



Ref. No. : EIL/SD/37<sup>th</sup> AR/2023-2024/1707

Date : 17<sup>th</sup> July, 2023

To,  
**General Manager (Listing)**  
**BSE Ltd.**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai – 400 001  
**COMPANY CODE : 526608**

To,  
**Listing Department**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, Bandra – Kurla Complex,  
Bandra (East), Mumbai – 400 051  
**COMPANY CODE : ELECTHERM**

Dear Sir/Madam,

**Sub: Submission of Annual Report for the Financial Year ended on 31<sup>st</sup> March, 2023**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith 37<sup>th</sup> Annual Report for the financial year ended on 31<sup>st</sup> March, 2023 alongwith the notice of 37<sup>th</sup> Annual General Meeting and Statement on Impact of Audit Qualifications, which is being sent to the members through electronic means as per the circulars of the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

You are requested to kindly take the same on your record.

Thanking you,

Yours faithfully,  
**For Electrotherm (India) Limited**

**Jigar Shah**  
**Company Secretary**

Encl: As above

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## **ELECTROTHERM (India) Limited**

HEAD OFFICE & WORKS:  
Survey No. 72, Palodia, (Via Thaltej, Ahmedabad), Gujarat-382115, India.  
Phone: +91-2717-234553 – 7, 660550 Fax: +91-2717-234866  
Email: [ho@electrotherm.com](mailto:ho@electrotherm.com) | Website: [www.electrotherm.com](http://www.electrotherm.com)

REGD. OFFICE:  
A-1, Skylark Apartment, Satellite Road,  
Satellite, Ahmedabad-380015.  
Phone: +91-79-26768844, Fax: +91-79-26768855  
CIN : L29249GJ1986PLC009126  
Email: [sec@electrotherm.com](mailto:sec@electrotherm.com)

**Other Offices:** •Angul•Banglore• Bangladesh • Bellary • Chennai • Coimbatore • Delhi • Ghaziabad • Goa • Hyderabad • Jaipur • Jalna • Jalandhar • Jamnagar • Jamshedpur • Kanpur • Koderma • Kolhapur • Kolkata • Ludhiana • Mandi Gobindgarh • Mumbai • Nagpur • Nasik • Panaji • Pune • Raipur • Raigarh • Rajkot • Rourkela • Sambalpur

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)  
submitted along-with Annual Audited Financial Results**

Statement on Impact of Standalone Audit Qualifications for the Financial Year ended 31 <sup>st</sup> March, 2023 (See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)				
I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Crores)	Audited Figures (as reported after adjusting for qualifications) (Rs. In Crores)
	1.	Turnover / Total Income	3080.74	3080.74
	2.	Total Expenditure	3157.40	3259.67
	3.	Net Profit / (Loss)	(76.66)	(178.93)
	4.	Earnings Per Share	(60.17)	(140.45)
	5.	Total Assets	1709.02	1709.02
	6.	Total Liabilities	2748.43	3417.05
	7.	Net Worth	(1039.41)	(1708.03)
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	
II.	Audit Qualification (each audit qualification separately)			
	a.	Details of Audit Qualification	Non-provision of interest on Non-Performing Assets (NPA) accounts of banks of Rs. 102.27 Crore for the year under consideration and the total amount of such unprovided interest till date is Rs. 668.62 Crore.	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification : Whether appeared first time / repetitive / since how long continuing	Repetitive (Since Financial Year 2011-12)	





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d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's views	The loan accounts of the Company has been classified as Non-Performing Assets (NPA) by the Bankers and some of the bankers has not charged interest on the said accounts and therefore provision for interest has not been made in the books of account. The quantification has been done only for the loans which has not been settled.
e.	For Audit Qualification(s) where the impact is not quantified by the auditor	Not Applicable
	(i) Management's estimation on the impact of audit qualification (ii) If management is unable to estimate the impact, reasons for the same (iii) Auditor's Comments on (i) or (ii) above	Not Applicable
III.	Signatories	
<p>For Hitesh Prakash Shah &amp; Co. Chartered Accountants ICAI Firm Registration No. 127614W</p> <p><i>Hitesh P. Shah</i></p> <p>CA Hitesh P. Shah Partner Membership No. 124095</p> 		<p>For Electrotherm (India) Limited</p> <p><i>Shailish Bhandari</i></p> <p>Mr. Shailish Bhandari Managing Director</p>  <p><i>Chirag Shah</i></p> <p>Mr. Chirag Shah Chief Financial Officer</p> <p><i>Pratap Mohan</i></p> <p>Mr. Pratap Mohan Chairman – Audit Committee</p>

Place : Ahmedabad  
Date: 27<sup>th</sup> May, 2023

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**Statement on Impact of Audit Qualifications (for audit report with modified opinion)  
submitted along-with Annual Audited Financial Results**

