₹10 each)	2,900	0.65	2,900	0.53
IDFC First Bank Limited (₹10 each)	5,201	2.86	5,201	2.05
IDFC Limited (₹10 each)	5,201	4.09	5,201	3.21
		23.29		**21.40**
Other Non Current Investments (a(iv)+b)		**4,115.82**		**309.38**
TOTAL (a+b)		**4,371.17**		**4,117.15**
Aggregate amount of Quoted Investments - **at Cost**		**19.24**		**19.24**
Aggregate amount of the Quoted Investments - **at Market value**		**23.29**		**21.40**
Aggregate value of unquoted Investments		**4,347.88**		**4,095.75**
Aggregate amount of impairment in value of investment.		**-**		**818.26**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

5. Other Financial Assets

(₹ in Lakhs)

Particulars		Non - Current		Current	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered Good Unless Otherwise Stated					
Deposits with Banks (Refer Note No. 11)		432.82	601.56	-	-
	(A)	**432.82**	**601.56**	**-**	**-**
Others					
Interest Accrued on Fixed Deposits and Others		-	-	55.53	76.14
Security Deposit		753.80	193.30	-	-
	(B)	**753.80**	**193.30**	**55.53**	**76.14**
TOTAL (A+B)		**1,186.62**	**794.86**	**55.53**	**76.14**

6. Deferred Tax Assets (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities:		
Tax impact on difference between book value of depreciable assets and written down value for tax purpose	(15,299.82)	(15,087.46)
Others	(28.62)	(24.72)
Deferred Tax Assets:		
Tax impact of expenses charged to the statement of profit & Loss but allowable under tax law deferred	1,970.64	1,865.71
Tax impact of unabsorbed loss / Allowances	14,032.99	13,258.68
MAT Credit Entitlement	2,648.71	2,648.71
	3,323.90	**2,660.92**

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

(₹ in Lakhs)

Particulars	As at 1st April, 2021	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2022
Deferred Income Tax Liabilities				
Property, Plant & Equipment's	(14,905.09)	(182.37)	-	(15,087.46)
Others	(21.24)	-	(3.48)	(24.72)
	(14,926.33)	**(182.37)**	**(3.48)**	**(15,112.18)**
Deferred Income Tax Assets				
Allowance for credit loss	1,700.19	71.05	-	1,771.24
Expense allowed under Income Tax on payment basis	106.56	(5.11)	(6.98)	94.47
Unabsorbed depreciation	13,563.34	(304.66)	-	13,258.68
Mat Credit Entitlement	2,648.71	-	-	2,648.71
	18,018.80	**(238.72)**	**(6.98)**	**17,773.10**
Deferred Tax Assets (Net)	**3,092.47**	**(421.09)**	**(10.46)**	**2,660.92**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

6. Deferred Tax Assets (NET) (Contd.)

Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2022 and 31st March, 2023 (Contd.)

(₹ in Lakhs)

Particulars	As at 1st April, 2022	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2023
Deferred Income Tax Liabilities				
Property, Plant & Equipment's & Intangible Assets	(15,087.46)	(212.37)	-	(15,299.83)
Others	(24.72)	-	(3.90)	(28.62)
	(15,112.18)	**(212.37)**	**(3.90)**	**(15,328.45)**
Deferred Income Tax Assets				
Allowance for credit loss	1,771.24	68.68	-	1,839.92
Expense allowed under Income Tax on payment basis	94.47	28.02	8.22	130.72
Unabsorbed depreciation	13,258.68	774.32	-	14,033.00
Mat Credit Entitlement	2,648.71	-	-	2,648.71
	17,773.10	**871.02**	**8.22**	**18,652.35**
Deferred Tax Assets (Net)	**2,660.92**	**658.65**	**4.32**	**3,323.90**

MAT credit entitlement is the amount which can be recovered and set off in subsequent years as per the provisions of the Income Tax Act, 1961. The MAT credit entitlement recognised will expire as follows:

As at 31st March 2023

(₹ in Lakhs)

For Fin Year	Amount	Year of expiry#
2010-11	918.18	Financial Year 2025-26
2011-12	472.72	Financial Year 2026-27
2012-13	592.68	Financial Year 2027-28
2013-14	665.13	Financial Year 2028-29
Total	**2,648.71**	

As a matter of prudence, unused losses and unused deferred tax credits for which no deferred tax assets have been recognised in the balance sheet.

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount	Expiry Date #	Amount	Expiry Date #
Tax Losses (revenue loss on which no tax is created)	-	-	-	-
Unused Tax Credits (MAT credit not recognized)	1,235.37	FY 2022-23 to FY 2024-25	1,235.37	FY 2022-23 to FY 2024-25
	1,235.37		**1,235.37**	

\# Expiry date has been stated based on the last day of the financial year for which MAT credit is available for use as per prevailing tax laws as at the reporting date.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

7. Income Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax & TDS (Net)	536.98	298.62
Income Tax Receivable	133.95	114.79
	670.93	**413.41**

Note: The Company is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to above matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities.

8. Inventories (Valued at Lower of Cost and Net Realizable Value)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials and Components [includes in transit ₹1,445.16 lakhs (31st March 2022: ₹6,087.38 lakhs)]	31,467.21	28,332.53
Work-in-Progress	2,275.84	3,526.30
Finished Goods [includes in transit ₹58.86 lakhs (31st March 2022: ₹227.61 lakhs)]	8,012.62	9,168.92
Stores and Spares	6,021.44	3,999.17
By Products (at Net Realisable Value)	573.04	683.87
Stock in Trade	37.63	44.87
Total	**48,387.78**	**45,755.66**

8.1 For Lien/ charge details against inventory, Refer Note 44.

9. Trade Receivables

(₹ in Lakhs)

Particulars	Current	
	As at 31st March, 2023	As at 31st March, 2022
At amortised cost		
– Trade Receivables considered good - Secured	-	-
– Trade Receivables considered good - Unsecured	9,650.95	9,059.93
– Trade Receivables which have significant increase in credit risk	-	-
– Trade Receivables - credit impaired	-	-
Less: Expected Credit Loss Allowance	(2,148.10)	(2,133.98)
Total trade receivables	**7,502.85**	**6,925.95**
– Receivables from related parties (Refer Note 41)	18.53	55.61
– Others	7,484.32	6,870.34
Total trade receivables	**7,502.85**	**6,925.95**

9.1 For Lien/ charge details against trade receivables, Refer Note 44.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

9. Trade Receivables (Contd.)

9.2 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

9.3 Trade Receivable Ageing Schedule

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2023					
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed-Considered good	7,434.31	35.49	8.95	15.16	2,157.04	9,650.95
Undisputed- Which have significant increase in credit risk	-	-		-		-
Undisputed- Credit impaired	-	-	-	-	-	-
Gross Total	**7,434.31**	**35.49**	**8.95**	**15.16**	**2,157.04**	**9,650.95**
Less: Loss allowance						(2,148.10)
Total						**7,502.85**

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2022					
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
Undisputed-Considered good	6,837.63	45.39	17.87	64.41	2,094.63	9,059.93
Undisputed- Which have significant increase in credit risk	-	-		-		-
Undisputed- Credit impaired	-	-	-	-	-	-
Gross Total	**6,837.63**	**45.39**	**17.87**	**64.41**	**2,094.63**	**9,059.93**
Less: Loss allowance						(2,133.98)
Total						**6,925.95**

9.4 Set out below is the movement in the allowance for expected credit losses of trade receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	2,133.98	2,162.54
Provision/(Reversal) for Expected Credit Loss	14.12	(28.56)
Closing Balance	**2,148.10**	**2,133.98**

9.5 Breakup of Impairment Loss Allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
– Trade Receivables considered good - Unsecured	2,148.10	2,133.98
– Trade Receivables which have significant increase in credit risk	-	-
– Trade Receivables - credit impaired	-	-
Total	**2,148.10**	**2,133.98**

9.6 No element of financing is deemed present as the sales are generally made with a credit term which is consistent with market practice.

9.7 There are no "unbilled" and "disputed" trade receivables, hence the same are not disclosed in the ageing schedule.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

9. Trade Receivables (Contd.)

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

10. Cash and Cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance with Banks:		
On Current Accounts	730.93	4,595.32
Positive Balance in Cash Credit Account	322.21	193.95
Cash and Cash Equivalents		
Cash on Hand	13.45	15.37
	1,066.59	**4,804.64**

11. Bank Balances other than Cash and Cash equivalents

(₹ in Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Fixed Deposits - Earmarked for LC & BG	432.82	601.56	1,468.56	4,719.46
	432.82	**601.56**	**1,468.56**	**4,719.46**
Amount Disclosed under Other Non-Current Financial Assets (Refer Note No. 5)	(432.82)	(601.56)	-	-
Unpaid Dividend Accounts	-	-	-	1.17
	-	**-**	**1,468.56**	**4,720.63**

12. Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances to Suppliers other than capital advances		
Considered Good	11,507.85	21,730.11
Considered Doubtful	3,749.12	3,543.10
	15,256.97	**25,273.21**
Less: Allowances for doubtful advances	3,749.12	3,543.10
(A)	**11,507.85**	**21,730.11**
Other Advances		
Prepaid Expenses	155.31	109.69
Advances to Related Parties	1,148.96	62.31
Balances with Statutory/Government Authorities	801.82	223.81
Others (incl. advance to employees)	8.96	10.80
(B)	**2,115.05**	**406.61**
TOTAL (A+B)	**13,622.90**	**22,136.72**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

13. Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised Share Capital		
800,000,000 (31.03.2022 - 800,000,000) equity shares of ₹10/- each	80,000.00	80,000.00
100,000,000 (31.03.2022 - 100,000,000) preference shares of ₹10/- each	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up Share Capital		
38,54,15,000 (31.03.2022 - 38,54,15,000) equity shares of ₹10/- each	38,541.50	38,541.50
Total	**38,541.50**	**38,541.50**

13.1 Reconciliation of number of Shares

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
Equity Shares:				
Balance at the beginning of the year	38,54,15,000	38,541.50	38,54,15,000	38,541.50
Balance at the end of the year	**38,54,15,000**	**38,541.50**	**38,54,15,000**	**38,541.50**

13.2 Rights, Preferences and restrictions attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

13.3 Shareholders holding more than 5% share in the company are as follows:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No of shares	% of shares	No of shares	% of shares
State Bank of India	4,34,03,465	11.26%	4,63,34,367	12.02%
Mod Commodeal Pvt. Limited	3,14,99,538	8.17%	3,14,99,538	8.17%
Adhunik Gases Limited	2,34,79,000	6.09%	2,34,79,000	6.09%
Sikhar Commotrade Pvt. Limited	2,89,84,056	7.52%	2,89,84,056	7.52%
Shringar Mercentile Pvt. Limited	2,82,11,200	7.32%	2,82,11,200	7.32%
MSP Sponge Iron Limited	2,47,36,500	6.42%	2,47,36,500	6.42%

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

13. Equity Share Capital (Contd.)

13.4 Details of Promoters holding in the company

Sl. No.	Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Suresh Kumar Agrawal	25,120	0.01	25,120	0.01	-
2	Puran Mal Agrawal	29,000	0.01	29,000	0.01	-
3	Pranay Agrawal	3,06,000	0.08	3,06,000	0.08	-
4	Nisha Agrawal	3,36,500	0.09	3,36,500	0.09	-
5	Kiran Agrawal	4,86,000	0.13	4,86,000	0.13	-
6	Saket Agrawal	2,04,000	0.05	2,04,000	0.05	-
7	Manish Agrawal	3,09,000	0.08	3,09,000	0.08	-
8	Puran Mal Agrawal	1,86,620	0.05	1,86,620	0.05	-
9	Suresh Kumar Agrawal	1,41,000	0.04	1,41,000	0.04	-
10	Dexo Trading Pvt. Ltd.	15,75,000	0.41	15,75,000	0.41	-
11	High Time Holdings Pvt. Ltd.	30,25,000	0.78	30,25,000	0.78	-
12	Ilex Private Limited	41,15,000	1.07	41,15,000	1.07	-
13	Jagran Vyapaar Pvt. Ltd.	19,50,000	0.51	19,50,000	0.51	-
14	Larigo Investment Private Limited	1,20,50,000	3.13	1,20,50,000	3.13	-
15	B S Confin Pvt. Ltd.	35,30,000	0.92	35,30,000	0.92	-
16	Emerald Tradelink Pvt. Ltd.	25,00,000	0.65	25,00,000	0.65	-
17	Gilbart Merchants Pvt. Ltd [1]	85,04,426	2.21	85,04,426	2.21	-
18	K. C. Texofine Pvt. Ltd.[2]	87,15,000	2.26	87,15,000	2.26	-
19	Raj Securities Ltd.[1]	52,00,000	1.35	52,00,000	1.35	-
20	Adhunik Gases Ltd.[1]	2,34,79,000	6.09	2,34,79,000	6.09	-
21	Aa Ess Tradelinks Pvt. Ltd.[2]	26,50,000	0.69	26,50,000	0.69	-
22	Msp Rolling Mills Pvt. Ltd.[2]	44,60,000	1.16	44,60,000	1.16	-
23	Msp Sponge Iron Limited	2,47,36,500	6.42	2,47,36,500	6.42	-
24	Msp Infotech Pvt. Ltd.	1,25,29,760	3.25	1,25,29,760	3.25	-
25	Rajnath Vyapaar Private Limited	25,00,000	0.65	25,00,000	0.65	-
26	Sikhar Commotrade Pvt.Ltd.	2,89,84,056	7.52	2,89,84,056	7.52	-
27	Panorama Commercial Private Limited[3]	10,00,000	0.26	10,00,000	0.26	-
28	Shree Vinay Finvest Pvt. Ltd.	68,78,543	1.78	68,78,543	1.78	-

1 Merged with Jagran Vyapaar Pvt Ltd (Transferee Company) **

2 Merged with MA Hire Purchase Pvt Ltd (Transferee Company) **

3 Merged with Shree Vinay Finvest Pvt Ltd (Transferee Company) **

** These companies have been merged with the transferee companies but the share transfer is not complete since the same are pledged with banks. We are in the process of transferring the shares in the name of the merged entity and they will be done once the shares are released by the banks.

13.5 Additional Disclosure in the respect of Equity Share

(a) The Company does not have any Holding Company or Ultimate Holding Company.

(b) No ordinary shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

(c) The Company has not bought back any shares during the period of five years preceding the date at which the Balance Sheet is prepared.

(d) The Company has allotted 297,315,000 equity shares of ₹10 each as per the approval accorded by the shareholders of the Company on March 12, 2018 pursuant to contract(s) without payment being received in cash.

(e) Nil shares (31st March 2022: 26,50,000 shares) held by associate of the holding company.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

14. Other Equity

(₹ in Lakhs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	6% Redeemable Preference Shares	Equity Component of Optionally Convertible Debenture	Equity Instruments through Other Comprehensive Income	
Balance as at 1st April, 2021	15,055.59	(27,044.62)	3,112.99	28,506.44	243.38	19,873.78
Profit/ (Loss) for the year	-	3,395.20	-	-	-	3,395.20
Remeasurement benefits Gain/ (Loss) (Net of tax)	-	37.69	-	-	-	37.69
Fair Value of Equity Instrument through FVOCI	-	-	-	-	24.74	24.74
Balance as at 31st March, 2022	**15,055.59**	**(23,611.73)**	**3,112.99**	**28,506.44**	**268.12**	**23,331.41**
Balance as at 1st April, 2022	15,055.59	(23,611.73)	3,112.99	28,506.44	268.12	23,331.41
Profit/ (Loss) for the year	-	(5,369.62)	-	-	-	(5,369.62)
Remeasurement benefits Gain/ (Loss) (Net of tax)	-	(0.93)	-	-	-	(0.93)
Fair Value of Equity Instrument through FVOCI	-	-	-	-	227.17	227.17
Balance as at 31st March, 2023	**15,055.59**	**(28,982.28)**	**3,112.99**	**28,506.44**	**495.29**	**18,188.03**

Description of nature and purpose of each reserve

Securities Premium

This reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

Retained Earnings

It comprises of accumulated profit/(losses) of the company.

6% Redeemable Preference Shares

The CCPS was converted to 6% Redeemable Preference Shares under section 48 of the Companies Act, 2013 and the Article 10 of the Articles of Association of the Company which is ratified in writing by holders of atleast 3/4th of nominal value of issued Preference Shares. The company will convert the same into CCPS and subsequently into equity in future.

Equity Component of Optionally Convertible Debenture

This contains the equity portion of the Optionally convertible debentures issued in lieu of long term borrowings as per the terms of the restructuring scheme.

Equity Instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of quoted investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

15. Long Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a. Secured		
i Term loans From Banks		
Indian rupee loan (Gross)	12,587.12	17,544.14
Less: Current Maturities of Long Term Borrowings (Note 17)	5,273.00	4,758.00
	7,314.12	**12,786.14**
ii Liability Component of Optionally Convertible Debenture		
Optionally Convertible Debenture (Note 15.1 (b))	29,501.59	26,339.41
	29,501.59	**26,339.41**
b. Unsecured		
Inter-Corporate Deposits	70.00	90.00
Loans from related parties	450.00	450.00
Interest free loan from promoter/promoter group companies (Note 15.1 (c))	12,795.80	12,857.80
	13,315.80	**13,397.80**
Total (a+b)	**50,131.51**	**52,523.35**
The above amount includes:		
Secured borrowings	36,815.71	39,125.55
Unsecured borrowings	13,315.80	13,397.80
Net Amount	**50,131.51**	**52,523.35**

15.1 Terms of Repayments

a) Term Loan facilities from banks are secured by first pari-passu charge on the entire fixed assets (both present & future) and Second pari-passu charge on the entire current assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Puranmal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Ilex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The interest rate on the domestic long term borrowings are of 2.90% above 6 months MCLR. The Term Loan facilitated from the bank is repayable in 30 Quarterly Instalments from December 2017. Last instalment due in September 2025.

b) The Company has issued 451,970,554 nos. of OCDs amounting to ₹45,197.05 lakhs during the year 2017-18. The OCDs shall have moratorium period of 7 years and shall be repayable in 36 structured quarterly instalments starting from December, 2024 and maturing on September 2033. The OCDs shall carry a coupon rate of 0.01% pa. payable quarterly till maturity. The OCDs will be converted to Equity at the option of the Debenture holders. OCDs may be redeemed alongwith a redemption premium. The redemption premium will be calculated with YTM @ 2.00% p.a. compounded quarterly. As per valuation report and relevant IND AS, PV of OCD as on the OCD issuing date i.e. March 21, 2018 is ₹166.90 crore which has been treated as financial liability and balance of ₹285.07 crore has been treated as other equity. Subsequently interest expenses (the unwinding of the discount) have been booked at market rate (11.5%) to unwind the liability component to the extent of value of OCD.

c) Pursuant to the scheme for restructuring of loan as approved by the Overseeing Committee (OC) of Reserve Bank of India, the Promoter / Promoters' group has transferred 12,85,78,044 equity shares, at ₹10/- per equity share of ₹12,857.80 lakhs, to JLF lenders, as a part payment of unsustainable debt and the same is treated as unsecured loan and shall always be subordinated to the existing senior debt of the borrower.

d) Rate of Interest for the loan from the related parties is maximum being 10%.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

16. Provisions

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits				
For Gratuity (Refer Note No. 40)	-	-	154.79	150.73
For Leave Benefits	133.78	120.13	6.85	5.69
Others*	-	-	132.69	132.69
Total	**133.78**	**120.13**	**294.33**	**289.11**

* The Other Provision includes purchase obligations of Renewable Energy Certificates (E-Cert).

16.1 Movement of Other Provision

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
As at the beginning of the year	132.69	-
Created during the year	-	132.69
Reversal during the year	-	-
As at the end of the year	**132.69**	**132.69**

17. Short-Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Rupee Loan from Banks		
Cash Credit Facility	23,626.34	18,265.51
Current Maturities of Long Term Borrowings	5,273.00	4,758.00
Foreign Currency Loan from Banks		
Working Capital Loan	-	6,075.16
Unsecured - Loan repayable on demand		
From Body Corporates		
Inter Corporate Deposits	875.00	875.00
	29,774.34	**29,973.67**
The above amount includes		
Secured Borrowings	28,899.34	29,098.67
Unsecured Borrowings	875.00	875.00

17.1 Terms and conditions attached to Short term borrowings from banks

(a) Cash Credit facilities from banks are secured by first pari-passu charge on the entire current assets (both present & future) and Second pari-passu charge on the entire fixed assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Puranmal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Ilex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The rate of interest on cash credit is 2.90% above 1 year MCLR.

(b) The Intercorporate loans carry an interest rate of 9.85% p.a (Previous Year - Nil).

17.2 Refer Note No. 45 in the respect of Quarterly Return/Statement filed with the bank in lieu of sanctioned working capital facilities.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

18. Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues to micro enterprises and small enterprises	574.78	90.59
Total outstanding dues to Creditors other than micro enterprises and small enterprises	20,074.51	26,702.29
	20,649.29	**26,792.88**

18.1 Trade Payables include acceptances and arrangements where operational suppliers of goods and services are paid by banks while the company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 or 180 days amounting to ₹8,867.75 lakhs (previous year ₹11,788.91 lakhs).

18.2 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained and as per notification number GSR 679 (E) dated 4th September, 2015.

(₹ in Lakhs)

	Particulars	31st March 2023	31st March 2022
i	The principal amount remaining unpaid to any supplier as at the end of each accounting year;	573.54	89.90
ii	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	1.24	0.69
iii	The amount of interest paid by the buyer under MSMED Act, 2006	Nil	Nil
iv	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	Nil	Nil
v	The amount of interest accrued and remaining unpaid at the end of accounting year; and	1.24	0.69
vi	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	1.24	0.69

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

18.3 Trade Payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding as on March 31, 2023 from due date of payment				
	Upto 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues - MSME	567.12	6.62	1.04	-	**574.78**
Undisputed dues - Others	18,084.11	67.45	44.87	188.98	**18,385.41**
Disputed dues - MSME	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	**-**
Total	**18,651.23**	**74.07**	**45.91**	**188.98**	**18,960.19**
Unbilled Dues					**1,689.10**
Grand Total					**20,649.29**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

18. Trade Payables (Contd.)

18.3 Trade Payables ageing schedule (Contd.)

(₹ in Lakhs)

Particulars	Outstanding as on March 31, 2022 from due date of payment				
	Upto 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues - MSME	88.75	1.84	-	-	**90.59**
Undisputed dues - Others	19,596.71	51.05	48.52	195.26	**19,891.54**
Disputed dues - MSME	-	-	-	-	**-**
Disputed dues - Others	-	-	-	979.03	**979.03**
Total	**19,685.46**	**52.89**	**48.52**	**1,174.29**	**20,961.16**
Unbilled Dues					**5,831.72**
Grand Total					**26,792.88**

19. Other Financial Liabilities

(₹ in Lakhs)

Particulars	Current	
	As at 31st March, 2023	As at 31st March, 2022
Retention / Security Deposit	580.53	460.86
Interest accrued and due on borrowings	123.52	26.33
Unpaid Dividend	-	1.17
Employee Liabilities	480.31	431.67
Other Payables on capital purchases	162.91	162.91
	1,347.27	**1,082.94**

20. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract Liabilities (includes Deferred Performance Obligations)	4,998.01	1,622.71
Others (including statutory dues payable)	195.81	759.34
	5,193.82	**2,382.05**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

21. Revenue from Operations

(₹ in Lakhs)

Particulars	2022-23	2021-22
(a) Sale of Products		
Finished Goods	2,48,904.56	2,21,644.90
Power	1,537.54	2,459.93
Traded Goods	3,001.92	2,329.92
(b) Sale of Services		
Job Work Service	4.08	5,287.41
Total (a+b)	**2,53,448.10**	**2,31,722.16**
(c) Other Operating Revenue		
Sale of scrap and By-products	1,591.85	2,235.70
Total (c)	**1,591.85**	**2,235.70**
Total (a+b+c)	**2,55,039.95**	**2,33,957.86**

The Company is engaged in the manufacturing of Iron & Steel Products and generates revenue from the sale of Iron & Steel products and the same is only the reportable segment of the Company.

Disaggregation of Revenue

(₹ in Lakhs)

Particulars	2022-23	2021-22
Revenue as per Geography		
Domestic	2,53,395.99	2,26,432.77
Exports	52.11	5,289.39
Total	**2,53,448.10**	**2,31,722.16**
Revenue as per Major Products		
Pellet	55,008.31	50,499.18
Sponge Iron	12,430.19	23,573.21
MS Billets	11,356.37	8,332.66
TMT Bars (incl. Structural Products)	1,70,109.69	1,39,210.27
Power	1,537.54	2,459.93
Job Work Service	4.08	5,287.41
Others	3,001.92	2,359.50
Total	**2,53,448.10**	**2,31,722.16**
Timing of Revenue		
At a point in time	2,53,448.10	2,31,722.16
Over time	-	-
Total	**2,53,448.10**	**2,31,722.16**
Sales Channel		
Direct to Customers	79,145.52	59,749.77
Through Intermediaries	1,74,302.58	1,71,972.39
Total	**2,53,448.10**	**2,31,722.16**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

21. Revenue from Operations (Contd.)

Contract balances

The company discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities, the following information is disclosed below.

(₹ in Lakhs)

Particulars	2022-23	2021-22
Trade Receivables	7,502.85	6,925.95
Contract Assets	-	-
Contract Liabilities (includes Deferred Performance Obligations)	4,998.01	1,622.71
Other Information		
a) Transaction price allocated to the remaining performance obligations	Nil	579.60
b) The amount of revenue recognised in the current year that was included in the opening contract liability balance	1,043.11	277.15
c) The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
d) Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil
Significant payment terms		
Financing Component	Nil	Nil

Reconciliation of Revenue from operations with contract price

(₹ in Lakhs)

Particulars	2022-23	2021-22
Contract Price	2,53,711.11	2,32,388.38
Less:		
Sales Returns	168.23	288.70
Trade & Cash Discount	94.78	240.61
Deferred Performance Obligations	-	136.91
Total	**2,53,448.10**	**2,31,722.16**

22. Other Income

(₹ in Lakhs)

Particulars	2022-23	2021-22
(a) Interest income on		
Loans, Fixed Deposits, etc.	160.97	96.46
(b) Other Non-Operating Income		
Profit on sale of fixed assets	-	3.40
Extinguishment of Financial Liability	915.19	-
Exchange Differences	-	238.11
Others	81.31	1.45
Total	**1,157.47**	**339.42**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

23. Cost of Materials Consumed

(₹ in Lakhs)

Particulars	2022-23	2021-22
Inventory at the beginning of the period	28,332.53	25,687.25
Add: Purchases	2,07,400.66	1,91,574.81
Less: Inventory at the end of the period	31,467.21	28,332.53
Total	**2,04,265.98**	**1,88,929.53**

24. Purchase of Stock in Trade

(₹ in Lakhs)

Particulars	2022-23	2021-22
Coal	1,844.41	1,893.37
Manganese Ore	868.28	-
Steel Products	-	402.23
Total	**2,712.69**	**2,295.60**

25. Changes in Inventories of Finished Goods, By-products, Work-in Progress and Stock in Trade

(₹ in Lakhs)

Particulars	2022-23	2021-22
Inventories at the end of the period		
Finished Goods	8,012.62	9,168.92
Work-in-Progress	2,275.84	3,526.30
By-Products	573.04	683.87
Stock in Trade	37.63	44.87
	10,899.13	**13,423.96**
Inventories at the beginning of the period		
Finished Goods	9,168.92	5,038.08
Work-in-Progress	3,526.30	2,842.18
By-Products	683.87	1,267.14
Stock in Trade	44.87	69.57
	13,423.96	**9,216.97**
(Increase)/Decrease in Inventories		
Finished Goods	1,156.30	(4,130.84)
Work-in-Progress	1,250.46	(684.12)
By-Products	110.83	583.27
Stock in Trade	7.24	24.70
Total	**2,524.83**	**(4,206.99)**

26. Employee Benefits Expenses

(₹ in Lakhs)

Particulars	2022-23	2021-22
Salaries and Wages	5,303.26	4,710.54
Contribution to Provident and Other Funds	241.55	232.68
Gratuity (refer note 40)	112.20	113.47
Staff Welfare Expenses	121.23	86.94
Total	**5,778.24**	**5,143.63**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

27. Finance Costs

(₹ in Lakhs)

Particulars	2022-23	2021-22
Interest Expenses		
– On Loans	3,788.89	3,769.02
– On OCD *	3,162.18	2,823.24
Exchange Differences regarded as an adjustment to borrowing cost	146.88	342.93
Other Finance Charges	626.31	481.90
Total	**7,724.26**	**7,417.09**

* It represents the unwinding of the discount on OCD (refer Note 15(b))

28. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	2022-23	2021-22
Depreciation of assets	5,393.98	5,433.09
Amortization of assets	13.42	13.42
Total	**5,407.40**	**5,446.51**

29. Other Expenses

(₹ in Lakhs)

Particulars	2022-23	2021-22
Consumption of Stores and Spares	12,396.03	9,549.40
Power and Fuel	2,619.49	1,245.09
Rent	75.84	74.52
Rates and Taxes	1,315.30	1,083.88
Insurance	190.89	180.46
Repairs		
Plant and Machinery	1,925.69	1,151.06
Buildings	789.57	482.03
Others	329.77	160.35
Other Manufacturing Expenses	9,211.48	8,152.26
Advertising and Other Sales Promotion Expenses	1,273.76	1,168.53
Freight Outward	490.75	551.55
Legal and Professional Charges	977.65	749.41
Payment to Auditors (Refer details below (29.1))	10.39	15.28
Foreign Exchange Differences (Net)	175.49	-
Provision for Expected Credit Loss on Trade Receivable & Advances	220.14	244.34
Corporate Social Responsibility (refer note no. 43)	194.38	160.82
Miscellaneous Expenses (refer note no. 48)	1,840.81	1,465.12
Total	**33,843.05**	**26,273.28**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

29. Other Expenses (Contd.)

Payment to Auditors

(₹ in Lakhs)

Particulars	2022-23	2021-22
As Auditors:		
Statutory Audit fee	5.50	8.70
Limited Review	4.50	4.50
Certification fees and other services	0.15	1.65
Reimbursement of expenses	0.24	0.43
Total	**10.39**	**15.28**

30. Exceptional Items

(₹ in Lakhs)

Particulars	2022-23	2021-22
Impairment Reversal of Investment in Associate (Net) (refer note below)	30.75	817.66
Total	**30.75**	**817.66**

Note: On the basis of physical verification of non-current assets and cash generation capacity of those assets, in the management perception, there is no impairment of non current assets as on 31st March, 2023. Based on the registered valuers' valuation report, the management has recognised an impairment reversal on the investment in its Joint Venture Madanpur South Coal Company Limited of ₹30.75 Lakhs (Previous Year - NIL) for the FY 2022-23.

31. Income Tax

(₹ in Lakhs)

	Particulars	2022-23	2021-22
A.	**The major components of income taxes expense for the year are as under:**		
i	Income tax expense recognised in the statement of profit and loss	-	-
	Current Tax for the year		
	Current Tax	-	-
	Deferred Tax	(658.65)	421.09
	Income tax expense recognised in the statement of profit and loss	**(658.65)**	**421.09**
ii	Income tax expense recognised in OCI		
	Deferred Tax:		
	Deferred tax expenses on remeasurement benefit of defined benefit plans and equity instruments measured through OCI	(4.32)	10.46
	Income tax expense recognised in OCI	**(4.32)**	**10.46**
	Total Tax (i+ii)	**(662.97)**	**431.55**
B.	**Reconciliation of tax expense and the accounting profit for the year is as under**		
	Profit before tax	**(6,028.27)**	**3,816.29**
	Income tax expense	(1,880.82)	1,190.68
	Deferred tax assets reversal on unabsorbed depreciation	(774.37)	-
	Effects of permanent disallowances	1,027.27	913.07
	Creation/(Utilisation) of carried forward loss	963.44	(1,693.17)
	Other Items	1.51	20.97
	Tax expenses as per Statement of Profit and Loss & OCI	**(662.97)**	**431.55**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

31. Income Tax (Contd.)

C. The Taxation Laws (Amendment) Ordinance 2019 was promulgated on September 20, 2019. The Ordinance amends the income tax Act 1961 and the Finance Act 2019. The Ordinance provides domestic companies with a non-reversible option to opt for lower tax rates, provided they do not claim certain deductions. The company has evaluated the same and decided to continue with the existing tax structure until utilisation of accumulated minimum alternate tax (MAT), tax incentives and other deductions available to the Company.

32. Other Comprehensive Income

(₹ in Lakhs)

Particulars	2022-23	2021-22
Remeasurements of the defined benefit plans	(1.35)	44.67
Equity Instruments through Other Comprehensive Income	223.27	28.22
Less: Income tax on the above	4.32	(10.46)
Total	**226.24**	**62.43**

33. Earnings Per Share (EPS)

(₹ in Lakhs)

Particulars	2022-23	2021-22
Earnings Per Share has been computed as under:		
Profit/ (Loss) After Tax	(5,369.62)	3,395.20
Net Profit for Calculation of Basic and Diluted EPS	**(5,369.62)**	**3,395.20**
	No.	**No.**
Weighed average number of equity shares in calculating Basic EPS	38,54,15,000	38,54,15,000
Weighed average number of equity shares in calculating Diluted EPS *	41,65,35,000	41,65,35,000
Face value of share (₹)	10	10
Earnings Per Share		
Basic (₹)	**(1.39)**	**0.88**
Diluted (₹)	**(1.29)**	**0.82**

* The potential ordinary shares,on account of conversion of OCD, are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

34. Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 (G) to the financial statements.

i) Financial assets & liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022:,

(₹ in Lakhs)

Particulars	31st March 2023			31st March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments*	-	4,115.82	-	-	309.38	-
Trade receivables	-	-	7,502.85	-	-	6,925.95
Cash and cash equivalents	-	-	1,066.59	-	-	4,804.64
Other Bank Balances	-	-	1,468.56	-	-	4,720.63
Other Financial Assets	-	-	1,242.15	-	-	871.00
Total	**-**	**4,115.82**	**11,280.15**	**-**	**309.38**	**17,322.22**
Financial liabilities						
Borrowing	-	-	79,905.85	-	-	82,497.02
Trade Payable	-	-	20,649.28	-	-	26,792.88
Other financial Liabilities	-	-	1,347.27	-	-	1,082.94
Total	**-**	**-**	**1,01,902.40**	**-**	**-**	**1,10,372.84**

*Equity investments exclude investments made in subsidiaries, associates & joint venture (net of impairment loss) of ₹255.35 Lakhs (previous year - ₹3807.77 Lakhs) which have been measured at cost.

ii) Fair values hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

34. Financial instruments (Contd.)

(₹ in Lakhs)

31st March, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Quoted Equity instruments		23.29			23.29
Unquoted Equity instruments		-	-	4,092.53	4,092.53
Total financial assets		**23.29**	**-**	**4,092.53**	**4,115.82**
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability			-		-
Total financial liabilities		**-**	**-**	**-**	**-**

Financial Instruments measured at fair value

(₹ in Lakhs)

31st March, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Quoted Equity instruments		21.40			21.40
Unquoted Equity instruments		-	-	287.98	287.98
Derivative asset			-		-
Total financial assets		**21.40**	**-**	**287.98**	**309.38**
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability		-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

There were no movement between level 1 and level 2 during the period.

iii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Quoted investments (Equity Shares)- Market Value

(b) Unquoted Investments - As determined by Independent Valuer. The equity shares of ₹4,092.53 Lakhs (31.03.2022 - ₹287.98 lakhs) are not listed. Fair value estimates of equity investments are included in level-3 and are based on information relating to value of investee company's net assets and DCF methods.

(c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. Refer (iii) (b) above for the valuation techniques adopted.

(₹ in Lakhs)

Particulars	Significant Unobservable Input	Fair Value as at 31st March 2023	Fair Value as at 31st March 2022	Sensitivity of the input to fair value		
Equity instruments	DCF	324.75	281.29	+(0.5%)	366.50	274.97
				-(0.5%)	362.85	289.06
	NAV	3,767.78	6.69	+(0.5%)	3,786.62	6.72
				-(0.5%)	3,748.94	6.66

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

34. Financial instruments (Contd.)

v) The following table presents the changes in level 3 items for the periods ended 31st March, 2023 and 31st March, 2022:

(₹ in Lakhs)

Particulars	Amount
As at 31st March 2021	**259.86**
Gains/ (losses) recognised in other comprehensive income	28.12
As at 31st March 2022	**287.98**
Gains/ (losses) recognised in other comprehensive income	44.32
Change in nature of holding from associate to non-associate	3,760.23
As at 31st March 2023	**4,092.53**

35. Financial Risk Management, Objectives and Policies

A) Capital Management

i) Risk Management

The Company's objectives when managing capital are to

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

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net debt implies total borrowings of the Company comprises all components attributable to the owners of the Company.

The following table summarises the Net Debt, Equity and Ratio thereof.

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Total Borrowings (including current maturities)	79,905.85	82,497.02
Less: Cash & Cash Equivalents & Other bank balances	2,535.15	9,525.27
Net Debts (A)	**77,370.70**	**72,971.75**
Total equity (refer note 14 & 15)	56,729.53	61,872.91
Total equity & Net Debt (B)	**1,34,100.23**	**1,34,844.66**
Net debt to capital employed Ratio (A/B)	**0.58**	**0.54**

No changes were made in the objective policies & process for expenditure as on 31st March 2023 & 31st March 2022.

ii) Dividends

The company has not declared/paid any dividend for FY 2021-22 and no dividend has been proposed for FY 2022-23.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

35. Financial Risk Management, Objectives and Policies (Contd.)

B) Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below :-

i) Credit risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, cash and cash equivalents. None of the financial instruments of the Company result in material concentration of credit risks.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. Based on historical trend, industry practice and the business environment in which the company operates, an impairment analysis is performed at each reporting date for trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9.

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

ii) 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 reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Lakhs)

Contractual maturities of financial liabilities as at 31st March 2023		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	29,774.34	4,927.00	2,464.00	42,740.51	79,905.85
	Trade payable	20,649.29	-	-	-	20,649.29
	Other payables	1,347.27	-	-	-	1,347.27
Derivatives	Derivative Liability	-	-	-	-	-
Total		**51,770.90**	**4,927.00**	**2,464.00**	**42,740.51**	**1,01,902.41**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

35. Financial Risk Management, Objectives and Policies (Contd.)

B) Financial Risk Management (Contd.)

(₹ in Lakhs)

Contractual maturities of financial liabilities as at 31st March 2022		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	22,993.46	4,752.00	4,928.00	44,355.24	82,497.02
	Trade payable	12,336.03	-	-	-	12,336.03
	Other payables	962.78	-	-	-	962.78
Derivatives	Derivative Liability	120.16				120.16
Total		**36,412.43**	**4,752.00**	**4,928.00**	**44,355.24**	**95,915.99**

(₹ in Lakhs)

Probable Interest Payout on Term Loans	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As on 31-03-2023	1,031.30	545.92	90.98	-	1,668.20
As on 31-03-2022	1,505.84	1,031.30	545.92	90.98	3,174.04

C) Market Risk

i) Foreign currency risk

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the company's functional currency.

Foreign currency risk exposure - Unhedged

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

(₹ in Lakhs)

Currency	Liabilities	
	31st March 2023	31st March 2022
USD	-	4,074.48

Nominal value of forward contracts & option contracts that hedge monetary labilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss. The value of such contracts amount to ₹2,532.00 Lakhs (previous year - ₹12,479.16 lakhs)

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

Sensitivity

The sensitivity of profit or loss after tax and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
USD sensitivity		
INR/USD- increase by 10% *	-	(280.32)
INR/USD- decrease by 10% *	-	280.32

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

35. Financial Risk Management, Objectives and Policies (Contd.)

C) Market Risk (Contd.)

ii) Interest rate risk

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

Below is the overall exposure of the company to interest rate risk:

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Variable rate borrowing	36,213.46	41,884.81
Fixed rate borrowing	1,395.00	1,415.00
Total borrowings	**37,608.46**	**43,299.81**

Note: The above borrowings do not include the interest free loans and Liability component of Optionally Convertible Debentures. (Refer Note No. 15 & 17)

Sensitivity

Below is the sensitivity of profit or loss after tax and equity to changes in interest rates.

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Interest sensitivity		
Interest rates increases by 100 basis points	249.15	272.45
Interest rates decrease by 100 basis points	(249.15)	(272.45)

D) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI.

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Fair Value of Quoted Equity Investments	23.29	21.40
Total Equity Investments	**23.29**	**21.40**

Sensitivity

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Increase in market price by 5%	0.80	0.74
Decrease in market price by 5%	**(0.80)**	**(0.74)**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

36. Contingent Liabilities and Commitments

Contingent Liabilities and commitments to the extent not provided for in respect of:

(₹ in Lakhs)

a)

Particulars	31st March 2023	31st March 2022
Excise/Service Tax/GST Matters under dispute/ appeal	2,980.61	1,860.60
Income Tax Matters under dispute/ appeal (net of payment)	135.89	301.04
Right to Recompense available with the lenders*	27,801.00	27,801.00

*Right to recompense available to the lenders amounting to ₹27,801 Lakhs (previous year - ₹27,801 lakhs) as per Article VIII of the Master Restructuring Agreement dated March 23, 2015 read with the Master Framework Agreement and Share Transfer & Confirmation Agreement ("Master agreement") executed on January 24, 2018.

b) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

c) Capital Commitment

The capital commitment for the company amounts to ₹ nil (₹ nil).

37. The Company did not raise any term loans or no new working capital borrowings have been sanctioned the current year. Accordingly, the Company does not have any charges to be filed or satisfaction which is yet to be registered with ROC beyond the statutory period.

38. The company has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.

39. Short Term Leases

The Company's leasing arrangements are in respect of short term leases for office premises at Kolkata and Raigarh, depot at Raipur & guest houses at Raigarh, Gairkata, Kolkata and Nagpur. These leasing arrangements which are cancellable for period of 11 months and the Company has elected not to recognize ROU assets and lease liabilities for short term leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company has paid lease rentals of ₹75.84 Lakhs (Previous year - ₹74.52 Lakhs). The company also hires equipments on short term contract basis, and has paid ₹1,854.18 Lakhs (Previous year - ₹1,711.31 Lakhs) against it during the year which is included in other manufacturing expenses.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

40. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

Defined Contribution Plan:

The amount recognized as an expense for the Defined Contribution Plans are as under:

(₹ in Lakhs)

Sl. No.	Particulars	31st March 2023	31st March 2022
a)	Provident Fund & ESI	241.55	232.68

Defined Benefit Plan:

a) Gratuity Plan

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

b) Risk Exposure

Defined benefit plans expose the Company to the following types of actuarial risks:

Interest Rate Risk: The Plan exposes the company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the company is not able to meet the short term gratuity payouts .This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of liquid assets not being sold in time.

Salary Escalation Risk: The Present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participate in future . Deviation in the rate of increase of salary in future for plan participant from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The company has used certain mortality and attrition assumption in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirement of the Payment of Gratuity Act, 1972 (as amended from time to time). There is risk of change in regulation requiring higher gratuity payout (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular Investment.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

40. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Contd.)

Defined Contribution Plan: (Contd.)

c) Reconciliation of the net defined benefit (Assets/Liabilities)

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Balance at the beginning of the year	847.93	771.27	125.82	120.42
Current Service Cost	101.20	100.13	20.59	21.43
Interest Cost on Defined Benefit Obligation	61.85	52.79	9.18	8.24
Actuarial (gain)/losses arising from:				
Changes in demographic assumptions				
Changes in financial assumptions	(17.40)	(50.16)	(2.78)	(8.02)
Experience adjustment	16.32	11.50	(12.18)	(16.25)
Benefits paid from the plan assets	(53.53)	(37.60)	-	-
Balance at the end of the year	**956.37**	**847.93**	**140.63**	**125.82**

d) Reconciliation of the Plan Assets

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

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Balance at the beginning of the year	697.20	576.42	-	-
Interest Income on Plan Assets	50.86	39.45	-	-
Remeasurement of Defined Benefit Obligation:				
Return on plan assets greater/ (lesser) than discount rate	(2.43)	6.01	-	-
Employer Contributions to the Plan	109.48	112.92	-	-
Benefits Paid from the Plan Assets	(53.53)	(37.60)	-	-
Balance at the end of the year	**801.58**	**697.20**	**-**	**-**

e) The amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Present value of Defined Benefit Obligation	956.37	847.93	140.63	125.82
Fair Value of Plan Assets	(801.58)	(697.20)	-	-
Net (Asset)/Liability in the Balance Sheet	**154.79**	**150.73**	**140.63**	**125.82**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

40. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Contd.)

Defined Contribution Plan: (Contd.)

f) Expenses recognized in profit or loss

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Current Service Cost	101.20	91.83	20.59	21.43
Interest Cost	61.85	49.24	9.18	8.24
Changes in financial assumptions	-	-	(2.78)	(8.02)
Experience adjustment	-	-	(12.18)	(16.25)
Interest Income on Plan Assets	(50.86)	(34.19)	-	-
Total Defined Benefit Cost recognized in Profit & Loss	**112.19**	**106.88**	**14.81**	**5.40**

g) Remeasurements recognized in other comprehensive income

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Actuarial (gain)/losses arising from:				
Changes in demographic assumptions	-	-	-	-
Changes in financial assumptions	(17.40)	(50.16)	-	-
Experience adjustment	16.32	11.50	-	-
Remeasurement of Defined Benefit Obligation:				
Return on plan assets greater/ (lesser) than discount rate	2.43	(6.01)	-	-
Total Defined Benefit Cost recognized in Other Comprehensive Income	**1.35**	**(44.67)**	**-**	**-**

h) Major Categories of Plan Assets

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Qualified Insurance Policies	100%	100%	-	-

The Gratuity Scheme is invested in policies offered by Life Insurance Corporation (LIC) of India . The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

i) Asset Liability Matching Strategy

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

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

40. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Contd.)

Defined Contribution Plan: (Contd.)

j) Actuarial Assumptions

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Financial Assumptions				
Discount Rate	7.30%	6.85%	7.45%	7.30%
Salary Escalation Rate	7.50%	7.50%	7.50%	7.50%
Demographic Assumptions				
Normal Retirement age	58 years	58 years	58 years	58 years
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal Rate				
– Upto 40 years	0.42%	0.42%	0.42%	0.42%
– Above 40 years	0.00%	0.00%	0.00%	0.00%

k) The company expect to contribute ₹266.46 Lakhs (Previous Year - ₹249.97 Lakhs) during the next annual reporting Period to gratuity fund.

l) As at 31st March 2023, the weighted average duration of the defined benefit obligation was 12 years (previous year-13 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

(₹ in Lakhs)

Expected benefits payment for the year ending on	Gratuity (Funded)	Leave
Within next 12 months (next annual reporting period)	50.84	6.85
Between 2 and 5 years	156.88	20.79
Between 6 and 10 years	348.75	46.81
Beyond 10 years	2,198.53	373.50

m) Sensitivity Analysis

Significant actuarial assumption for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possibly changes of the assumption occurring at the end of the reporting period, while holding all other assumption constant. The result of sensitivity assumption is given below:

(₹ in Lakhs)

Particulars	Gratuity		Leave	
	31st March, 2023	31st March, 2022	2022-23	2021-22
Defined Benefit Obligation (Base)	956.37	847.93	140.63	125.82

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

40. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Contd.)

Defined Contribution Plan: (Contd.)

m) Sensitivity Analysis (Contd.)

(₹ in Lakhs)

Particular	Gratuity				Leave			
	31-Mar-23		31-Mar-22		31-Mar-23		31-Mar-22	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	1,080.98	850.85	964.82	749.49	160.65	123.90	144.58	110.19
Salary Growth Rate (-/+1%)	852.12	1,076.81	750.27	960.34	123.77	160.44	110.07	144.36
Attrition Rate(-/+ 50% Of attrition rates)	956.51	956.24	848.15	847.72	140.64	140.62	125.84	125.79
Mortality Rate (- / + 10% of mortality rates)	956.36	956.39	847.96	847.91	140.63	140.63	125.82	125.80

Although the analysis does not take into account the full distribution of cash flows expected under the period, it does an approximation of the sensitivity of the assumptions shown.

41. Related Party Disclosures

Related party where control exists

a)	**Subsidiary Company**	
	MSP Cement Limited	Wholly owned subsidiaries
	Prateek Mines & Minerals Private Limited	Subsidiary
b)	**Associates**	
	AA ESS Tradelinks Private Limited[α]	
c)	**Joint Venture**	
	Madanpur South Coal Company Limited	
c)	**Key Managerial Personnel & their relatives**	
	Name	**Designation**
	Suresh Kumar Agrawal	Chairman
	Saket Agrawal	Managing Director
	Dhananjay Uchit Singh *	Executive Director
	Pradip Kumar Dey [K]	Non Executive Director
	Manish Agrawal	Non Executive Promoter Director
	Kapil Deo Pandey %	Non Executive Independent Director
	Prateek Bansal ^	Non Executive Independent Director
	Suneeta Mohanty	Non Executive Independent Director
	Navneet Jagatramka	Non Executive Independent Director
	Ashok Kumar Soin	Non Executive Independent Director
	Kamal Kumar Jain	Chief Financial Officer
	Shreya Kar	Company Secretary
	Puranmal Agrawal	Relative - Father of Manish Agrawal
	Kiran Agrawal	Relative - Mother of Manish Agrawal
	Nisha Agrawal	Relative - Wife of Suresh Agrawal
	Ekta Agrawal	Relative - Wife of Saket Agrawal
	Richa Agrawal	Relative - Wife of Manish Agrawal
	Pranay Agrawal	Relative - Son of Suresh Kumar Agrawal

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

41. Related Party Disclosures (Contd.)

Related party where control exists (Contd.)

d)	**Enterprises over which Key management Personnel and or relatives have significant influence**	
	Admirable Realtors Private Limited	MSP Infotech Private Limited
	B.S. Confin Private Limited	MSP Mines & Minerals Limited
	Bharat Earth Mover	MSP Properties India Limited
	Dexo Trading Private Limited	MSP Sponge Iron Limited
	Emerald Tradelink Private Limited	Orbit Dealcom Private Limited
	Gajgamini Vinimay Private Limited	Procheta Consultants Private Limited
	High Time Holdings Private Limited	Sampat Marketing Co. Private Limited
	Howrah Gases Limited	Shree Khatupati Mercantiles Private Limited
	Ilex Private Limited	Shree Vinay Finvest Private Limited
	Indoves Industrial Private Limited	Shreevadhu Mercantile Private Limited Φ
	Inertia Enterprise	Shri Enterprise
	K.C. Texofine Private LimitedΦ	Sikhar Commotrade Private Limited
	Khatupati Energy Limited	Subh Enterprise
	M.A. Hire Purchase Private Limited	Swift & Company
	Mayur Media Services Private Limited	West Sintex
	Mecha Cast International	Yantriki

% *Ceases to be a director due to sad demise on 27th July 2022.*

^ *Appointed as a Non executive independent director w.e.f. 01st Sept 2022.*

* *Resigned as an Executive Director w.e.f 28th Dec, 2022.*

K *Appointed as a Non-Executive director w.e.f. 10th Jan, 2023.*

Φ *Merged with M.A. Hire Purchase Private Limited w.e.f . 18th July, 2022.*

α *Merged with M.A. Hire Purchase Private Limited w.e.f . 18th July, 2022. Ceases to be an associate post the merger.*

f) Disclosure in respect of significant transactions of the same type with related parties during the year

(₹ in Lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	2022-23	2021-22
Sales		
Admirable Realtors Private Limited	2.52	-
Indoves Industrial Private Limited	1,282.21	117.08
MSP Sponge Iron Limited	5,437.12	5,979.75
Store Chargeble Issue		
Bharat Earth Mover	4.42	2.25
Inertia Enterprise	3.47	2.27
Mecha Cast International	1.17	0.84
Shree Vinay Finvest Private Limited	1.61	0.38
Shri Enterprise	0.54	0.46
Subh Enterprise	2.69	2.30
Swift & Company	1.77	1.42
West Sintex	0.66	1.12
Yantriki	1.46	1.67

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

41. Related Party Disclosures (Contd.)

f) Disclosure in respect of significant transactions of the same type with related parties during the year (Contd.)

(₹ in Lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	2022-23	2021-22
Purchase of Raw Material & Components Consumed		
Howrah Gases Limited	-	3.39
Indoves Industrial Private Limited	460.88	59.11
MSP Sponge Iron Limited	15,142.85	6,493.98
Shree Vinay Finvest Private Limited	23.70	-
Directors' Remuneration/Salary		
Dhananjay Uchit Singh	13.41	12.90
Manish Agrawal	55.45	48.90
Saket Agrawal	58.67	52.15
Suresh Kumar Agrawal	55.89	49.40
Key Managerial Remuneration		
Kamal Kumar Jain	34.75	31.54
Shreya Kar	9.45	7.58
Expenses Reimbursed by party		
Indoves Industrial Private Limited	29.32	-
MSP Sponge Iron Limited	340.38	143.78
MSP Properties India Limited	-	10.05
Yantriki	0.94	-
Expenses Reimbursed by us		
Indoves Industrial Private Limited	0.25	-
MSP Sponge Iron Limited	44.57	61.69
MSP Cement Limited	-	0.09
Howrah Gases Limited	1.95	2.29
Rent Expenses		
Ekta Agrawal	11.52	11.52
K.C. Texofine Private Limited	5.00	15.00
M.A. Hire Purchase Private Limited	23.60	-
MSP Properties India Limited	24.78	24.78
Richa Agrawal	8.64	8.64
Shree Khatupati Mercantiles Private Limited	5.00	15.00
Vehicle Hire Charges Paid		
Howrah Gases Limited	49.38	28.32
Mayur Media Services Private Limited	4.20	4.20
MSP Infotech Private Limited	31.86	9.20
Bharat Earth Mover	21.43	21.38
MSP Properties India Limited	4.67	4.67
Shreevadhu Mercantile Private Limited	4.40	9.60
Equipment Hire Charges Paid		
Bharat Earth Mover	93.26	91.58
Inertia Enterprise	85.21	115.44
Khatupati Energy Limited	67.26	63.72
Mecha Cast International	37.52	46.06
Shri Enterprise	46.79	47.23
Shree Vinay Finvest Private Limited	241.06	125.24
Yantriki	83.55	68.68
Swift & Company	56.11	58.59
Subh Enterprise	74.59	77.07
West Sintex	41.54	58.44

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

41. Related Party Disclosures (Contd.)

f) Disclosure in respect of significant transactions of the same type with related parties during the year (Contd.)

(₹ in Lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	2022-23	2021-22
Expense on Raw Materials		
MSP Mines & Minerals Limited	35.40	35.40
MSP Sponge Iron Limited	344.31	-
Repayment of Loans & Advances Given		
Prateek Mines & Minerals Private Limited	0.08	-
Repayment of Loans & Advances		
AA ESS Tradelinks Private Limited	0.01	-
Ilex Private Limited	23.00	-
Orbit Dealcom Private Limited	-	4.00
Gajgamini Vinimay Private Limited	10.45	7.20
Procheta Consultants Private Limited	18.00	-
Sampat Marketing Co. Private Limited	21.00	-
Loans & Advances Taken		
Gajgamini Vinimay Private Limited	10.45	7.20
Orbit Dealcom Private Limited	1.07	4.00
Guarantee Obtained		
Manish Agrawal	495.64	433.51
Puranmal Agrawal	250.55	233.29
Saket Agrawal	425.73	374.14
Suresh Kumar Agrawal	374.11	290.32
Loans & Advances (Closing Balance)		
AA ESS Tradelinks Private Limited	-	0.01
MSP Cement Limited	50.58	50.58
Howrah Gases Limited	-	8.25
Prateek Mines & Minerals Private Limited	-	0.08
MSP Properties India Limited	3.38	3.38
Shree Vinay Finvest Private Limited	1,095.00	-
Trade Receivable (Closing Balance)		
Admirable Realtors Private Limited	0.04	4.41
Indoves Industrial Private Limited	18.49	51.20
Trade Payable (Closing Balance)		
Bharat Earth Mover	9.24	9.91
Ekta Agrawal	0.86	0.86
Mayur Media Services Private Limited	0.32	0.32
Inertia Enterprise	5.53	9.85
Howrah Gases Limited	4.43	-
MSP Sponge Iron Limited	4,301.40	5,448.70
K.C. Texofine Private Limited	-	1.13
Khatupati Energy Limited	6.19	6.19
M.A. Hire Purchase Private Limited	2.45	-

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

41. Related Party Disclosures (Contd.)

f) Disclosure in respect of significant transactions of the same type with related parties during the year (Contd.)

(₹ in Lakhs)

Nature of Transactions (including taxes & duties where ever applicable)	2022-23	2021-22
Trade Payable (Closing Balance)		
Mecha Cast International	3.98	4.29
MSP Infotech Private Limited	2.43	0.70
MSP Properties India Limited	2.33	-
Richa Agrawal	0.65	0.65
Shreevadhu Mercantile Private Limited	-	0.72
Shri Enterprise	4.10	4.60
Shree Khatupati Mercantiles Private Limited	-	1.13
Shree Vinay Finvest Private Limited	78.15	10.91
Subh Enterprise	5.20	7.62
Yantriki	6.28	6.64
West Sintex	3.25	5.01
Swift & Company	4.32	5.25
MSP Mines & Minerals Limited	2.90	2.03
Loans & Advances Taken (Closing Balance)		
B.S. Confin Private Limited	103.21	103.21
Dexo Trading Private Limited	1,617.00	1,617.00
Emerald Tradelink Private Limited	65.00	65.00
High Time Holdings Private Limited	1,833.00	1,833.00
Ilex Private Limited	1,522.00	1,545.00
M.A. Hire Purchase Private Limited	560.00	560.00
Orbit Dealcom Private Limited	66.07	65.40
Gajgamini Vinimay Private Limited	80.00	80.00
Procheta Consultants Private Limited	836.00	854.00
Sampat Marketing Co. Private Limited	2,234.00	2,255.00
Sikhar Commotrade Private Limited	740.59	740.59
Investments		
AA ESS Tradelinks Private Limited	-	4,370.68
Howrah Gases Limited	15.91	15.91
M.A. Hire Purchase Private Limited	4,370.68	-
Madanpur South Coal Company Limited	131.96	131.96
MSP Cement Limited	58.07	58.07
MSP Properties India Limited	0.75	0.75
Prateek Mines & Minerals Private Limited	65.32	65.32
MSP Sponge Iron Limited	49.50	49.50
Accumulated Impairment on Investments		
Madanpur South Coal Company Limited	-	30.75
AA ESS Tradelinks Private Limited	-	787.51

The balances of those parties which cease to be related during the year have not been considered in the closing balance as on 31-03-2023. Similarly, the transaction and balances of those parties which became related during the year have not been considered in the comparative balances.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

42. Segment information

The Company is engaged in manufacturing of "Iron and Steel". Consequent to the adoption of IND-AS, the company has identified one operating segment viz, "Iron and Steel", which is consistent with the internal reporting provided to the managing director who is the chief operating decision maker of the company.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(₹ in Lakhs)

Revenue from external customers	2022-23	2021-22
India	2,53,395.99	2,26,432.77
Outside India	52.11	5,289.39
	2,53,448.10	**2,31,722.16**

(₹ in Lakhs)

Non-Current Assets *	As at 31st March, 2023	As at 31st March, 2022
India	82,597.03	82,630.96
Outside India	-	-
	82,597.03	**82,630.96**

**excludes financial assets, deferred tax, current tax assets, post-employment benefit assets and Investment in Subsidiaries, Associate & Joint Venture.*

Information about major customers

Total amount of revenues from customers (each exceeding 10% of total revenues of the Company) is ₹ Nil (Previous Year ₹ Nil Lakhs) reported under Iron & Steel segment.

43. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in accordance to the CSR Policy of the Company which includes Rural Development Project, eradicating hunger, poverty and malnutrition, healthcare and sanitation, animal welfare, etc. A CSR committee has been formed by the Company as per the Act.

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Amount required to be spent by the company during the year	-	-
Amount spent during the year on:	194.38	160.82
Construction/acquisition of any asset	14.94	3.35
On purposes other than above	179.44	157.47
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Contribution to a trust controlled by the company	40.00	-
For movement is CSR, refer below:		
Opening Balance	-	-
Gross amount to be spent during the year	-	-
Actual spent	194.38	160.82
(Excess) /short spent	(194.38)	(160.82)

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

44. Assets pledged as security

The carrying amounts of assets pledged as security are:

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
For Term Loan			
First Charge			
Equitable Mortgage			
Land	3(a)	961.67	926.80
Factory Building	3(a)	8,352.29	8,782.08
Other Building	3(a)	5,406.85	5,691.13
First Hypothecation			
Plant & Machinery, Vehicle, office equipment and Furniture & Fixtures	3(a)	67,864.24	67,205.55
Capital Work in Progress	3(b)	-	-
Second Charge			
(a) Inventories	8	48,387.78	45,755.66
(b) Financial Assets			
(i) Trade Receivables	9	7,502.85	6,925.95
(ii) Cash and Cash equivalents	10	1,066.59	4,804.64
(iii) Bank Balances other than (ii) above	11	1,468.56	4,720.63
(iv) Other Financial Assets	5	55.53	76.14
(c) Other Current Assets	12	13,622.90	22,136.72
Total Assets Pledged against Term Loan		**1,54,689.26**	**1,67,025.30**
For Cash Credit			
First Charge			
(a) Inventories	8	48,387.78	45,755.66
(b) Financial Assets			
(i) Trade Receivables	9	7,502.85	6,925.95
(ii) Cash and Cash equivalents	10	1,066.59	4,804.64
(iii) Bank Balances other than (ii) above	11	1,468.56	4,720.63
(iv) Other Financial Assets	5	55.53	76.14
(c) Other Current Assets	12	13,622.90	22,136.72
Second Charge			
(a) Property, Plant and Equipment	3(a)	82,585.05	82,605.56
(b) Capital Work in Progress	3(b)	-	-
Total Assets Pledged against Cash Credit		**1,54,689.26**	**1,67,025.30**

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

45. The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

For the Year Ended 31st March'23 (₹ in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference	Reason For Variance
Consortium of Banks led by State Bank of India	26,000.00	19,164.23	June 30, 2022	28,794.27	40,309.61	-11,515.34	Note -1
	26,000.00	23,862.26	September 30, 2022	27,434.85	40,061.39	-12,626.54	
	26,000.00	23,013.77	December 31, 2022	26,305.76	39,921.45	-13,615.69	
	26,000.00	23,626.34	March 31, 2023	26,162.00	41,832.70	-15,670.70	

For the Year Ended 31st March'22 (₹ in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference	Reason For Variance
Consortium of Banks led by State Bank of India	26,000.00	24,491.55	June 30, 2021	40,606.68	50,235.99	-9,629.31	Note -1
	26,000.00	15,995.96	September 30, 2021	35,666.27	40,717.06	-5,050.79	
	26,000.00	21,547.98	December 31, 2021	37,934.16	48,868.08	-10,933.92	
	26,000.00	24,146.72	March 31, 2022	36,340.23	46,574.17	-10,233.94	

Note 1 - Primarily exclusion of the certain advances and provisional valuation of stock at the time of submitting the statement to the bank.

* This is computed by considering the following:
Inventory + Trade Receivables + Advances Given to suppliers - Trade Payables - Advances Received from customers

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

46. Ratio

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	% Variance
(a) Current ratio	1.27	1.39	-8.56%
(b) Debt-equity ratio	2.07	1.33	55.88%
(C) Debt service coverage ratio [3]	0.51	1.23	-58.15%
(d) Return on equity ratio [1]	-	0.05	-100.00%
(e) Inventory turnover ratio	5.38	5.37	0.26%
(f) Trade receivables turnover ratio	35.35	37.70	-6.23%
(g) Trade payables turnover ratio	9.81	10.71	-8.44%
(h) Net capital turnover ratio	16.44	9.79	67.90%
(i) Net profit ratio [2]	-	0.01	-100.00%
(j) Return on capital employed [4]	0.01	0.08	-84.48%
(k) Return on investment [4]	0.01	0.10	-86.85%

[1] Decline in profit has lead to decrease in ROE.
[2] Decreased primarily on account of decrease in Net Profit mainly attributable to lower operating profit during the current year.
[3] Decreased primarily on account of decline in operating profit.
[4] Impact of Market Dynamics.

Description of ratios:

(a) **Current ratio:** Current Assets / Current Liabilities

(b) **Debt-equity ratio:** Total Debt /Shareholder's Equity

(c) **Debt service coverage ratio:** Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc./Debt service = Interest & Lease Payments + Long term Principal Repayments

(d) **Return on equity ratio:** Net Profits after taxes/Average Shareholder's Equity

(e) **Inventory turnover ratio:** Sales of Products/ Average inventory =(Opening + Closing balance / 2)

(f) **Trade receivables turnover ratio:** Revenue from Operations/Average trade debtors = (Opening + Closing balance / 2)

(g) **Trade payables turnover ratio:** Purchase of Raw Materials & Stores/Average Trade Payables

(h) **Net capital turnover ratio:** Revenue from Operations/Working Capital =Working capital shall be calculated as current assets minus current liabilities.

(i) **Net profit ratio:** Earning before interest and taxes/Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(j) **Return on capital employed:** Earning before interest and taxes./Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(k) **Return on investment:** Net gain/(loss) on sale/fair value changes of Equity Instruments/Average Investments

47. Other Statutory Information

(a) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.

(b) The Company has not given any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties.

(c) The Company has not used borrowings for purpose other than specified purpose of the borrowing.

Notes to Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

47. Other Statutory Information (Contd.)

(d) The Company does not have any Benami property. Further, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(e) The Company does not have transactions with any struck off companies during the current year and previous year.

(f) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year.

(g) 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:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(h) 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:

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(i) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(j) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(k) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

48. Miscellaneous Expenses include de-recognition of financial asset (Trade Receivables/Advances/Loan) on account of irrecoverability, the contractual right to receive cash flow from the financial asset of ₹17.88 Lakhs (Previous Year - ₹22.58 Lakhs).

49. The previous year's figures have been regrouped, rearranged and reclassified to conform to the classification of the current year, wherever necessary.

50. The financial statements have been approved in Audit Committee meeting held on 29.05.2023 and approved by the Board of Directors on the same day.

As per our report of even date:
For **S K Agrawal and Co Chartered Accountants LLP**
Firm Registration No.-306033E/E300272
Chartered Accountants

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

J K Choudhury
Partner
Membership No.-009367
Place: Kolkata
Date: 29th May, 2023

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
Mem No. A41041

FINANCIAL REPORT

CONSOLIDATED

Independent Auditor's Report

To the Members of **MSP Steel & Power Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of MSP Steel & Power Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and joint venture (refer Note 45 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2023, of consolidated total comprehensive loss (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of Group, its associate and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

Descriptions of Key Audit Matter	How we addressed the matter in our audit
Revenue Recognition (Refer Note No. 1 and 21 and of the Consolidated Financial Statement): Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable.	**Our audit procedures included the following:** Assessed the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof. ➢ Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls over recognition of revenue.

Independent Auditor's Report (Contd.)

Descriptions of Key Audit Matter	How we addressed the matter in our audit
The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	➢ Evaluated the design, implementation and operating effectiveness of Company's controls in respect of revenue recognition.
	➢ Tested the effectiveness of such controls over revenue cut off at year-end
	➢ On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents.
	➢ Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end.
	➢ Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.
	Assessed disclosures in consolidated financial statements in respect of revenue, as specified in Ind AS 115.
Inventory Management	**Our audit procedures included the following:**
(Refer Note No. 1 and 8 and of the Consolidated Financial Statement): The Holding Company deals with various types of bulk material such as Coal, Iron Ore, sponge iron & pellets etc. The total inventory of such materials amounts to Rs…. Lakhs as on March 31, 2023. 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. We determined this to be key audit matter to our audit due to quantum of the amount, estimation involved.	● Obtained the understanding of the management with regards to internal financial controls relating to Inventory management.
	● The Holding Company deployed an Independent agency for verification of Bulk Materials. We have reviewed the internal verification process by the management for certain inventory items.
	● We have reviewed the report submitted by external agency and obtained reasons/explanation for differences and also confirmed the adjustment made by the Company.
	Based on the above procedures performed, we concluded that measurement and valuation of the inventory at year end is appropriate.

Information Other than the consolidated financial statements and auditor's report thereon

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Independent Auditor's Report (Contd.)

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

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group including its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group including its joint venture are responsible for assessing the ability of the Group including its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group including its joint venture or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group including its joint venture are responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditors' Responsibility for the Audit of the consolidated financial statements

9. 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. 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 Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Contd.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture 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 and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. 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 consolidated 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.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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

15. We did not audit the financial statements / financial information of subsidiaries whose financial statements / financial information reflect total assets of Rs. 407.28 Lakhs and net assets of Rs. 112.62 Lakhs as at March 31, 2022, total revenue from operations is Rs. 3.83 Lakhs, total comprehensive income of Rs. (-) 4.43 Lakhs (comprising profit and other comprehensive income) as considered in the statement. Further, we did not audit the financial statements of the Joint Venture whose share of total comprehensive Income considered for consolidation is Rs. 314.34 Lakhs. These financial statements/ financial information has been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated annual financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and the Joint Venture are based solely on the report of other auditors.

Independent Auditor's Report (Contd.)

16. Our opinion on the consolidated financial statements 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.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A**, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.
18. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate Financial Statements of subsidiaries and its joint venture incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial 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 other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and joint venture incorporated in India, none of the directors of the Group and joint venture incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure B**.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

    The Group and its joint venture incorporated in India have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated financial statements disclose the impact of pending litigations as on March 31, 2022 on the consolidated financial position of the Group and its joint venture – Refer Notes 36 to the consolidated financial statements.

    ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on March 31,2023.

    iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Group.

Independent Auditor's Report (Contd.)

iv. (a) The respective Managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, 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 or any of such subsidiaries and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and joint venture 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.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under paragraph 19 (h) (iv)(a) &(b) above, contain any material misstatement.

v. The Company, its subsidiaries and associates and joint venture incorporated in India has not declared any dividend in previous financial year which has been paid in current year. Further, no dividend has been declared/proposed for the current year.

For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
Firm Registration Number: 306033E/E300272

J K Choudhury
Partner
Membership Number: 009367
UDIN: 23009367BGWBVL1567

Place: Kolkata
Date: May 29, 2023

Independent Auditor's Report (Contd.)

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of MSP Steel & Power Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023)

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone/consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

Sl. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditor's report	Paragraph number in the respective CARO reports
1	MSP Steel & Power Limited	L27109WB1968PLC027399	Holding Company	29th May,2023	Clause 3 (ii)(b), 3(vii)
2	Madanpur South Coal Company Limited	U10300CT2006PLC020006	Joint Venture	01st May,2023	Clause 3 (xix)

For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
Firm Registration Number: 306033E/E300272

J K Choudhury
Partner
Membership Number: 009367
UDIN: 23009367BGWBVL1567

Place: Kolkata
Date: May 29, 2023

Independent Auditor's Report (Contd.)

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 18 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report on Consolidated Financial Statements to the Members of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of MSP Steel & Power Limited (hereinafter referred to as "the Holding Company") and its subsidiaries and its joint venture which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associate and joint venture to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Independent Auditor's Report (Contd.)

Meaning of internal financial control over financial reporting with reference to consolidated financial statements

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

Inherent limitation of internal financial control over financial reporting with reference to consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to 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

8. In our opinion, the Holding Company, its subsidiaries and its joint venture which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to subsidiaries and joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **S K Agrawal and Co Chartered Accountants LLP**
Chartered Accountants
Firm Registration Number: 306033E/E300272

J K Choudhury
Partner
Membership Number: 009367
UDIN: 23009367BGWBVL1567

Place: Kolkata
Date: May 29, 2023

Consolidated Balance Sheet As at 31st March, 2023

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
A	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3(a)	82,605.12	82,626.23
	(b) Capital Work in Progress	3(b)	59.18	59.18
	(c) Intangible Assets	3(c)	11.98	25.40
	(d) Goodwill		1.00	1.00
	(e) Investment in Associate & Joint Venture	4	436.79	3,684.39
	(f) Financial Assets			
	(i) Investments	4	4,115.82	309.38
	(ii) Loans	5(a)	17.86	14.27
	(iii) Other Financial Assets	5(b)	1,186.62	794.86
	(g) Deferred Tax Assets (Net)	6	3,326.23	2,663.68
			91,760.60	**90,178.39**
2	Current Assets			
	(a) Inventories	8	48,387.78	45,755.66
	(b) Financial Assets			
	(i) Trade Receivables	9	7,625.85	7,048.95
	(ii) Cash and Cash Equivalents	10	1,098.98	4,831.34
	(iii) Bank Balances other than (ii) above	11	1,617.40	4,722.99
	(iv) Other Financial Assets	5(b)	55.53	76.14
	(c) Current Tax Assets	7	670.81	413.41
	(d) Other Current Assets	12	13,575.94	22,089.21
			73,032.29	**84,937.70**
	TOTAL ASSETS		**1,64,792.89**	**1,75,116.09**
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share Capital	13	38,541.50	38,541.50
	(b) Other Equity	14	18,452.63	23,293.91
	(c) Non-Controlling Interest	14	30.46	32.17
			57,024.59	**61,867.58**
2	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	50,207.73	52,599.56
	(b) Provisions	16	135.06	121.41
			50,342.79	**52,720.97**
3	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	29,924.34	29,973.67
	(ii) Trade Payables			
	(a) Total outstanding dues to micro enterprises and small enterprises	18	574.78	90.59
	(b) Total outstanding dues to Creditors other than micro enterprises and small enterprises	18	20,074.52	26,702.30
	(iii) Other Financial Liabilities	19	1,347.27	1,082.94
	(b) Other Current Liabilities	20	5,210.27	2,388.81
	(c) Provisions	16	294.33	289.23
			57,425.51	**60,527.54**
	TOTAL EQUITY AND LIABILITIES		**1,64,792.89**	**1,75,116.09**
	Significant Accounting Policies	1		
	Key accounting estimates and judgements	2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date:
For **S K Agrawal and Co Chartered Accountants LLP**
Firm Registration No.-306033E/E300272
Chartered Accountants

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

J K Choudhury
Partner
Membership No.-009367
Kolkata, 29th May, 2023

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
M. No. A41041

Statement of Consolidated Profit & loss for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Notes	2022-23	2021-22
INCOME			
Revenue from Operations	21	2,55,039.96	2,33,957.86
Other Income	22	1,161.28	339.59
Total (I)		**2,56,201.24**	**2,34,297.45**
EXPENSES			
Cost of Materials Consumed	23	2,04,265.98	1,88,929.53
Purchase of Stock in Trade	24	2,712.69	2,295.60
Changes in Inventories of Finished Goods, By-products, Work in Progress and Stock in Trade	25	2,524.83	(4,206.99)
Employee Benefits Expenses	26	5,779.71	5,146.29
Finance Costs	27	7,726.07	7,417.09
Depreciation and Amortization Expenses	28	5,408.00	5,447.20
Other Expenses	29	33,846.99	26,279.35
Total (II)		**2,62,264.27**	**2,31,308.07**
Profit/(Loss) before Exceptional Item and Tax (I-II)		**(6,063.03)**	**2,989.38**
Share of Profit/Loss of Associates and Joint Venture (Net of Tax)	30	314.34	0.63
Exceptional Items		30.75	-
Profit/(Loss) Before Tax		**(5,717.95)**	**2,990.01**
Tax Expenses	31		
Current Tax		-	-
Deferred Tax		(658.22)	421.59
Total Tax Expenses		**(658.22)**	**421.59**
Profit/(Loss) for the Year		**(5,059.73)**	**2,568.42**
Other Comprehensive Income	32		
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(1.35)	44.67
(b) Equity Instruments through Other Comprehensive Income		223.27	28.22
(c) Share in joint venture/associate		(9.51)	-
(d) Income taxes on items that will not be reclassified to profit or loss		4.32	(10.46)
Other Comprehensive Income (Net of Tax)		216.73	62.43
Total Comprehensive Income for the year		**(4,842.99)**	**2,630.85**
Profit for the Period attributable to			
(i) Owners of the Company		(5,058.01)	2,569.75
(ii) Non Controlling Interest		(1.71)	(1.33)
Other Comprehensive Income for the Period attributable to			
(i) Owners of the Company		216.73	62.43
(ii) Non Controlling Interest		-	-
Total Comprehensive Income for the Period attributable to			
(i) Owners of the Company		(4,841.28)	2,632.18
(ii) Non Controlling Interest		(1.71)	(1.33)
Earnings per equity share of face value of ₹10/- each	33		
Basic (₹)		(1.31)	0.67
Diluted (₹)		(1.21)	0.62
Significant Accounting Policies	1		
Key accounting estimates and judgements	2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date:
For **S K Agrawal and Co Chartered Accountants LLP**
Firm Registration No.-306033E/E300272
Chartered Accountants

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

J K Choudhury
Partner
Membership No.-009367
Kolkata, 29th May, 2023

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
M. No. A41041

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

(₹ in Lakhs)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
1.	Net Profit/(Loss) before taxes	(5,717.95)	2,990.01
2.	Adjustments for:		
	Depreciation & Amortization Expense	5,408.00	5,447.20
	Interest Income	(160.97)	(96.63)
	Interest Expense on Borrowings	3,788.89	3,769.02
	Interest Expense on OCD	3,162.18	2,823.24
	Other Finance Expenses	628.12	481.90
	Provision for Doubtful debts/ Advances/ Deposits and Claims	220.14	244.35
	Impairment Loss in Investment in Associate	(30.75)	-
	Unrealised (Profit)/Loss on Foreign Exchange Fluctuations	(314.34)	(238.11)
	Share of (Profit)/Loss of Associate & Joint Venture	175.49	(0.63)
	(Profit) / Loss on sale of property, plant & equipment (net)	-	(3.40)
3.	Operating Profit before working capital changes (1+2)	7,158.81	15,416.95
4.	Movement in Working Capital for:		
	(Increase)/ Decrease in Trade & Other Receivables	7,152.12	(11,763.81)
	(Increase)/ Decrease in Inventories	(2,632.12)	(8,082.65)
	Increase/ (Decrease) in Trade & Other Payables	(3,331.70)	15,541.46
	Increase/ (Decrease) in Provisions	17.40	138.33
5.	Cash generated from Operations (4+3)	8,364.51	11,250.28
6.	Less: Direct Taxes Paid	257.40	240.26
7.	Net Cash generated from Operating Activities (5-6)	8,107.11	11,010.02
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of property, plant & equipment including CWIP	(5,373.47)	(2,561.40)
	Sale of property, plant & equipment	-	5.02
	Fixed Deposit given in form of Margin Money	3,273.16	(3,751.83)
	Interest received	181.58	93.29
	Net cash generated/(used) in investing activities	(1,918.73)	(6,214.92)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Long Term Borrowings Received/ (paid) (Net)	(5,039.27)	(4,430.93)
	Short Term Borrowings Received/ (paid) (Net)	(564.33)	7,495.20
	Interest Paid	(3,690.19)	(3,680.80)
	Other Finance Expenses Paid	(628.12)	(474.21)
	Unclaimed Dividend transferred to Investor Education Protection Fund of India	1.17	-
	Net cash used in financing activities	(9,920.74)	(1,090.74)
D.	Net (Decrease) in Cash and Cash equivalents (A+B+C)	(3,732.36)	3,704.35
	E1 Cash and Cash equivalents as at the beginning of the year	1,098.98	1,126.99
	E2 Cash and Cash equivalents as at the end of the year	4,831.34	4,831.34
	Net Change in Cash and Cash equivalents (E2-E1)	3,732.36	3,704.35

Note

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS -7) - Statement of Cash Flow

Consolidated Cash Flow Statement for the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
b)	Components of Cash and Cash equivalents		
	Cash on hand	20.51	22.44
	With Scheduled Banks on Current Account	756.26	4,614.95
	Positive Balances in Cash Credit Account	322.21	193.95
		1,098.98	4,831.34

c) Reconciliation for total liability arising from financing activities :

(₹ in Lakhs)

Head	31st March 2022	Cash Flow	Non Cash Changes		Interest Paid*	31st March 2023
			Inter Head Movement	Interest Expenses*		
Long Term Borrowings**	31,018.15	(5,039.27)	(84.80)	1,684.56	1,599.49	25,979.14
Other Financial Liabilities ***	26.33	-	98.43	628.12	628.12	124.76
Borrowings - Current	25,215.67	(564.33)	(13.63)	2,104.33	2,090.70	24,651.34
	56,260.15	(5,603.60)	-	4,417.01	4,318.31	50,755.24

(₹ in Lakhs)

Head	31st March 2021	Cash Flow	Non Cash Changes		Interest Paid*	31st March 2022
			Inter Head Movement	Interest Expenses*		
Long Term Borrowings**	35,353.30	(4,430.93)	7.69	1,952.96	1,864.86	31,018.15
Other Financial Liabilities	26.22	-	(7.69)	577.26	569.46	26.33
Borrowings - Current	17,720.46	7,495.20	-	1,720.70	1,720.69	25,215.67
	53,099.98	3,064.27	-	4,250.92	4,155.01	56,260.15

* Interest expenses/paid also include the Other Financial Charges expenses/paid during the year.

** Long term borrowings include current maturities and exclude the Liability Component of Compound Financial Instruments.

*** Other financial Liabilities include ₹1.24 Lakhs due for MSME Interest grouped under Trade Payables in financials.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date:
For S K Agrawal and Co Chartered Accountants LLP
Firm Registration No.-306033E/E300272
Chartered Accountants

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

J K Choudhury
Partner
Membership No.-009367
Kolkata, 29th May, 2023

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
M. No. A41041

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

A. Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
As at the beginning of the year	38,541.50	38,541.50
Changes in equity share capital during the year	-	-
As at the end of the year	38,541.50	38,541.50

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income	Total	Non Controlling Interest	Total
	Securities Premium	Retained Earnings	6% Redeemable Preference Shares	Equity Component of Optionally Convertible Debenture	Equity Instruments through Other Comprehensive Income			
Balance as at 1st April, 2021	15,055.59	(26,340.17)	3,112.99	28,506.44	326.89	20,661.74	33.50	20,695.24
Profit/ (Loss) for the year	-	2,569.75		-	-	2,569.75	(1.33)	2,568.42
Remeasurement benefits Gain/(Loss) (Net of tax)	-	37.69		-		37.69		37.69
Fair Value of Equity Instrument through FVOCI					24.73	24.73		24.73
Balance as at 31st March, 2022	15,055.59	(23,732.73)	3,112.99	28,506.44	351.62	23,293.91	32.17	23,326.08
Balance as at 1st April, 2022	15,055.59	(23,732.73)	3,112.99	28,506.44	351.62	23,293.91	32.17	23,326.08
Profit/ (Loss) for the year		(5,058.01)				(5,058.01)	(1.71)	(5,059.72)
Remeasurement benefits Gain/ (Loss) (Net of tax)		(0.93)				(0.93)		(0.93)
Share in joint venture/ associate		(9.51)				(9.51)		(9.51)
Fair Value of Equity Instrument through FVOCI					227.17	227.17		227.17
Balance as at 31st March, 2023	15,055.59	(28,801.18)	3,112.99	28,506.44	578.79	18,452.63	30.46	18,483.09

Significant Accounting Policies 1
Key accounting estimates and judgements 2

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date:
For S K Agrawal and Co Chartered Accountants LLP
Firm Registration No.-306033E/E300272
Chartered Accountants

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

J K Choudhury
Partner
Membership No.-009367
Kolkata, 29th May, 2023

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
M. No. A41041

Notes to Consolidated Financial Statements for the year ended March 31, 2023

COMPANY BACKGROUND

The MSP Steel & Power Limited is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at Kolkata, West Bengal, India.

The Group is principally engaged in manufacture and sale of iron and steel products and generation of power.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation of financial statements

1.1.1. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and includes the Group's share of profit in its associate and joint venture as at 31 March 2023. 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 power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group 's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiaries and ceases when the Company loses control of the subsidiaries. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

1.1.2. Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

f) Investments are accounted for using Equity Method in accordance with IND AS 28 (Investment in Associate & Joint Venture).

1.1.3. Compliance with Ind-AS

The Financial Statements comply in all materials aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (The Act) [Companies (Indian Accounting Standards) Rules 2015] and Other reverent provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

- Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments: Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.
- Conceptual framework for financial reporting under Ind AS issued by ICAI
- Ind AS 103: Business combination

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

- Amendment to Ind AS 103- Business combination, Ind AS 116 - COVID-19 related rent concessions, Ind AS 105 – Non-current Assets held for sale and Discontinued Operations, Ind AS 16 – Property Plant and Equipment and Ind AS 28 – Investments in Associates and Joint Ventures

1.1.4. Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.1.5. Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- defined benefit plans - plan assets measured as per actuarial valuation.

1.2. Summary of Significant Accounting Policies

A. Property, Plant and Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of Assets	Years
Factory Building	30 years
Other Building	10 to 60 years
Plant & Machinery	5 to 40 years
Vehicle	8 to 10 years
Office Equipment	5 to 6 years
Furniture & Fixtures	10 years

Freehold land is not depreciated.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

De-recognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de- recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

B. Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including 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. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Particulars	No. of Years
Computer Software	5

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

De-recognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

C. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

D. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods/services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods/ services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods/services sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. No element of financing is deemed present as the sales are generally made with a credit term which is consistent with market practice. The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

Sale of power/services: Revenue from sale of power/services is recognized when the services are provided to the customer based on approved tariff rates/agreement established by the respective regulatory authorities/agreement with parties.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Interest and dividends: Interest income is recognized using effective interest method. Dividend income is recognized when the right to receive payments established.

E. Government Grants

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

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

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

F. Inventories

Raw materials, work-in-progress, finished goods, stores, spares, components, consumables and stock- in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. By-product is valued at net realizable Value.

In determining the cost of raw materials, stock-in-trade, stores, spares, components, consumables and other inventories weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

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

G. Financial Instruments

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

G.1. Financial Assets

- **Initial recognition and measurement:** The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

  Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

  In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

  However, trade receivables that do not contain a significant financing component are measured at transaction price.

- **Subsequent measurement:** For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:
  - The Group's business model for managing the financial asset and
  - The contractual cash flow characteristics of the financial asset.

  Based on the above criteria, the Group classifies its financial assets into the following categories:

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

- **Financial assets measured at amortized cost:** A financial asset is measured at the amortized cost if both the following conditions are met:
  - The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

- **Financial assets measured at FVTOCI :** A financial asset is measured at FVTOCI if both of the following conditions are met:
  - The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group, through an irrevocable election at initial recognition, has measured investments in equity instruments at FVTOCI. This equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

- **Financial assets measured at FVTPL:** A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

  This is a residual category applied to all other investments of the Group. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

- **De-recognition:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:
  - The contractual rights to cash flows from the financial asset expires;
  - The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
  - The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
  - The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On De-recognition of a financial asset [except as mentioned in above for financial assets measured at FVTOCI] difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

- **Impairment of financial assets:** The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
  - Trade receivables
  - Financial assets measured at amortized cost (other than trade receivables and lease receivables)
  - Financial assets measured at fair value through other comprehensive income (FVTOCI)- in case of debt interments

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, considering the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

G.2. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

G.2.1. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

G.2.2. Financial liabilities

Initial recognition and measurement: The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement: All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

H. Offsetting financial instruments

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

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

I. Derivatives

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

J. Investments, associates and joint ventures

Investments associates and joint ventures are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognized, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

K. Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

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

L. Foreign Currency Translation

Initial Recognition: On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date: Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

M. Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Current tax: Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit 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 under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax: Deferred tax is recognized on taxable 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 under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credit (MAT Credit Entitlement), Unabsorbed depreciation and any unused tax losses. Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. 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 the benefits of part or all of such deferred tax assets to be utilized.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax: Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

N. Provisions, Contingent Liabilities & Contingent Assets

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

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

O. Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less.

P. Employee Benefits

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

Compensated absences: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

Post-Employment Benefits:

Provident Fund scheme: Retirement benefit in the form of Provident Fund is a defined contribution scheme and the Group recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. The Group has no obligations other than the contribution payable to the respective funds.

Gratuity scheme: Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Recognition and measurement of Defined Benefit plans: The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets, are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods. Re-measurement of defined benefit plans is recognised as a part of retained earnings in statement of changes in equity as per Division II of Schedule III of the Companies Act, 2013.

Q. Leases

The Group as lessor

Lease income from operating leases where the Group is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

The Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the Group, term and currency of the contract. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

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

The Group has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

R. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

S. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

T. Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

U. Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

V. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

W. Non-Current Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. On-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

X. Rounding Off

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

2. KEY ACCOUNTING ESTIMATES & JUDGEMENTS:

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Group disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

2.1. Significant judgments when applying Ind AS 115

Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.2. Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of plant and equipment.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

2.3. Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

2.4. Impairment of financial assets

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

2.5. Impairment of Investment in Associate/ Joint Venture

The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the respective company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.6. Income taxes/Deferred Tax

The Group calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

2.7. Recoverability of advances/ receivables

At each balance sheet date, based on discussions with the respective counterparties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counterparties, market information and other relevant factor.

2.8. Contingent assets and liabilities, uncertain assets and liabilities

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether Group will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

3(a) Property, Plant & Equipment

(₹ in Lakhs)

Particulars	Land	Factory Building	Other Building	Plant & Machinery	Furniture & Fixtures	Vehicle	Office Equipments	Total
GROSS CARRYING VALUE								
Balance as at 01st April, 2021	943.18	11,790.60	7,681.07	98,585.63	73.08	238.79	77.67	1,19,390.02
Additions	-	-	-	2,601.08	-	-	19.43	2,620.51
Deductions	-	-	-	-	-	32.52	-	32.52
Balance as at 31st March, 2022	943.18	11,790.60	7,681.07	1,01,186.71	73.08	206.27	97.10	1,21,978.01
Additions	34.87	-	-	5,318.07	-	3.58	16.95	5,373.47
Deductions	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	**978.05**	**11,790.60**	**7,681.07**	**1,06,504.78**	**73.08**	**209.85**	**114.05**	**1,27,351.48**
ACCUMULATED DEPRECIATION								
Balance as at 01st April, 2021	-	2,578.73	1,705.66	29,459.19	40.12	123.53	41.66	33,948.89
Depreciation expense		429.79	284.28	4,686.60	4.10	17.61	11.40	5,433.78
Deductions	-	-	-	-	-	30.89	-	30.89
Balance as at 31st March, 2022	-	3,008.52	1,989.94	34,145.79	44.22	110.25	53.06	39,351.78
Depreciation expense	-	429.79	284.28	4,649.73	4.05	14.19	12.53	5,394.57
Deductions	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	-	**3,438.31**	**2,274.22**	**38,795.52**	**48.27**	**124.44**	**65.59**	**44,746.35**
NET CARRYING VALUE								
Balance as at 31st March, 2022	943.18	8,782.08	5,691.13	67,040.92	28.86	96.02	44.04	82,626.23
Balance as at 31st March, 2023	**978.05**	**8,352.29**	**5,406.85**	**67,709.26**	**24.81**	**85.41**	**48.46**	**82,605.12**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

3(b) Capital Work in Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
As at the beginning of the year	59.18	118.29
Movement during the year	-	(59.11)
As at the end of the year	**59.18**	**59.18**

Capital Work in Progress (CWIP) ageing schedule

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	59.18	59.18
Projects temporarily suspended	-	-	-	-	-

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				As at March 31, 2022
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	59.18	59.18
Projects temporarily suspended	-	-	-	-	-

There are no projects as on March 31, 2023 where activity had been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

3(c) Intangible Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
As at the beginning of the year	**25.40**	**38.82**
Capitalized during the year	-	-
Amortized during the year	13.42	13.42
As at the end of the year	**11.98**	**25.40**

Intangible assets consists mainly of Computer Software.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

4. Non Current Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2023 Number of Shares / Units	As at 31st March, 2023 (₹ in Lakhs)	As at 31st March, 2022 Number of Shares / Units	As at 31st March, 2022 (₹ in Lakhs)
(a) Unquoted Investments in Equity Instruments				
(i) In Associate Company (at cost)				
AA ESS Tradelinks Private Limited (₹10 each)	-	-	46,50,175	4,370.68
Less: Impairment of investment in Associate (refer note no. 30)		-		(787.50)
		-		3,583.18
(ii) In Joint Venture (at cost)				
Madanpur South Coal Company Limited (₹10 each)	94,427	131.96	94,427	131.96
Accumulated Share of Profit & OCI		304.83		-
Less: Impairment of investment in Joint Venture (refer note no. 30)		-		(30.75)
		436.79		101.21
Investment in Associate & Joint Venture (i+ii)		**436.79**		**3,684.39**
(iii) In Others (at fair value through OCI)				
MSP Metallics Limited (₹10 each)	-	-	4,20,000	-
MSP Properties (I) Limited (₹10 each)	7,500	6.66	7,500	5.91
MSP Sponge Iron Limited (₹10 each)	3,13,000	324.75	3,13,000	281.29
Catapult Fincap Limited (₹10 each) formerly known as MSP Power Limited	8,000	0.89	8,000	0.78
MA Hire Purchase Private Limited	38,34,623	3,760.23	-	-
		4,092.53		**287.98**
(b) Quoted Investments in Equity Instruments (at fair value through OCI)				
Howrah Gases Ltd (₹ 10 each)	93,700	15.00	93,700	15.00
Ashirwad Steel and Industries Limited (₹10 each)	2,500	0.47	2,500	0.26
Nageshwar Investment Limited (₹ 10 each)	11,000	0.22	11,000	0.22
Indian Overseas Bank (₹10 each)	2,900	0.65	2,900	0.46
IDFC First Bank Limited (₹10 each)	5,201	2.86	5,201	2.90
IDFC Limited (₹10 each)	5,201	4.09	5,201	2.46
		23.29		**21.30**
Other Non Current Investments (a(iii)+b)		**4,115.82**		**309.28**
TOTAL (a+b)		**4,552.61**		**3,993.67**
Aggregate amount of Quoted Investments - **at Cost**		19.24		19.24
Aggregate amount of the Quoted Investments - **at Market value**		23.29		21.30
Aggregate value of unquoted Investments		4,529.32		3,972.37
Aggregate amount of impairment in value of investment.		-		818.25

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

5(a) Loans

(₹ in Lakhs)

Particulars	Loans	Non - Current As at 31st March, 2023	Non - Current As at 31st March, 2022	Current As at 31st March, 2023	Current As at 31st March, 2022
Unsecured, Considered Good Unless Otherwise Stated					
Loans to Body Corporate*		17.86	14.27	-	-
TOTAL		**17.86**	**14.27**	**-**	**-**

* for business purpose only.

5(b) Other Financial Assets

(₹ in Lakhs)

Particulars		Non - Current As at 31st March, 2023	Non - Current As at 31st March, 2022	Current As at 31st March, 2023	Current As at 31st March, 2022
Unsecured, Considered Good Unless Otherwise Stated					
Deposits with Banks (Refer Note No. 11)		432.82	601.56	-	-
	(A)	**432.82**	**601.56**	**-**	**-**
Others					
Interest Accrued on Fixed Deposits and Others		-	-	55.53	76.14
Security Deposit		753.80	193.30	-	-
	(B)	**753.80**	**193.30**	**55.53**	**76.14**
TOTAL (A+B)		**1,186.62**	**794.86**	**55.53**	**76.14**

6. Deferred Tax Assets (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities :		
Tax impact on difference between book value of depreciable assets and written down value for tax purpose	(15,297.49)	(15,084.70)
Others	(28.62)	(24.72)
Deferred Tax Assets :		
Tax impact of expenses charged to the statement of profit & Loss but allowable under tax law deferred	1,970.64	1,865.71
Tax impact of unabsorbed loss / Allowances	14,032.99	13,258.68
MAT Credit Entitlement	2,648.71	2,648.71
	3,326.23	**2,663.68**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

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

(₹ in Lakhs)

Particulars	As at 1st April, 2021	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2022
Deferred Income Tax Liabilities				
Property, Plant & Equipment's	(14,901.82)	(182.87)	-	(15,084.69)
Others	(21.24)	-	(3.48)	(24.72)
	(14,923.06)	**(182.87)**	**(3.48)**	**(15,109.41)**
Deferred Income Tax Assets				
Allowance for credit loss	1,700.19	71.05	-	1,771.24
Expense allowed under Income Tax on payment basis	106.55	(5.11)	(6.98)	94.46
Unabsorbed depreciation	13,563.34	(304.66)	-	13,258.68
Mat Credit Entitlement	2,648.71	-	-	2,648.71
	18,018.79	**(238.72)**	**(6.98)**	**17,773.09**
Deferred Tax Assets (Net)	**3,095.73**	**(421.59)**	**(10.46)**	**2,663.68**

(₹ in Lakhs)

Particulars	As at 1st April, 2022	Recognized in Statement of Profit & Loss	Recognized in OCI	As at 31st March, 2023
Deferred Income Tax Liabilities				
Property, Plant & Equipment's & Intangible Assets	(15,084.69)	(212.79)	-	(15,297.48)
Others	(24.72)	-	(3.90)	(28.62)
	(15,109.41)	**(212.79)**	**(3.90)**	**(15,326.10)**
Deferred Income Tax Assets				
Allowance for credit loss	1,771.24	68.68	-	1,839.92
Expense allowed under Income Tax on payment basis	94.46	28.01	8.22	130.70
Unabsorbed depreciation	13,258.68	774.32	-	14,033.00
Mat Credit Entitlement	2,648.71	-	-	2,648.71
	17,773.09	**871.01**	**8.22**	**18,652.33**
Deferred Tax Assets (Net)	**2,663.68**	**658.22**	**4.32**	**3,326.23**

MAT credit entitlement is the amount which can be recovered and set off in subsequent years as per the provisions of the Income Tax Act, 1961. The MAT credit entitlement recognised will expire as follows:

As at 31st March 2023 (₹ in Lakhs)

For Fin Year	Amount	Year of expiry#
2010-11	918.18	Financial Year 2025-26
2011-12	472.72	Financial Year 2026-27
2012-13	592.68	Financial Year 2027-28
2013-14	665.13	Financial Year 2028-29
Total	**2,648.71**	

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

As a matter of prudence, unused losses and unused deferred tax credits for which no deferred tax assets have been recognised in the balance sheet.

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount	**Expiry Date #**	**Amount**	**Expiry Date #**
Unused Tax Credits (MAT credit not recognized)	1,235.37	FY 2022-23 to FY 2024-25	1,235.37	FY 2022-23 to FY 2024-25
	1,235.37		**1,235.37**	

Expiry date has been stated based on the last day of the financial year for which MAT credit is available for use as per prevailing tax laws as at the reporting date.

7. Income Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax & TDS (Net)	536.86	298.62
Income Tax Receivable	133.95	114.79
	670.81	**413.41**

Note: The Group is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to above matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities.

8. Inventories (Valued at Lower of Cost and Net Realizable Value)

(₹ in Lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Raw Materials and Components [includes in transit ₹1,445.16 lakhs (31st March 2022 : ₹6,087.38 lakhs)]	31,467.21	28,332.53
Work - in - Progress	2,275.84	3,526.30
Finished Goods [includes in transit ₹58.86 lakhs (31st March 2022 : ₹227.61 lakhs)]	8,012.62	9,168.92
Stores and Spares	6,021.44	3,999.17
By Products (at Net Realisable Value)	573.04	683.87
Stock in Trade	37.63	44.87
Total	**48,387.78**	**45,755.66**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

8.1 For Lien/ charge details against inventory, Refer Note 44.

9. Trade Receivables

(₹ in Lakhs)

Particulars	Current	
	As at 31st March, 2023	As at 31st March, 2022
At amortised cost		
- Trade Receivables considered good - Secured	-	-
- Trade Receivables considered good - Unsecured	9,773.95	9,182.93
- Trade Receivables which have significant increase in credit risk	-	-
- Trade Receivables - credit impaired	-	-
Less: Loss Allowance	(2,148.10)	(2,133.98)
Total trade receivables	**7,625.85**	**7,048.95**
- Receivables from related parties (Refer Note 41)	55.60	55.60
- Others	7,570.25	6,993.35
Total trade receivables	**7,625.85**	**7,048.95**

9.1 For Lien/ charge details against trade receivables, Refer Note 44.

9.2 No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

9.3 Trade Receivable Ageing Schedule.

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2023					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
Undisputed-Considered good	7,434.31	35.49	8.95	15.16	2,280.04	9,773.95
Undisputed- Which have significant increase in credit risk	-	-		-		-
Undisputed- Credit impaired	-	-	-	-	-	-
Gross Total	**7,434.31**	**35.49**	**8.95**	**15.16**	**2,280.04**	**9,773.95**
Less: Loss allowance						(2,148.10)
Total						**7,625.85**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Particulars	Outstanding from due date of payment as on March 31, 2022					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
Undisputed-Considered good	6,837.64	45.39	17.87	64.41	2,217.63	9,182.93
Undisputed- Which have significant increase in credit risk	-	-	-	-	-	-
Undisputed- Credit impaired	-	-	-	-	-	-
Gross Total	**6,837.64**	**45.39**	**17.87**	**64.41**	**2,217.63**	**9,182.93**
Less: Loss allowance						(2,133.98)
Total						**7,048.95**

9.4 Set out below is the movement in the allowance for expected credit losses of trade receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	2,133.98	2,162.54
Provision/(Reversal) for Expected Credit Loss	14.12	(28.56)
Closing Balance	2,148.10	2,133.98

9.5 Breakup of Impairment Loss Allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Trade Receivables considered good - Unsecured	2,148.10	2,133.98
- Trade Receivables which have significant increase in credit risk	-	-
- Trade Receivables - credit impaired	-	-
Total	**2,148.10**	**2,133.98**

9.6 No element of financing is deemed present as the sales are generally made with a credit term which is consistent with market practice.

9.7 There are no "unbilled" and "disputed" trade receivables, hence the same are not disclosed in the ageing schedule.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

10. Cash and Cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance with Banks:		
On Current Accounts	756.26	4,614.95
Positive Balance in Cash Credit Account	322.21	193.95
Cash and Cash Equivalents		
Cash on Hand	20.51	22.44
	1,078.47	**4,808.90**

11. Bank Balances other than Cash and Cash equivalents

(₹ in Lakhs)

Particulars	Non - Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Fixed Deposits - Earmarked for LC & BG	432.82	601.56	1,617.40	4,721.82
	432.82	**601.56**	**1,617.40**	**4,721.82**
Amount Disclosed under Other Non-Current Financial Assets (Refer Note No. 5(b))	(432.82)	(601.56)	-	-
Unpaid Dividend Accounts	-	-	-	1.17
	-	**-**	**1,617.40**	**4,722.99**

12. Other Current Assets

(₹ in Lakhs)

Particulars	Current	
	As at 31st March, 2023	As at 31st March, 2022
Advances to Suppliers other than capital advances		
Considered Good	11,509.41	21,731.66
Considered Doubtful	3,749.12	3,543.10
	15,258.53	**25,274.76**
Less: Allowances for doubtful advances	3,749.12	3,543.10
(A)	**11,509.41**	**21,731.66**
Other Advances		
Prepaid Expenses	155.31	109.69
Advances to Related Parties	1,098.37	11.65
Balances with Statutory/Government Authorities	803.89	225.41
Others (incl. advance to employees)	8.96	10.80
(B)	**2,066.53**	**357.55**
TOTAL (A+B)	**13,575.94**	**22,089.21**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

13. Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised Share Capital		
800,000,000 (31.03.2022 - 800,000,000) equity shares of ₹10/- each	80,000.00	80,000.00
100,000,000 (31.03.2022 - 100,000,000) preference shares of ₹10/- each	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up Share Capital		
38,54,15,000 (31.03.2022 - 38,54,15,000) equity shares of ₹10/- each	38,541.50	38,541.50
Total	**38,541.50**	**38,541.50**

13.1 Reconciliation of number of Shares

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
Equity Shares:				
Balance at the beginning of the year	38,54,15,000	38,541.50	38,54,15,000	38,541.50
Balance at the end of the year	**38,54,15,000**	**38,541.50**	**38,54,15,000**	**38,541.50**

13.2 Rights, Preferences and restrictions attached to equity shares

The company has only one class of equity shares having a par value of ` 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

13.3 Shareholders holding more than 5% share in the holding company are as follows:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No of shares	% of shares	No of shares	% of shares
State Bank of India	4,34,03,465	11.26%	4,63,34,367	12.02%
Mod Commodeal Pvt. Limited	3,14,99,538	8.17%	3,14,99,538	8.17%
Adhunik Gases Limited	2,34,79,000	6.09%	2,34,79,000	6.09%
Sikhar Commotrade Pvt. Limited	2,89,84,056	7.52%	2,89,84,056	7.52%
Shringar Mercentile Pvt. Limited	2,82,11,200	7.32%	2,82,11,200	7.32%
MSP Sponge Iron Limited	2,47,36,500	6.42%	2,47,36,500	6.42%

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

13.4 Details of Promoters holding in the holding company

SL No.	Promoter name	As at 31st March, 2023		As at 31st March, 2022		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Suresh Kumar Agrawal	25,120	0.01	25,120	0.01	-
2	Puran Mal Agrawal	29,000	0.01	29,000	0.01	-
3	Pranay Agrawal	3,06,000	0.08	3,06,000	0.08	-
4	Nisha Agrawal	3,36,500	0.09	3,36,500	0.09	-
5	Kiran Agrawal	4,86,000	0.13	4,86,000	0.13	-
6	Saket Agrawal	2,04,000	0.05	2,04,000	0.05	-
7	Manish Agrawal	3,09,000	0.08	3,09,000	0.08	-
8	Puran Mal Agrawal	1,86,620	0.05	1,86,620	0.05	-
9	Suresh Kumar Agrawal	1,41,000	0.04	1,41,000	0.04	-
10	Dexo Trading Pvt. Ltd.	15,75,000	0.41	15,75,000	0.41	-
11	High Time Holdings Pvt. Ltd.	30,25,000	0.78	30,25,000	0.78	-
12	Ilex Private Limited	41,15,000	1.07	41,15,000	1.07	-
13	Jagran Vyapaar Pvt. Ltd.	19,50,000	0.51	19,50,000	0.51	-
14	Larigo Investment Private Limited	1,20,50,000	3.13	1,20,50,000	3.13	-
15	B S Confin Pvt. Ltd.	35,30,000	0.92	35,30,000	0.92	-
16	Emerald Tradelink Pvt. Ltd.	25,00,000	0.65	25,00,000	0.65	-
17	Gilbart Merchants Pvt. Ltd 1	85,04,426	2.21	85,04,426	2.21	-
18	K. C. Texofine Pvt. Ltd.2	87,15,000	2.26	87,15,000	2.26	-
19	Raj Securities Ltd.1	52,00,000	1.35	52,00,000	1.35	-
20	Adhunik Gases Ltd.1	2,34,79,000	6.09	2,34,79,000	6.09	-
21	Aa Ess Tradelinks Pvt. Ltd.2	26,50,000	0.69	26,50,000	0.69	-
22	Msp Rolling Mills Pvt. Ltd.2	44,60,000	1.16	44,60,000	1.16	-
23	Msp Sponge Iron Limited	2,47,36,500	6.42	2,47,36,500	6.42	-
24	Msp Infotech Pvt. Ltd.	1,25,29,760	3.25	1,25,29,760	3.25	-
25	Rajnath Vyapaar Private Limited	25,00,000	0.65	25,00,000	0.65	-
26	Sikhar Commotrade Pvt.Ltd.	2,89,84,056	7.52	2,89,84,056	7.52	-
27	Panorama Commercial Private Limited 3	10,00,000	0.26	10,00,000	0.26	-
28	Shree Vinay Finvest Pvt. Ltd.	68,78,543	1.78	68,78,543	1.78	-

1 Merged with Jagran Vyapaar Pvt Ltd (Transferee Company) **

2 Merged with MA Hire Purchase Pvt Ltd (Transferee Company) **

3 Merged with Shree Vinay Finvest Pvt Ltd (Transferee Company) **

** These companies have been merged with the transferee companies but the share transfer is not complete since the same are pledged with banks. We are in the process of transferring the shares in the name of the merged entity and they will be done once the shares are released by the banks.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

13.5 Additional Disclosure in the respect of Equity Share

(a) The Company does not have any Holding Company or Ultimate Holding Company.

(b) No ordinary shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

(c) The holding Company has not bought back any shares during the period of five years preceding the date at which the Balance Sheet is prepared.

(d) The holding Company has allotted 297,315,000 equity shares of ₹10 each as per the approval accorded by the shareholders of the Company on March 12, 2018 pursuant to contract(s) without payment being received in cash.

(e) Nil shares (31st March 2022: 26,50,000 shares) held by associate of the holding company.

14. Other Equity

(₹ in Lakhs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income	Total	Non Controlling Interest	Total
	Securities Premium	Retained Earnings	6% Redeemable Preference Shares	Equity Component of Optionally Convertible Debenture	Equity Instruments through Other Comprehensive Income			
Balance as at 1st April, 2021	**15,055.59**	**(26,340.17)**	**3,112.99**	**28,506.44**	**326.89**	**20,661.74**	**33.50**	**20,695.24**
Profit/ (Loss) for the year	-	2,569.75		-	-	2,569.75	(1.33)	2,568.42
Remeasurement benefits Gain/(Loss) (Net of tax)	-	37.69		-		37.69		37.69
Fair Value of Equity Instrument through FVOCI					24.73	24.73		24.73
Balance as at 31st March, 2022	**15,055.59**	**(23,732.73)**	**3,112.99**	**28,506.44**	**351.62**	**23,293.91**	**32.17**	**23,326.08**
Balance as at 1st April, 2022	**15,055.59**	**(23,732.73)**	**3,112.99**	**28,506.44**	**351.62**	**23,293.91**	**32.17**	**23,326.08**
Profit/ (Loss) for the year		(5,058.01)				(5,058.01)	(1.71)	(5,059.72)
Remeasurement benefits Gain/(Loss) (Net of tax)		(0.93)				(0.93)		(0.93)
Share in joint venture/ associate		(9.51)				(9.51)		(9.51)
Fair Value of Equity Instrument through FVOCI					227.17	227.17		227.17
Balance as at 31st March, 2023	**15,055.59**	**(28,801.18)**	**3,112.99**	**28,506.44**	**578.79**	**18,452.63**	**30.46**	**18,483.09**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Description of nature and purpose of each reserve

Securities Premium
This reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

Retained Earnings
It comprises of accumulated profit/(losses) of the company.

6% Redeemable Preference Shares

The CCPS was converted to 6% Redeemable Preference Shares under section 48 of the Companies Act, 2013 and the Article 10 of the Articles of Association of the Company which is ratified in writing by holders of atleast 3/4th of nominal value of issued Preference Shares. The company will convert the same into CCPS and subsequently into equity in future.

Equity Component of Optionally Convertible Debenture

This contains the equity portion of the Optionally convertible debentures issued in lieu of long term borrowings as per the terms of the restructuring scheme.

Equity Instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of quoted investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

15. Long Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a. Secured		
i. Term loans		
From Banks		
Indian rupee loan (Gross)	12,587.12	17,544.14
Less: Current Maturities of Long Term Borrowings (Note 17)	5,273.00	4,758.00
	7,314.12	**12,786.14**
ii. Liability Component of Optionally Convertible Debenture		
Optionally Convertible Debenture (Note 15.1 (b))	29,501.59	26,339.41
	29,501.59	**26,339.41**
b. Unsecured		
Inter-Corporate Deposits	146.21	166.21
Loans from related parties	450.00	450.00
Interest free loan from promoter/promoter group companies (Note 15.1 (c))	12,795.80	12,857.80
	13,392.01	**13,474.01**
Total (a+b)	**50,207.72**	**52,599.56**
The above amount includes:		
Secured borrowings	36,815.71	39,125.55
Unsecured borrowings	13,392.01	13,474.01
Net Amount	**50,207.72**	**52,599.56**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

15.1 Terms of Repayments

a) Term Loan facilities from banks are secured by first pari-passu charge on the entire fixed assets (both present & future) and Second pari-passu charge on the entire current assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Puranmal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Ilex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The interest rate on the domestic long term borrowings are in the range of 2.90% above 6 months MCLR. The Term Loan facilitated from the bank is repayable in 30 Quarterly Instalments from December 2017. Last instalment due in September 2025.

b) The Company has issued 451,970,554 nos. of OCDs amounting to ₹451,97.05 lakhs during the year 2017-18. The OCDs shall have moratorium period of 7 years and shall be repayable in 36 structured quarterly instalments starting from December, 2024 and maturing on September 2033. The OCDs shall carry a coupon rate of 0.01% pa. payable quarterly till maturity. The OCDs will be converted to Equity at the option of the Debenture holders. OCDs may be redeemed alongwith a redemption premium. The redemption premium will be calculated with YTM @ 2.00% p.a. compounded quarterly. As per valuation report and relevant IND AS, PV of OCD as on the OCD issuing date i.e. March 21, 2018 is ₹166.90 crore which has been treated as financial liability and balance of ₹285.07 crore has been treated as other equity. Subsequently interest expenses (the unwinding of the discount) have been booked at market rate (11.5%) to unwind the liability component to the extent of value of OCD.

c) Pursuant to the scheme for restructuring of loan as approved by the Overseeing Committee (OC) of Reserve Bank of India, the Promoter / Promoters' group has transferred 12,85,78,044 equity shares, at ₹10/- per equity share of ₹12857.80 lakhs, to JLF lenders, as a part payment of unsustainable debt and the same is treated as unsecured loan and shall always be subordinated to the existing senior debt of the borrower.

d) Rate of Interest for the loan from the related parties is maximum being 10%.

16. Provisions

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits				
For Gratuity (Refer Note No. 40)	-	-	154.79	150.73
For Leave Benefits	133.78	120.13	6.85	5.69
Others*	1.28	1.28	132.69	132.81
Total	**135.06**	**121.41**	**294.33**	**289.23**

* The Other Provision includes purchase obligations of Renewable Energy Certificates (E-Cert).

16.1 Movement of Other Provision

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
As at the beginning of the year	**1.28**	**1.28**	**132.81**	**0.42**
Created during the year	-	-	-	132.69
Reversal during the year	-	-	0.12	0.30
As at the end of the year	**1.28**	**1.28**	**132.69**	**132.81**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

17. Short-Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Rupee Loan from Banks		
Cash Credit Facility	23,776.34	18,265.51
Current Maturities of Long Term Borrowings	5,273.00	4,758.00
Foreign Currency Loan from Banks		
Working Capital Loan	-	6,075.16
Unsecured		
From Body Corporates		
Inter Corporate Deposits	875.00	875.00
	29,924.34	**29,973.67**
The above amount includes		
Secured Borrowings	29,049.34	29,098.67
Unsecured Borrowings	875.00	875.00

17.1 Terms and conditions attached to Short term borrowings from banks

(a) Cash Credit facilities from banks are secured by first pari-passu charge on the entire current assets (both present & future) and Second pari-passu charge on the entire fixed assets (both present & future) of the company's manufacturing facilities situated at Jamgaon, Raigarh in the state of Chhattisgarh. Personal guarantee of Puranmal Agrawal, Suresh Kumar Agrawal, Manish Agrawal and Saket Agrawal is given alongwith corporate guarantee of M/s Ilex Pvt Ltd. Corporate Guarantee is restricted to the extent of shares pledged of the promoter group companies. The rate of interest on cash credit is 2.90% above 1 year MCLR.

(b) The Intercorporate loans carry an interest rate of 9.85% p.a (Previous Year - Nil)

17.2 Refer Note No. 45 in the respect of Quarterly Return/Statement filed with the bank in lieu of sanctioned working capital facilities.

18. Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of creditors		
Total outstanding dues to micro enterprises and small enterprises	574.78	90.59
Total outstanding dues to Creditors other than micro enterprises and small enterprises	20,074.52	26,702.30
	20,649.30	**26,792.89**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

18.1 Trade Payables include acceptances and arrangements where operational suppliers of goods and services are paid by banks while the company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 or 180 days amounting to ₹8,867.75 lakhs (previous year ₹11,788.91 lakhs)

18.2 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained and as per notification number GSR 679 (E) dated 4th September, 2015.

(₹ in Lakhs)

	Particulars	As at 31st March, 2023	As at 31st March, 2022
i	The principal amount remaining unpaid to any supplier as at the end of each accounting year;	573.54	89.90
ii	The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	1.24	0.69
iii	The amount of interest paid by the buyer under MSMED Act, 2006	Nil	Nil
iv	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	Nil	Nil
v	The amount of interest accrued and remaining unpaid at the end of accounting year; and	1.24	0.69
vi	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	1.24	0.69

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

18.3 Trade Payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding as on March 31, 2023 from due date of payment				
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed dues - MSME	567.12	6.62	1.04	-	**574.78**
Undisputed dues - Others	18,084.11	67.45	44.87	188.98	**18,385.41**
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	**18,651.23**	**74.07**	**45.91**	**188.98**	**18,960.19**
Unbilled Dues					**1,689.10**
Grand Total					**20,649.28**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Particulars	Outstanding as on March 31, 2022 from due date of payment				Total
	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed dues - MSME	88.75	1.84	-	-	**90.59**
Undisputed dues - Others	19,596.73	51.05	48.52	195.26	**19,891.56**
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	979.03	**979.03**
Total	**19,685.48**	**52.89**	**48.52**	**1,174.29**	**20,961.18**
Unbilled Dues					**5,831.72**
Grand Total					**26,792.90**

19. Other Financial Liabilities

(₹ in Lakhs)

Particulars	Current	
	As at 31st March, 2023	As at 31st March, 2022
Retention / Security Deposit	580.53	460.86
Interest accrued and due on borrowings	123.52	26.33
Unpaid Dividend	-	1.17
Employee Liabilities	480.31	431.67
Other Payables on capital purchases	162.91	162.91
	1,347.27	**1,082.94**

20. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract Liabilities (includes Deferred Performance Obligations)	4,998.01	1,622.71
Others (including statutory dues payable)	212.26	766.10
	5,210.27	**2,388.81**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

21. Revenue from Operations

(₹ in Lakhs)

Particulars	2022-23	2021-22
(a) **Sale of Products**		
Finished Goods	2,48,904.56	2,21,644.90
Power	1,537.54	2,459.93
Traded Goods	3,001.92	2,329.92
(b) **Sale of Services**		
Job Work Service	4.08	5,287.41
Total (a+b)	**2,53,448.10**	**2,31,722.16**
(c) **Other Operating Revenue**		
Sale of scrap and By-products	1,591.85	2,235.70
Total (c)	**1,591.85**	**2,235.70**
Total (a+b+c)	**2,55,039.95**	**2,33,957.86**

The Company is engaged in the manufacturing of Iron & Steel Products and generates revenue from the sale of Iron & Steel products and the same is only the reportable segment of the Company.

Disaggregation of Revenue

(₹ in Lakhs)

Particulars	2022-23	2021-22
Revenue as per Geography		
Domestic	2,53,395.99	2,26,432.77
Exports	52.11	5,289.39
Total	**2,53,448.10**	**2,31,722.16**
Revenue as per Major Products		
Pellet	55,008.31	50,499.18
Sponge Iron	12,430.19	23,573.21
MS Billets	11,356.37	8,332.66
TMT Bars (incl Structural Products)	1,70,109.69	1,39,210.27
Power	1,537.54	2,459.93
Job Work Service	4.08	5,287.41
Others	3,001.92	2,359.50
Total	**2,53,448.10**	**2,31,722.16**
Timing of Revenue		
At a point in time	2,53,448.10	2,31,722.16
Over time	-	-
Total	**2,53,448.10**	**2,31,722.16**
Sales Channel		
Direct to Customers	**79,145.52**	**59,749.77**
Through Intermediaries	1,74,302.58	1,71,972.39
Total	**2,53,448.10**	**2,31,722.16**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Contract balances

The company discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities, the following information is disclosed below.

Trade Receivables	7,625.85	7,048.95
Contract Assets	-	-
Contract Liabilities (includes Deferred Performance Obligations)	4,998.01	1,622.71
Other Information		
a) Transaction price allocated to the remaining performance obligations	Nil	579.60
b) The amount of revenue recognised in the current year that was included in the opening contract liability balance	1,043.11	277.15
c) The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
d) Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil
Significant payment terms		
Financing Component	Nil	Nil

Reconciliation of Revenue from operations with contract price

(₹ in Lakhs)

Particulars	2022-23	2021-22
Contract Price	2,53,711.11	2,32,388.38
Less:		
Sales Returns	168.23	288.70
Trade & Cash Discount	94.78	240.61
Deferred Performance Obligations	-	136.91
Total	**2,53,448.10**	**2,31,722.16**

22. Other Income

(₹ in Lakhs)

Particulars	2022-23	2021-22
(a) Interest income on		
Loans, Fixed Deposits, etc.	164.78	96.63
(b) Other Non-Operating Income		
Profit on sale of fixed assets	-	3.40
Extinguishment of Financial Liability	915.19	-
Exchange Differences	-	238.11
Others	81.31	1.45
Total	**1,161.28**	**339.59**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

23. Cost of Materials Consumed

(₹ in Lakhs)

Particulars	2022-23	2021-22
Inventory at the beginning of the period	28,332.53	25,687.25
Add: Purchases	2,07,400.66	1,91,574.81
Less: Inventory at the end of the period	31,467.21	28,332.53
Total	**2,04,265.98**	**1,88,929.53**

24. Purchase of Stock in Trade

(₹ in Lakhs)

	2022-23	2021-22
Coal	1,844.41	1,893.37
Manganese Ore	868.28	-
Steel Products	-	402.23
Total	**2,712.69**	**2,295.60**

25. Changes in Inventories of Finished Goods, By-products and Work-in Progress

(₹ in Lakhs)

Particulars	2022-23	2021-22
Inventories at the end of the period		
Finished Goods	8,012.62	9,168.92
Work-in-Progress	2,275.84	3,526.30
By-Products	573.04	683.87
Stock in Trade	37.63	44.87
	10,899.13	**13,423.96**
Inventories at the beginning of the period		
Finished Goods	9,168.92	5,038.08
Work-in-Progress	3,526.30	2,842.18
By-Products	683.87	1,267.14
Stock in Trade	44.87	69.57
	13,423.96	**9,216.97**
(Increase)/Decrease in Inventories		
Finished Goods	1,156.30	(4,130.84)
Work-in-Progress	1,250.46	(684.12)
By-Products	110.83	583.27
Stock in Trade	7.24	24.70
Total	**2,524.83**	**(4,206.99)**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

26. Employee Benefits Expenses

(₹ in Lakhs)

Particulars	2022-23	2021-22
Salaries, Wages and Bonus	5,304.73	4,713.20
Contribution to Provident and Other Funds	241.55	232.68
Gratuity (refer note 40)	112.20	113.47
Staff Welfare Expenses	121.23	86.94
Total	**5,779.71**	**5,146.29**

27. Finance Costs

(₹ in Lakhs)

Particulars	2022-23	2021-22
Interest Expenses		
- On Loans	3,788.89	3,769.02
- On OCD *	3,162.18	2,823.24
Exchange Differences regarded as an adjustment to borrowing cost	146.88	342.93
Other Finance Charges	628.12	481.90
Total	**7,726.07**	**7,417.09**

* It represents the unwinding of the discount on OCD (refer Note 15(b))

28. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	2022-23	2021-22
Depreciation of assets	5,394.58	5,433.78
Amortization of assets	13.42	13.42
Total	**5,408.00**	**5,447.20**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

29. Other Expenses

(₹ in Lakhs)

	2022-23	2021-22
Consumption of Stores and Spares	12,396.03	9,549.40
Power and Fuel	2,619.49	1,245.09
Rent	75.84	74.52
Rates and Taxes	1,315.30	1,083.88
Insurance	190.89	181.19
Repairs and Maintenance		
Plant and Machinery	1,925.69	1,151.06
Buildings	789.57	482.03
Others	329.77	160.35
Other Manufacturing Expenses	9,211.48	8,152.26
Advertising and Other Sales Promotion Expenses	1,273.76	1,168.53
Freight Outward	490.75	551.55
Legal and Professional Charges	978.04	750.22
Payment to Auditors	10.39	15.28
Exchange Differences (Net)	175.49	-
Provision for Expected Credit Loss on Trade Receivable & Advances	220.14	244.34
Corporate Social Responsibility	194.38	160.82
Miscellaneous Expenses (refer note no. 43)	1,844.36	1,469.65
Total	**33,846.99**	**26,279.35**

30. Share of Profit/Loss of Associates and Joint Venture*

(₹ in Lakhs)

Particulars	2022-23	2021-22
Share of Profit/(Loss) of Associate (Including Other Comprehensive Income)	-	(1.63)
Share of Profit/(Loss) of Joint Venture (Including Other Comprehensive Income)	304.83	2.26
Total	**304.83**	**0.63**

* For Details refer Note No. 48 & 49

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

31. Income Tax

(₹ in Lakhs)

Particulars			2022-23	2021-22
A.	The major components of income taxes expense for the year are as under:			
	i	Income tax expense recognised in the statement of profit and loss	-	-
		Current Tax for the year		
		Current Tax	-	-
		Deferred Tax	(658.22)	421.59
		Income tax expense recognised in the statement of profit and loss	**(658.22)**	**421.59**
	ii	Income tax expense recognised in OCI		
		Deferred Tax :		
		Deferred tax expenses on remeasurement benefit of defined benefit plans and equity instruments measured through OCI	(4.32)	10.46
		Income tax expense recognised in OCI	**(4.32)**	**10.46**
		Total Tax (i+ii)	**(662.54)**	**432.05**

(₹ in Lakhs)

Particulars		2022-23	2021-22
B.	**Reconciliation of tax expense and the accounting profit for the year is as under**		
	Profit before tax	**(5,717.95)**	**2,990.01**
	Income tax expense	(1,784.00)	932.88
	Deferred tax assets reversal on unabsorbed depreciation	(774.37)	-
	Effects of permanent disallowances	1,027.27	913.07
	Utilisation of carried forward loss	867.05	(1,693.17)
	Other Items	1.51	279.27
	Tax expenses as per Statement of Profit and Loss & OCI	**(662.54)**	**432.05**

C. The Taxation Laws (Amendment) Ordinance 2019 was promulgated on September 20, 2019. The Ordinance amends the income tax Act 1961 and the Finance Act 2019. The Ordinance provides domestic companies with a non-reversible option to opt for lower tax rates, provided they do not claim certain deductions. The company has evaluated the same and decided to continue with the existing tax structure until utilisation of accumulated minimum alternate tax (MAT), tax incentives and other deductions available to the Company.

32. Other Comprehensive Income

(₹ in Lakhs)

Particulars	2022-23	2021-22
Remeasurements of the defined benefit plans	(1.35)	44.67
Equity Instruments through Other Comprehensive Income	223.27	28.22
Less: Income tax on the above	4.32	(10.46)
Share in OCI of associates & joint venture (Refer Note 48 & 49)	(9.51)	-
Total	**216.73**	**62.43**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

33. Earnings Per Share (EPS)

(₹ in Lakhs)

Particulars	2022-23	2021-22
Earnings Per Share has been computed as under:		
Profit/ (Loss) After Tax	(5,058.01)	2,569.75
Net Profit for Calculation of Basic and Diluted EPS	**(5,058.01)**	**2,569.75**
	No.	**No.**
Weighed average number of equity shares in calculating Basic EPS	38,54,15,000	38,54,15,000
Weighed average number of equity shares in calculating Diluted EPS *	41,65,35,000	41,65,35,000
Face value of share (₹)	10	10
Earnings Per Share		
Basic ₹	**(1.31)**	**0.67**
Diluted ₹	**(1.21)**	**0.62**

* The potential ordinary shares, on account of conversion of OCD, are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earnings per share.

34. Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 (G) to the financial statements.

i) Financial assets & liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022:,

(₹ in Lakhs)

Particulars	31st March 2023			31st March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
Equity instruments*	-	4,115.82	-	-	309.38	-
Trade receivables	-	-	7,625.85	-	-	7,048.95
Cash and cash equivalents	-	-	1,098.98	-	-	4,831.34
Other Bank Balances	-	-	1,617.40	-	-	4,722.99
Other Financial Assets	-	-	1,242.15	-	-	871.00
Loans	-	-	17.86	-	-	14.27
Total	**-**	**4,115.82**	**11,602.24**	**-**	**309.38**	**17,488.55**
Financial liabilities						
Borrowing	-	-	80,132.07	-	-	82,573.23
Trade Payable	-	-	20,649.30	-	-	26,792.89
Other financial Liabilities	-	-	1,347.27	-	-	1,082.94
Total	**-**	**-**	**1,02,128.64**	**-**	**-**	**1,10,449.06**

*Equity investments exclude investments made in associates & joint venture (net of impairment loss) of ₹436.79 Lakhs (previous year - ₹3,684.39 Lakhs) which have been measured at cost.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

ii) Fair values hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(₹ in Lakhs)

31st March, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Quoted Equity instruments		23.29			23.29
Unquoted Equity instruments		-	-	4,092.53	4,092.53
Total financial assets		**23.29**	**-**	**4,092.53**	**4,115.82**
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability			-		-
Total financial liabilities		**-**	**-**	**-**	**-**

There were no movement between level 1 and level 2 during the period.

Financial Instruments measured at fair value

(₹ in Lakhs)

31st March, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVOCI					
Quoted Equity instruments		21.30			21.30
Unquoted Equity instruments		-	-	287.98	287.98
Derivative asset			-		-
Total financial assets		**21.30**	**-**	**287.98**	**309.28**
Financial liabilities					
Financial instruments at FVTPL					
Derivative liability		-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

There were no movement between level 1 and level 2 during the period.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

iii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Quoted investments (Equity Shares)- Market Value

(b) Unquoted Investments - As determined by Independent Valuer. The equity shares of ₹4092.53 Lakhs (31.03.2022 - ₹287.98 lakhs) are not listed. Fair value estimates of equity investments are included in level-3 and are based on information relating to value of investee Group's net assets and DCF methods.

(c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. Refer (iii)(b) above for the valuation techniques adopted.

(₹ in Lakhs)

Particulars	Significant Unobservable Input	Fair Value as at		Sensitivity of the input to fair value		
		31st March 2023	31st March 2022			
Equity instruments	DCF	324.75	281.29	+(0.5%)	366.50	274.97
				-(0.5%)	362.85	289.06
	NAV	3,767.78	6.69	+(0.5%)	3,786.62	6.72
				-(0.5%)	3,748.94	6.66

v) The following table presents the changes in level 3 items for the periods ended 31st March, 2023 and 31st March, 2022:

(₹ in Lakhs)

Particulars	Amount
As at 31st March 2021	**259.86**
Gains/ (losses) recognised in other comprehensive income	28.12
As at 31st March 2022	**287.98**
Gains/ (losses) recognised in other comprehensive income	44.32
Change in nature of holding from associate to non-associate	3,760.23
As at 31st March 2023	**4,092.53**

35. Financial Risk Management, Objectives and Policies

A) Capital Management

i) Risk Management

The Group's objectives when managing capital are to

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

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Group.

Net debt implies total borrowings of the Group comprises all components attributable to the owners of the Group.

The following table summarises the Net Debt, Equity and Ratio thereof.

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Total Borrowings (including current maturities)	80,132.07	82,573.33
Less: Cash & Cash Equivalents & Other bank balances	2,695.87	10,155.89
Net Debts (A)	**77,436.20**	**72,417.44**
Total equity (refer note 14 & 15)	56,994.13	61,835.41
Total equity & Net Debt (B)	**1,34,430.33**	**1,34,252.85**
Net debt to capital employed Ratio (A/B)	**0.58**	**0.54**

No changes were made in the objective policies & process for expenditure as on 31st March 2023 & 31st March 2022

ii) Dividends

The Group has not declared/paid any dividend for FY 2021-22 and no dividend has been proposed for FY 2022-23.

B) Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, the Group has risk management policies as described below :-

i) Credit risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Group is exposed to credit risk for receivables, cash and cash equivalents. None of the financial instruments of the Group result in material concentration of credit risks.

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. Based on historical trend, industry practice and the business environment in which the Group operates, an impairment analysis is performed at each reporting date for trade receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9.

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

ii) 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 reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Contractual maturities of financial liabilities as at 31st March 2023		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	29,924.34	4,927.00	2,464.00	42,816.72	80,132.06
	Trade payable	20,649.30	-	-	-	20,649.30
	Other payables	1,347.27	-	-	-	1,347.27
Derivatives	Derivative Liability	-	-	-	-	-
Total		**51,920.91**	**4,927.00**	**2,464.00**	**42,816.72**	**1,02,128.63**

Contractual maturities of financial liabilities as at 31st March 2022		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
	Borrowings	29,973.67	4,928.00	4,927.00	42,744.56	82,573.23
	Trade payable	26,792.89	-	-	-	26,792.89
	Other payables	1,082.94	-	-	-	1,082.94
Derivatives	Derivative Liability	-				-
Total		**57,849.50**	**4,928.00**	**4,927.00**	**42,744.56**	**1,10,449.06**

(₹ in Lakhs)

Probable Interest Payout on Term Loans	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As on 31-03-2023	1,031.30	545.92	90.98	-	1,668.20
As on 31-03-2022	1,505.84	1,031.30	545.92	90.98	3,174.04

C) Market Risk

i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

Foreign currency risk exposure - Unhedged

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

(₹ in Lakhs)

Currency	Liabilities	
	31st March 2023	31st March 2022
USD	-	4,074.48

Nominal value of forward contracts & option contracts that hedge monetary labilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss. The value of such contracts amount to ₹2,532.00 Lakhs (previous year - ₹12,479.16 lakhs)

Sensitivity

The sensitivity of profit or loss after tax and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
USD sensitivity		
INR/USD- increase by 10%	-	(280.32)
INR/USD- decrease by 10%	-	280.32

ii) Interest rate risk

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

Below is the overall exposure of the Group to interest rate risk:

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Variable rate borrowing	36,363.46	41,884.81
Fixed rate borrowing	1,471.21	1,491.21
Total borrowings	**37,834.67**	**43,376.02**

Note: The above borrowings do not include the interest free loans and Liability component of Optionally Convertible Debentures. (Refer Note No. 15 & 17)

Sensitivity

Below is the sensitivity of profit or loss after tax and equity to changes in interest rates.

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Interest sensitivity		
Interest rates increases by 100 basis points	250.18	272.45
Interest rates decrease by 100 basis points	(250.18)	(272.45)

D) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Group is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI.

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Fair Value of Quoted Equity Investments	23.29	21.30
Total Equity Investments	**23.29**	**21.30**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Sensitivity

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Increase in market price by 5%	0.80	0.73
Decrease in market price by 5%	**(0.80)**	**(0.73)**

36. Contingent Liabilities and Commitments

Contingent Liabilities and commitments to the extent not provided for in respect of:

(₹ in Lakhs)

a) Particulars	31st March 2023	31st March 2022
Excise & Service Tax Matters under dispute/ appeal	2,980.61	1,860.60
Income Tax Matters under dispute/ appeal (net of payment)	135.89	301.04
Right to Recompense available with the lenders*	27,801.00	27,801.00

*Right to recompense available to the lenders amounting to ₹ 27,801 Lakhs (previous year - ₹ 27,801 lakhs) as per Article VIII of the Master Restructuring Agreement dated March 23, 2015 read with the Master Framework Agreement and Share Transfer & Confirmation Agreement ("Master agreement") executed on January 24, 2018.

b) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

c) **Capital Commitment**

The capital commitment for the company amounts to ₹ nil (₹ nil)

37. The Group did not raise any term loans or no new working capital borrowings have been sanctioned the current year. Accordingly, the Group does not have any charges to be filed or satisfaction which is yet to be registered with ROC beyond the statutory period.

38. The Group has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.

39. Short Term Leases

The Group's leasing arrangements are in respect of short term leases for office premises at Kolkata and Raigarh, depot at Raipur & guest houses at Raigarh, Gairkata, Kolkata and Nagpur. These leasing arrangements which are cancellable for period of 11 months and the Group has elected not to recognize ROU assets and lease liabilities for short term leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has paid lease rentals of ₹75.84 Lakhs (Previous year - ₹74.52 Lakhs). The Group also hires equipments on short term contract basis, and has paid ₹1,854.18 Lakhs (Previous year - ₹1,711.31 Lakhs) against it during the year which is included in other manufacturing expenses.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

40. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

Defined Contribution Plan:

The amount recognized as an expense for the Defined Contribution Plans are as under :

(₹ in Lakhs)

Sl. No.	Particulars	31st March 2023	31st March 2022
a)	Provident Fund & ESI	241.55	232.68

Defined Benefit Plan:

a) Gratuity Plan

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

b) Risk Exposure

Defined benefit plans expose the Group to the following types of actuarial risks:

Interest Rate Risk: The Plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short term gratuity payouts .This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of liquid assets not being sold in time.

Salary Escalation Risk: The Present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participate in future. Deviation in the rate of increase of salary in future for plan participant from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumption in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirement of the Payment of Gratuity Act, 1972 (as amended from time to time). There is risk of change in regulation requiring higher gratuity payout (e.g. Increase in the maximum limit on gratuity of ₹20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular Investment.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

c) Reconciliation of the net defined benefit (Assets/Liabilities)

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Balance at the beginning of the year	847.93	771.27	125.82	120.42
Current Service Cost	101.20	100.13	20.59	21.43
Interest Cost on Defined Benefit Obligation	61.85	52.79	9.18	8.24
Actuarial (gain)/losses arising from:				
Changes in demographic assumptions				
Changes in financial assumptions	(17.40)	(50.16)	(2.78)	(8.02)
Experience adjustment	16.32	11.50	(12.18)	(16.25)
Benefits paid from the plan assets	(53.53)	(37.60)	-	-
Balance at the end of the year	**956.37**	**847.93**	**140.63**	**125.82**

d) Reconciliation of the Plan Assets

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

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Balance at the beginning of the year	697.20	576.42	-	-
Interest Income on Plan Assets	50.86	39.45	-	-
Remeasurement of Defined Benefit Obligation:				
Return on plan assets greater/ (lesser) than discount rate	(2.43)	6.01	-	-
Employer Contributions to the Plan	109.48	112.92	-	-
Benefits Paid from the Plan Assets	(53.53)	(37.60)	-	-
Balance at the end of the year	**801.58**	**697.20**	**-**	**-**

e) The amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Present value of Defined Benefit Obligation	956.37	847.93	140.63	125.82
Fair Value of Plan Assets	(801.58)	(697.20)	-	-
Net (Asset)/Liability in the Balance Sheet	**154.79**	**150.73**	**140.63**	**125.82**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

f) Expenses recognized in profit or loss

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Current Service Cost	101.20	91.83	20.59	21.43
Interest Cost	61.85	49.24	9.18	8.24
Changes in financial assumptions	-	-	(2.78)	(8.02)
Experience adjustment	-	-	(12.18)	(16.25)
Interest Income on Plan Assets	(50.86)	(34.19)	-	-
Total Defined Benefit Cost recognized in Profit & Loss	**112.19**	**106.88**	**14.81**	**5.40**

g) Remeasurements recognized in other comprehensive income

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Actuarial (gain)/losses arising from:				
Changes in demographic assumptions	-	-	-	-
Changes in financial assumptions	(17.40)	(50.16)	-	-
Experience adjustment	16.32	11.50	-	-
Remeasurement of Defined Benefit Obligation:				
Return on plan assets greater/ (lesser) than discount rate	2.43	(6.01)	-	-
Total Defined Benefit Cost recognized in Other Comprehensive Income	**1.35**	**(44.67)**	**-**	**-**

h) Major Categories of Plan Assets

(` in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Qualified Insurance Policies	100%	100%	-	-

The Gratuity Scheme is invested in policies offered by Life Insurance Corporation (LIC) of India . The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

i) Asset Liability Matching Strategy

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

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

j) Actuarial Assumptions

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave	
	2022-23	2021-22	2022-23	2021-22
Financial Assumptions				
Discount Rate	7.30%	6.85%	7.45%	7.30%
Salary Escalation Rate	7.50%	7.50%	7.50%	7.50%
Demographic Assumptions				
Normal Retirement age	58 years	58 years	58 years	58 years
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal Rate				
- Upto 40 years	0.42%	0.42%	0.42%	0.42%
- Above 40 years	0.00%	0.00%	0.00%	0.00%

k) The Group expect to contribute ₹266.46 Lakhs (Previous Year - ₹249.97 Lakhs) during the next annual reporting Period to gratuity fund.

l) As at 31st March 2023, the weighted average duration of the defined benefit obligation was 12 years (previous year- 13 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows :

(₹ in Lakhs)

Expected benefits payment for the year ending on	Gratuity (Funded)	Leave
Within next 12 months (next annual reporting period)	50.84	6.85
Between 2 and 5 years	156.88	20.79
Between 6 and 10 years	348.75	46.81
Beyond 10 years	2,198.53	373.50

m) Sensitivity Analysis

Significant actuarial assumption for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possibly changes of the assumption occurring at the end of the reporting period, while holding all other assumption constant. The result of sensitivity assumption is given below:

(₹ in Lakhs)

Particulars	Gratuity		Leave	
	31st March, 2023	31st March, 2022	2022-23	2021-22
Defined Benefit Obligation (Base)	956.37	847.93	140.63	125.82

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in Lakhs)

Particular	Gratuity				Leave			
	31-Mar-23		31-Mar-22		31-Mar-23		31-Mar-22	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	1,080.98	850.85	964.82	749.49	160.65	123.90	144.58	110.19
Salary Growth Rate (-/+1%)	852.12	1,076.81	750.27	960.34	123.77	160.44	110.07	144.36
Attrition Rate (-/+ 50% Of attrition rates)	956.51	956.24	848.15	847.72	140.64	140.62	125.84	125.79
Mortality Rate (- / + 10% of mortality rates)	956.36	956.39	847.96	847.91	140.63	140.63	125.82	125.80

Although the analysis does not take into account the full distribution of cash flows expected under the period, it does an approximation of the sensitivity of the assumptions shown.

41. Related Party Disclosures

Related party where control exists

a)	**Associates**	
	AA ESS Tradelinks Private Limited[α]	
b)	**Joint Venture**	
	Madanpur South Coal Company Limited	
c)	**Key Managerial Personnel & their relatives**	
	Name	**Designation**
	Suresh Kumar Agrawal	Chairman
	Saket Agrawal	Managing Director
	Dhananjay Uchit Singh*	Executive Director
	Pradip Kumar Dey[K]	Non Executive Director
	Manish Agrawal	Non Executive Promoter Director
	Kapil Deo Pandey[%]	Non Executive Independent Director
	Prateek Bansal[^]	Non Executive Independent Director
	Suneeta Mohanty	Non Executive Independent Director
	Navneet Jagatramka	Non Executive Independent Director
	Ashok Kumar Soin	Non Executive Independent Director
	Kamal Kumar Jain	Chief Financial Officer
	Shreya Kar	Company Secretary
	Puranmal Agrawal	Relative - Father of Manish Agrawal
	Kiran Agrawal	Relative - Mother of Manish Agrawal
	Nisha Agrawal	Relative - Wife of Suresh Agrawal
	Ekta Agrawal	Relative - Wife of Saket Agrawal
	Richa Agrawal	Relative - Wife of Manish Agrawal
	Pranay Agrawal	Relative - Son of Suresh Kumar Agrawal

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

d) Enterprises over which Key management Personnel and or relatives have significant influence

Admirable Realtors Private Limited	MSP Infotech Private Limited
B.S. Confin Private Limited	MSP Mines & Minerals Private Limited
Bharat Earth Mover	MSP Properties India Limited
Dexo Trading Private Limited	MSP Sponge Iron Limited
Emerald Tradelink Private Limited	Orbit Dealcom Private Limited
Gajgamini Vinimay Private Limited	Procheta Consultants Private Limited
High Time Holdings Private Limited	Sampat Marketing Co. Private Limited
Howrah Gases Limited	Shree Khatupati Mercantiles Private Limited
Ilex Private Limited	Shree Vinay Finvest Private Limited
Indoves Industrial Private Limited	Shreevadhu Mercantile Private Limited Φ
Inertia Enterprise	Shri Enterprise
K.C. Texofine Private LimitedΦ	Sikhar Commotrade Private Limited
Khatupati Energy Limited	Subh Enterprise
M.A. Hire Purchase Private Limited	Swift & Company
Mayur Media Services Private Limited	West Sintex
Mecha Cast International	Yantriki

% *Ceases to be a director due to sad demise on 27th July, 2022.*

^ *Appointed as a Non executive independent director w.e.f. 01st Sept, 2022.*

* *Resigned as an Executive Director w.e.f 28th Dec, 2022.*

K *Appointed as an Non Executive director w.e.f. 10th Jan, 2023.*

Φ *Merged with M.A. Hire Purchase Private Limited w.e.f . 18th July, 2022.*

α *Merged with M.A. Hire Purchase Private Limited w.e.f . 18th July, 2022. Ceases to be an associate post the merger.*

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in lacs)

Nature of Transactions (including taxes & duties where ever applicable)	2022-23	2021-22
Sales		
Admirable Realtors Private Limited	2.52	-
Indoves Industrial Private Limited	1,282.21	117.08
MSP Sponge Iron Limited	5,437.12	5,979.75
Store Chargeble Issue		
Bharat Earth Mover	4.42	2.25
Inertia Enterprise	3.47	2.27
Mecha Cast International	1.17	0.84
Shree Vinay Finvest Private Limited	1.61	0.38
Shri Enterprise	0.54	0.46
Subh Enterprise	2.69	2.30
Swift & Company	1.77	1.42
West Sintex	0.66	1.12
Yantriki	1.46	1.67
Purchase of Raw Material & Components Consumed		
Howrah Gases Limited	-	3.39
Indoves Industrial Private Limited	460.88	59.11
MSP Sponge Iron Limited	15,142.85	6,493.98
Shree Vinay Finvest Private Limited	23.70	-
Directors' Remuneration/Salary		
Dhananjay Uchit Singh	13.41	12.90
Manish Agrawal	55.45	48.90
Saket Agrawal	58.67	52.15
Suresh Kumar Agrawal	55.89	49.40
Key Managerial Remuneration		
Kamal Kumar Jain	34.75	31.54
Shreya Kar	9.45	7.58
Expenses Reimbursed by party		
Indoves Industrial Private Limited	29.32	-
MSP Sponge Iron Limited	340.38	143.78
MSP Properties India Limited	-	10.05
Yantriki	0.94	-
Expenses Reimbursed by us		
Indoves Industrial Private Limited	0.25	-
MSP Sponge Iron Limited	44.57	61.69
Howrah Gases Limited	1.95	2.29
Rent Expenses		
Ekta Agrawal	11.52	11.52
K.C. Texofine Private Limited	5.00	15.00
M.A. Hire Purchase Private Limited	23.60	-

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in lacs)

Nature of Transactions (including taxes & duties where ever applicable)	2022-23	2021-22
MSP Properties India Limited	24.78	24.78
Richa Agrawal	8.64	8.64
Shree Khatupati Mercantiles Private Limited	5.00	15.00
Vehicle Hire Charges Paid		
Howrah Gases Limited	49.38	28.32
Mayur Media Services Private Limited	4.20	4.20
MSP Infotech Private Limited	31.86	9.20
Bharat Earth Mover	21.43	21.38
MSP Properties India Limited	4.67	4.67
Shreevadhu Mercantile Private Limited	4.40	9.60
Equipment Hire Charges Paid		
Bharat Earth Mover	93.26	91.58
Inertia Enterprise	85.21	115.44
Khatupati Energy Limited	67.26	63.72
Mecha Cast International	37.52	46.06
Shri Enterprise	46.79	47.23
Shree Vinay Finvest Private Limited	241.06	125.24
Yantriki	83.55	68.68
Swift & Company	56.11	58.59
Subh Enterprise	74.59	77.07
West Sintex	41.54	58.44
Expense on Raw Materials		
MSP Mines & Minerals Limited	35.40	35.40
MSP Sponge Iron Limited	344.31	-
Repayment of Loans & Advances Given		
Repayment of Loans & Advances		
AA ESS Tradelinks Private Limited	0.01	-
Ilex Private Limited	23.00	-
Orbit Dealcom Private Limited	-	4.00
Gajgamini Vinimay Private Limited	10.45	7.20
Procheta Consultants Private Limited	18.00	-
Sampat Marketing Co. Private Limited	21.00	-
Loans & Advances Taken		
Gajgamini Vinimay Private Limited	10.45	7.20
Orbit Dealcom Private Limited	1.07	4.00
Guarantee Obtained		
Manish Agrawal	495.64	433.51
Puranmal Agrawal	250.55	233.29
Saket Agrawal	425.73	374.14
Suresh Kumar Agrawal	374.11	290.32

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in lacs)

Nature of Transactions (including taxes & duties where ever applicable)	2022-23	2021-22
Loans & Advances (Closing Balance)		
AA ESS Tradelinks Private Limited	-	0.01
Howrah Gases Limited	-	8.25
MSP Properties India Limited	3.38	3.38
Shree Vinay Finvest Private Limited	1,095.00	-
Trade Receivable (Closing Balance)		
Admirable Realtors Private Limited	0.04	4.41
Indoves Industrial Private Limited	18.49	51.20
Trade Payable (Closing Balance)		
Bharat Earth Mover	9.24	9.91
Ekta Agrawal	0.86	0.86
Mayur Media Services Private Limited	0.32	0.32
Inertia Enterprise	5.53	9.85
Howrah Gases Limited	4.43	-
MSP Sponge Iron Limited	4,301.40	5,448.70
K.C. Texofine Private Limited	-	1.13
Khatupati Energy Limited	6.19	6.19
M.A. Hire Purchase Private Limited	2.45	-
Trade Payable (Closing Balance)		
Mecha Cast International	3.98	4.29
MSP Infotech Private Limited	2.43	0.70
MSP Properties India Limited	2.33	-
Richa Agrawal	0.65	0.65
Shreevadhu Mercantile Private Limited	-	0.72
Shri Enterprise	4.10	4.60
Shree Khatupati Mercantiles Private Limited	-	1.13
Trade Payable (Closing Balance)		
Shree Vinay Finvest Private Limited	78.15	10.91
Subh Enterprise	5.20	7.62
Yantriki	6.28	6.64
West Sintex	3.25	5.01
Swift & Company	4.32	5.25
MSP Mines & Minerals Limited	2.90	2.03
Loans & Advances Taken (Closing Balance)		
B.S. Confin Private Limited	103.21	103.21
Dexo Trading Private Limited	1,617.00	1,617.00
Emerald Tradelink Private Limited	65.00	65.00
High Time Holdings Private Limited	1,833.00	1,833.00
Ilex Private Limited	1,522.00	1,545.00

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(₹ in lacs)

Nature of Transactions (including taxes & duties where ever applicable)	2022-23	2021-22
M.A. Hire Purchase Private Limited	560.00	560.00
Orbit Dealcom Private Limited	66.07	65.40
Gajgamini Vinimay Private Limited	80.00	80.00
Procheta Consultants Private Limited	836.00	854.00
Sampat Marketing Co. Private Limited	2,234.00	2,255.00
Sikhar Commotrade Private Limited	740.59	740.59
Investments		
AA ESS Tradelinks Private Limited	-	4,370.68
Howrah Gases Limited	15.91	15.91
M.A. Hire Purchase Private Limited	4,370.68	-
Madanpur South Coal Company Limited	131.96	131.96
MSP Properties India Limited	0.75	0.75
MSP Sponge Iron Limited	49.50	49.50
Accumulated Impairment on Investments		
Madanpur South Coal Company Limited	-	30.75
AA ESS Tradelinks Private Limited	-	787.51

The balances of those parties which cease to be related during the year have not been considered in the closing balance as on 31-03-2023. Similarly, the transaction and balances of those parties which became related during the year have not been considered in the comparative balances.

42. Segment information

The Group is engaged in manufacturing of "Iron and Steel". Consequent to the adoption of IND-AS, the Group has identified one operating segment viz, "Iron and Steel", which is consistent with the internal reporting provided to the managing director who is the chief operating decision maker of the Group.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(₹ in Lakhs)

Revenue from external customers	2022-23	2021-22
India	2,53,395.99	2,26,432.77
Outside India	52.11	5,289.39
	2,53,448.10	**2,31,722.16**

(₹ in Lakhs)

Non-Current Assets *	As at 31st March, 2023	As at 31st March, 2022
India	82,676.28	82,710.81
Outside India	-	-
	82,676.28	**82,710.81**

**excludes financial assets, deferred tax, current tax assets, post-employment benefit assets and Investment in Subsidiaries, Associate & Joint Venture.*

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

Information about major customers

Total amount of revenues from customers (each exceeding 10% of total revenues of the Group) is ₹ Nil (Previous Year ₹ Nil Lakhs) reported under Iron & Steel segment.

43. Miscellaneous Expenses include de-recognition of financial asset (Trade Receivables/Advances/Loan) on account of irrecoverability, the contractual right to receive cash flow from the financial asset of ₹17.11 Lakhs (Previous Year - ₹22.58 Lakhs).

44. Assets pledged as security

The carrying amounts of assets pledged as security are:

(₹ in Lakhs)

Particulars	Refer Note No.	As at 31st March, 2023	As at 31st March, 2022
For Term Loan			
First Charge			
Equitable Mortgage			
Land	3(a)	961.67	926.80
Factory Building	3(a)	8,352.29	8,782.08
Other Building	3(a)	5,406.85	5,691.13
First Hypothecation			
Plant & Machinery, Vehicle, office equipment and Furniture & Fixtures	3(a)	67,864.24	67,205.55
Capital Work in Progress	3(b)	-	-
Second Charge			
(a) Inventories	8	48,387.78	45,755.66
(b) Financial Assets			
(i) Trade Receivables	9	7,502.85	6,925.95
(ii) Cash and Cash equivalents	10	1,066.59	4,804.64
(iii) Bank Balances other than (ii) above	11	1,468.56	4,720.63
(iv) Other Financial Assets	5(b)	55.53	76.14
(c) Other Current Assets	12	13,622.90	22,136.72
Total Assets Pledged against Term Loan		**1,54,689.26**	**1,67,025.30**
For Cash Credit			
First Charge			
(a) Inventories	8	48,387.78	45,755.66
(b) Financial Assets			
(i) Trade Receivables	9	7,502.85	6,925.95
(ii) Cash and Cash equivalents	10	1,066.59	4,804.64
(iii) Bank Balances other than (ii) above	11	1,468.56	4,720.63
(iv) Other Financial Assets	5(b)	55.53	76.14
(c) Other Current Assets	12	13,622.90	22,136.72
Second Charge			
(a) Property, Plant and Equipment	3(a)	82,585.05	82,605.56
(b) Capital Work in Progress	3(b)	-	-
Total Assets Pledged against Cash Credit		**1,54,689.26**	**1,67,025.30**

45. Group Information

The Consolidated Financial Statements relate to MSP Steel & Power Limited ('the Holding Company'), its subsidiaries & associates and itsjointly controlled entity (collectively referred to as 'Group'). The details are given below :

Name of Company	Place of Incorporation	Relation	Proportion of Interest 2022-2023	Proportion of Interest 2021-2022
Indian Subsidiaries				
MSP Cement Ltd	India	Subsidiary	100%	100%
Prateek Mines & Minerals Private Limited	India	Subsidiary	63.69%	63.69%

Joint Venture

The Holding Company has a 14.54% interest in Madanpur South Coal Company Ltd. (Previous Year - 14.54%)

Associate

The Holding Company has no Associate during the present financial year. It had a 42.75% interest in AA ESS Tradelinks Pvt Ltd in the Previous Year.

46. Disclosure of additional information pertaining to the Parent Company, Subsidiaries, Associate and Joint Venture in respect of Net Assets:

(₹ in Lakhs)

Entity Name	2022-23		2021-22	
	% of Consolidated Assets	Amount	% of Consolidated Assets	Amount
Holding Company				
MSP Steel & Power Limited	99.07	56,495.16	93.84	58,027.63
Indian Subsidiaries				
MSP Cement Limited	0.10	58.07	0.09	58.07
Prateek Mines & Minerals Private Limited	0.11	65.32	0.11	65.32
Joint Venture				
Madanpur South Coal Company Ltd	0.71	406.04	0.16	101.21
Associate				
AA ESS Tradelinks Pvt Ltd	-	-	5.79	3,583.18
Total		**57,024.59**		**61,835.41**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

47. Disclosure of additional information pertaining to the Parent Company, Subsidiaries, Associate and Joint Venture in respect of Share of Profit / (Loss), Other Comprehensive Income (OCI) and Total Comprehensive Income (TCI)

(₹ in Lakhs)

Entity Name	Share of Profit		OCI		TCI	
	As on 31st March 2023	%	As on 31st March 2023	%	As on 31st March 2023	%
Holding Company						
MSP Steel & power Limited	(5,371.34)	106.16	226.24	104.39	(5,145.10)	106.24
Indian Subsidiaries						
MSP Cement Limited	0.26	(0.01)	-	-	0.26	(0.01)
Prateek Mines & Minerals Private Limited	(2.99)	0.06	-	-	(2.99)	0.06
Joint Venture						
Madanpur South Coal Company Ltd.	314.34	(6.21)	(9.51)	(4.39)	304.83	(6.29)
Associate						
AA ESS Tradelinks Pvt Ltd	-	-	-	-	-	-
Total	**(5,059.73)**	**100.00**	**216.73**	**100.00**	**(4,842.99)**	**100.00**

(₹ in Lakhs)

Entity Name	Share of Profit		OCI		TCI	
	As on 31st March 2022	%	As on 31st March 2022	%	As on 31st March 2022	%
Holding Company						
MSP Steel & Power Limited	2,576.21	100.30	62.43	100.00	2,638.64	100.30
Indian Subsidiaries						
MSP Cement Limited	(6.08)	(0.24)		-	(6.08)	(0.23)
Prateek Mines & Minerals Private Limited	(2.34)	(0.09)		-	(2.34)	(0.09)
Joint Venture						
Madanpur South Coal Company Limited	1.50	0.06	-	-	1.50	0.06
Associate						
AA ESS Tradelinks Pvt Limited	(0.87)	(0.03)	-	-	(0.87)	(0.03)
Total	**2,568.42**	**100.00**	**62.43**	**100.00**	**2,630.85**	**100.00**

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

48 Investment in Joint Venture

The Group has a 14.54% interest in Madanpur South Coal Company Ltd (Previous Year - 14.54%). The joint venture is incorporated in India. The Group's interest in joint venture is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the aggregate financial information relating to joint ventures as required by Ind AS

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Current Assets	2,698.46	451.30
Non-Current Assets	101.28	246.94
Current Liabilities	(7.14)	(2.14)
Non-Current Liabilities	-	-
Equity	(2,792.60)	(696.10)
Proportion of Group's Ownership Interest	14.54%	14.54%

(₹ in Lakhs)

Particulars	31st March 20223	31st March 2022
Revenue	2,705.36	91.97
Employee Benefit Expenses	(3.73)	(2.01)
Other Expenses	(6.18)	(102.86)
Profit Before Tax	2,695.45	(12.90)
Income Tax Expense	533.58	-
Profit After Tax	2,161.87	(12.90)
Other Comprehensive Income	(65.38)	28.43
Total Comprehensive Income	2,096.49	15.53
Group's Share of Profit for the year	314.34	(1.88)
Group's Share of Other Comprehensive Income for the year	(9.51)	4.13
Group's Share of Total Comprehensive Income for the year	304.83	2.26

49 Investment in Associate

The Group had a 42.75% interest in AA ESS Tradelinks Pvt Ltd (Previous Year - 42.75%). Pursuant to the NCLT Order dated July 18, 2022, AA ESS Tradelinks Private Limited, has been merged with M.A. Hire Purchase Private Limited alongwith four other companies. The Parent Company had 42.75% interest in AA ESS Tradelinks Private Limited. However, post the merger, the Parent Company's interest in the new merged entity M.A Hire Purchase Private Limited is 19.53%. Hence, the new merged entity ceases to be an associate of the Parent Company. The Parent Company's interest in newly merged entity has been accounted accordingly in Consolidated Financial Statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

The following table illustrates the aggregate financial information relating to associate as required by Ind AS :

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Current Assets	-	157.04
Non-Current Assets	-	13,084.78
Current Liabilities	-	(20.45)
Non-Current Liabilities	-	(4,839.66)
Equity	-	(8,381.71)
Proportion of Group's Ownership Interest	-	42.75%

(₹ in Lakhs)

Particulars	31st March 2023	31st March 2022
Revenue	-	34.80
Purchase of Traded Goods	-	-
Employee Benefit Expenses	-	(2.62)
Finance Expenses	-	(129.12)
Other Expenses	-	(2.15)
Profit Before Tax	-	(99.09)
Income Tax Expense	-	-
Profit After Tax	-	(99.09)
Other Comprehensive Income	-	97.07
Total Comprehensive Income	-	(2.02)
Group's Share of Profit for the year	-	(42.36)
Group's Share of Other Comprehensive Income for the year	-	41.50
Adjustment in Group Co. Networth	-	(0.76)
Group's Share of Total Comprehensive Income for the year	-	(1.63)

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

50. The holding company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

For the Year Ended 31st March, '23

(₹ in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference	Reason For Variance
Consortium of Banks led by State Bank of India	26,000.00	19,164.23	June 30, 2022	28,794.27	40,309.61	(11,515.34)	Note -1
	26,000.00	23,862.26	September 30, 2022	27,434.85	40,061.39	(12,626.54)	
	26,000.00	23,013.77	December 31, 2022	26,305.76	39,921.45	(13,615.69)	
	26,000.00	23,626.34	March 31, 2023	26,162.00	41,832.70	(15,670.70)	

For the Year Ended 31st March, '22

(₹ in Lakhs)

Name of the Bank	Aggregate Working Capital Sanctioned	Amount Outstanding at Quarter End	Quarter Ended	Amount Disclosed as per Quarterly Statement*	Amount as per Books of accounts*	Difference	Reason For Variance
Consortium of Banks led by State Bank of India	26,000.00	24,491.55	June 30, 2021	40,606.68	50,235.99	(9,629.31)	Note -1
	26,000.00	15,995.96	September 30, 2021	35,666.27	40,717.06	(5,050.79)	
	26,000.00	21,547.98	December 31, 2021	37,934.16	48,868.08	(10,933.92)	
	26,000.00	24,146.72	March 31, 2022	36,340.23	46,574.17	(10,233.94)	

Note 1 - Primarily exclusion of the certain advances and provisional valuation of stock at the time of submitting the statement to the bank

*This is computed by considering the following: Inventory + Trade Receivables + Advances Given to suppliers - Trade Payables - Advances Received from customers

51 Other Statutory Information

(a) The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.

(b) The Group has not given any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties.

(c) The Group has not used borrowings for purpose other than specified purpose of the borrowing.

Notes to Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

(d) The Group does not have any Benami property. Further, there are no proceedings initiated or are pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(e) The Group does not have transactions with any struck off companies during the current year and previous year.

(f) The Group has not traded or invested in Crypto currency or Virtual Currency during the current financial year.

(g) 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:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(h) 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:

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(i) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(j) The Group has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(k) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(l) The Group has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.

(m) The Group did not raise any term loans or no new working capital borrowings have been sanctioned the current year. Accordingly, the Group does not have any charges to be filed or satisfaction which is yet to be registered with ROC beyond the statutory period.

52. The previous year's figures have been regrouped, rearranged and reclassified to conform to the classification of the current year, wherever necessary.

53. The financial statements have been approved in Audit Committee meeting held on 30.05.2022 and approved by the Board of Directors on the same day.

As per our report of even date:
For S K Agrawal and Co Chartered Accountants LLP
Firm Registration No.-306033E/E300272
Chartered Accountants

For and behalf of Board of Directors

Suresh Kumar Agrawal
Chairman
DIN - 00587623

Saket Agrawal
Managing Director
DIN - 00129209

J K Choudhury
Partner
Membership No.-009367
Kolkata, 29th May, 2023

Kamal Kumar Jain
Chief Financial Officer

Shreya Kar
Company Secretary
M. No. A41041

NOTICE

Notice is hereby given that the 54th Annual General Meeting ("AGM") of MSP STEEL & POWER LIMITED will be held on Tuesday, 19th day of September 2023 at 12:00 p.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Mr. Suresh Kumar Agrawal (DIN: 00587623) as a Director, who retires by rotation and being eligible, offers himself for re-appointment as a Director of the Company.

SPECIAL BUSINESS:

3. Ratification of Remuneration of Cost Auditor for the financial year ending March 31, 2024:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, the remuneration payable to Mr. Sambhu Banerjee, Cost Accountant, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2024, amounting to Rs. 25,000 (Rupees Twenty-Five Thousand only) (plus Goods and Services Tax and reimbursement of out-of-pocket expenses) be and is hereby ratified."

"**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and is hereby authorized to do all such deeds, acts and things as may be necessary and expedient for the said purpose."

4. To increase the Overall Maximum Managerial Remuneration payable to the Managerial Personnel of the company.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT in accordance with the provisions of section 197, of the Companies Act 2013 as amended by Companies (Amendment) Act, 2017 read with schedule V (Part II and section II) and such other applicable laws framed there under (including any statutory modification(s), re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination & Remuneration Committee, approval of the members of the Company be and is hereby accorded for increasing the overall limit of Managerial Remuneration payable to the Managerial persons of the company for the financial year 2023-2024 beyond specified limits mentioned herein above and computed in the manner laid down in Section 198 of the Companies Act."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

5. To approve amount payable as remuneration to Mr. Suresh Kumar Agrawal (DIN: 00587623), Non-Executive Director for the Financial Year 2022-23

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT pursuant to Regulation 17(6)(ca) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the Company, be and is hereby accorded for payment of remuneration, for the Financial Year 2022-23 to **Mr. Suresh Kumar Agrawal (DIN: 00587623), Non-Executive Director** in excess of fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company for the said Financial Year."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

By order of the Board
For **MSP Steel & Power Limited**

Shreya Kar
Company Secretary & Compliance Officer
ICSI Membership No: ACS 41041

Place: Kolkata
Date: 18th August, 2023

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at *www.mspsteel.com*. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at *www.bseindia.com* and *www.nseindia.com* respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. *www.evoting.nsdl.com*.
7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 16th September 2023 at 09:00 A.M. and ends on 18th September 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 8th September 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 8th September 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. *https://eservices.nsdl.com* either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	2. If you are not registered for IDeAS e-Services, option to register is available at *https://eservices.nsdl.com*. Select "**Register Online for IDeAS Portal**" or click at *https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp*
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: *https://www.evoting.nsdl*.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
	4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website *www.cdslindia.com* and click on login icon & New System Myeasi Tab and then use your existing my easi username & password
	2. After successful login the Easi / E asiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website *www.cdslindia.com* and click on login & New System Myeasi Tab and then click on registration option.
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on *www.cdslindia.com* home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at *evoting@nsdl.co.in* or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at *helpdesk.evoting@cdslindia.com* or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example if your Beneficiary ID is 12************** then your user ID is 12**************.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. **Password details for shareholders other than Individual shareholders are given below:**
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on *www.evoting.nsdl.com*.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on *www.evoting.nsdl.com*.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at *evoting@nsdl.co.in* mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" (EVEN of Company is **125549**) in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" (EVEN of Company is **125549**) of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

   Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to *swati@bajajtodi.in* with a copy marked to *evoting@nsdl.co.in*. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on *www.evoting.nsdl.com* to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of *www.evoting.nsdl.com* or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at *evoting@nsdl.co.in*

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to *company.secretary@mspsteel.com* or *shreya.kar@mspsteel.com*.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to *company.secretary@mspsteel.com* or *shreya.kar@mspsteel.com*. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to *evoting@nsdl.co.*in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for members for e-voting on the day of the EGM/AGM are as under:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for remote e-voting.

Instructions for members for attending the EGM/AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company (EVEN of Company is **125549**) will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at shreya.kar@mspsteel.com latest by 5:00 p.m. (IST) on Tuesday 12h Day of September, 2023.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at at shreya.kar@mspsteel.com latest by 5:00 p.m. (IST) on Tuesday 12h Day of September, 2023. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

By order of the Board
For **MSP Steel & Power Limited**

Shreya Kar
Company Secretary & Compliance Officer
ICSI Membership No: ACS 41041

Place: Kolkata
Date: 18th August, 2023

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Item No. 3

Ratification of Remuneration of Cost Auditor for the financial year ending March 31, 2024:

The Board of Directors of the Company based on the recommendation of the Audit Committee at its meeting held on 18th August, 2023 has considered and approved the appointment of Mr. Sambhu Banerjee, Cost Accountant (Membership No. 9780) as Cost Auditor of the Company to carry on the Cost Audit of the Company for the financial year ending 2023-2024 on a yearly remuneration of Rs. 25,000/- (Twenty-Five thousand only) (excluding applicable taxes & out of pocket expenses) subject to the ratification by the shareholders of the Company.

Pursuant to Section 148(3) and all other applicable provisions, of the Companies Act, 2013 ('the Act") and the Rules made there under the remuneration paid to the Cost Auditor needs to be ratified by the shareholders of the Company. Accordingly, members consent by Ordinary Resolution is sought for the resolution set out in Item No. 3 of the Notice.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item 3.

Your Director recommends the resolution as at Item no 3 for your approval.

Item No. 4

To increase the Overall Maximum Managerial Remuneration payable to the Managerial Persons of the company.

In accordance with the provisions of section 197, of the Companies Act 2013 as amended by Companies (Amendment) Act, 2017 read with schedule V (Part II and section II) the total managerial remuneration payable by the company to its directors, including its Managing Director, Whole-Time Director and Manager shall not exceed eleven percent of the Net – profits of the Company for the Financial Year computed in the manner laid down in section 198.

In accordance with schedule V of the Act, the Company during the financial year 2022-2023 has incurred loss of Rs. 5369.62 Lakhs. On the basis of calculation of the effective Capital of the Company for the financial year 2022-2023 the Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee at its meeting held on 18th August, 2023 recommends to increase the overall limit of Managerial Remuneration payable to the Managerial Persons of the Company for the Financial Year 2023-2024 beyond specified limits under Section 197 and computed in the manner laid down in Section 198 of the Companies Act, 2013.

We are thereby proposing the increase in managerial remuneration for our existing directors-Mr. Suresh Kumar Agrawal (DIN: 00587623), Chairman and Non-Executive Director & Mr. Manish Agrawal (DIN: 00129240) Non-Executive Director and accordingly the Board recommends Special Resolution set out in Item no. 4 for approval of the Members.

Except Mr. Suresh Kumar Agrawal, Mr. Saket Agrawal, son of Mr. Suresh Kumar Agrawal, and Mr. Manish Agrawal, none of the directors and relatives of the director and key managerial personnel of the Company are interested or concerned in the said resolution.

Item No. 5

To approve amount payable as remuneration to Mr. Suresh Kumar Agrawal (DIN: 00587623), Non-Executive Director for the Financial Year 2022-23

As per Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing

Regulations") which has come into force from April 01, 2019 as amended, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

The Board of Directors on recommendation of Nomination and Remuneration Committee at its meeting held on 1st September, 2022 has approved a remuneration of Rs. 55.89 Lakhs (Fifty Five Lakhs Eighty Nine Thousand Only) p.a. payable to Mr. Suresh Kumar Agrawal, (DIN: 00587623) Non-Executive Director of the company, (including, fees, commissions, sitting fees, etc.) payable for meetings attended during the Financial Year 2022-2023.

Mr. Suresh Kumar Agrawal holds a Bachelor Degree in Mechanical Engineering from Jabalpur University. He has 48 years of rich and extensive experience in the Steel Industry which has proved to be very instrumental in guiding the company towards growth and sustainability. His vision has helped the company to achieve high standards of Corporate Governance, innovation, growth oriented projects etc. He has also played a pivotal role in maximizing shareholders value.

The Board deems it appropriate to recognize the contribution of Mr. Suresh Kumar Agrawal towards the company and to fix such compensation as it deems fair.

Except Mr. Suresh Kumar Agrawal and Mr. Saket Agrawal, son of Mr. Suresh Kumar Agrawal, none of the directors and relatives of the director and key managerial personnel of the Company are interested or concerned in the said resolution.

The Board of Directors recommends the Special Resolution as set out in Item No. 5 of the Notice for the approval of the Members.

By order of the Board
For **MSP Steel & Power Limited**

Shreya Kar
Company Secretary & Compliance Officer
ICSI Membership No: ACS 41041

Place: Kolkata
Date: 18th August, 2023

ANNEXURE TO THE EXPLANATORY STATEMENT

Pursuant to regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India (ICSI) details of director seeking appointment/re-appointment at the ensuing annual general meeting have been provided in the table below: -

Particulars	**Item no. 2**
Name of the Director	**Mr. Suresh Kumar Agrawal (liable to retire by rotation)**
DIN	00587623
Date of birth	10/12/1953
Age	69
Nationality	Indian
Date of Appointment on Board	10/08/2004
Shareholding in the Company	141,000 equity shares
Qualification	Bachelor Degree in Mechanical Engineering
Expertise in specific functional area and suitability	He has 48 years of rich and extensive experience in the Steel Industry which has proved to be very instrumental in guiding the company towards growth and sustainability. His vision has helped the company achieve high standards of Corporate Governance, innovation, growth oriented projects etc. He has also played a pivotal role in maximizing shareholders value.
Relationship with other Director & KMP	Father of Mr. Saket Agrawal – Managing Director
No. of Board Meetings attended during F.Y 2022-2023 *	9
Terms of appointment/re-appointment	Proposed to be appointed as Non- Executive Director on remuneration approved by the Board and as agreed. Provided that such appointment shall be liable to retire by rotation
Chairperson/Membership of Committee in other Company (Excluding MSP Steel & Power Ltd)	MSP Sponge Iron Limited - Member of Normination and Remuneration Committee
Remuneration Details (including sitting fees & commission)	Please refer to the 'Report on Corporate Governance which is a part of this Annual Report'
List of Directorship held in other companies (Excluding MSP Steel & Power Ltd)	Howrah Gases Limited MSP Cement Limited MSP Sponge Iron Limited Nairit Tie-Up Pvt Ltd Jaik Leasing And Commercial Investment Limited M.A.Hire Purchase Private Limited

Note

Note

Note