Statement on Impact of Consolidated Audit Qualifications for the Financial Year ended 31 <sup>st</sup> March, 2023 (See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)				
I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Crores)	Audited Figures (as reported after adjusting for qualifications) (Rs. In Crores)
	1.	Turnover / Total Income	3080.74	3080.74
	2.	Total Expenditure	3092.56	3214.67
	3.	Net Profit / (Loss)	(11.82)	(133.93)
	4.	Earnings Per Share	(9.28)	(105.13)
	5.	Total Assets	1752.14	1752.14
	6.	Total Liabilities	2848.35	3653.15
	7.	Net Worth	(1096.21)	(1901.01)
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	
II.	Audit Qualification (each audit qualification separately)			
	a.	Details of Audit Qualification	Non-provision of interest on Non-Performing Assets (NPA) accounts of banks of Rs. 122.11 Crore for the year under consideration and the total amount of such unprovided interest till date is Rs. 804.80 Crore.	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification : Whether appeared first time / repetitive / since how long continuing	Repetitive (Since Financial Year 2011-12)	





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d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's views	The loan accounts of the Company and its two subsidiaries <i>i.e.</i> Hans Ispat Limited and Shree Ram Electro Cast Limited has been classified as Non-Performing Assets (NPA) by the Bankers and some of the Bankers has not charged interest on the said accounts and therefore provision for interest has not been made in the books of account. The quantification has been done only for the loans which has not been settled.
e.	For Audit Qualification(s) where the impact is not quantified by the auditor	Not Applicable
	(i) Management's estimation on the impact of audit qualification (ii) If management is unable to estimate the impact, reasons for the same (iii) Auditor's Comments on (i) or (ii) above	Not Applicable
III.	Signatories	
<p><b>For Hitesh Prakash Shah &amp; Co.</b> Chartered Accountants ICAI Firm Registration No. 127614W</p> <p><i>Hitesh P. Shah</i></p> <p>CA Hitesh P. Shah Partner Membership No. 124095</p> 		<p><b>For Electrotherm (India) Limited</b></p> <p><i>[Signature]</i></p> <p>Mr. Shailesh Bhandari Managing Director</p> <p><i>[Signature]</i></p> <p>Mr. Chirag Shah Chief Financial Officer</p>  <p><i>[Signature]</i></p> <p>Mr. Pratap Mohan Chairman – Audit Committee</p>

Place : Ahmedabad  
Date: 27<sup>th</sup> May, 2023

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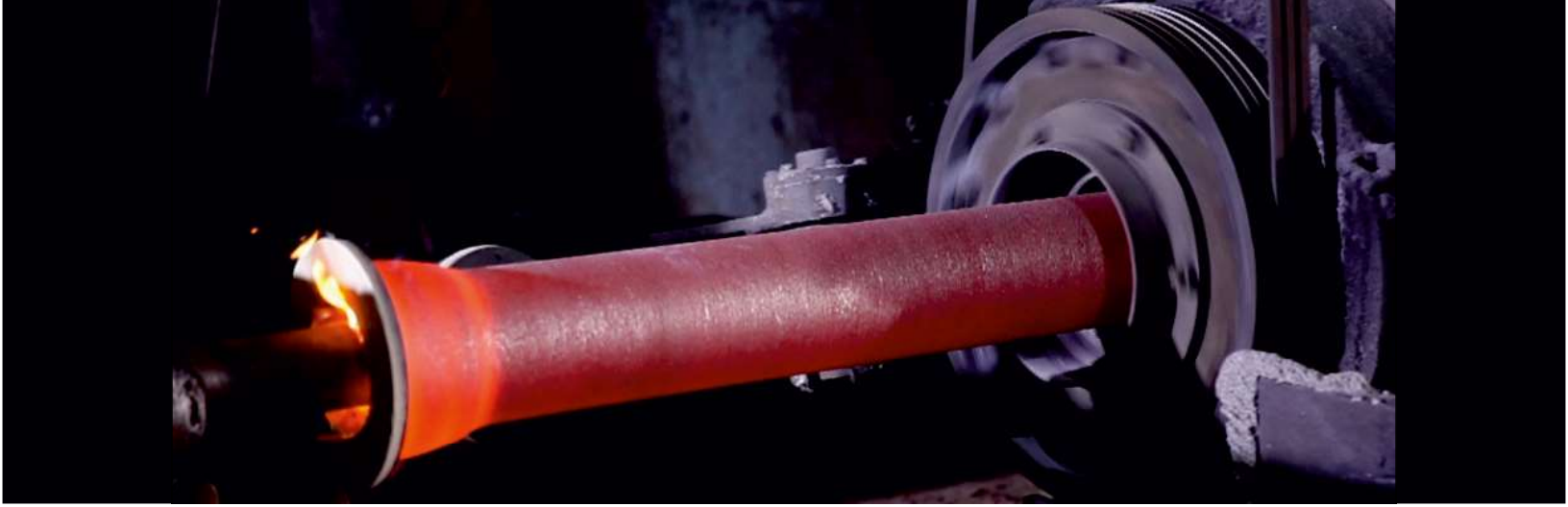
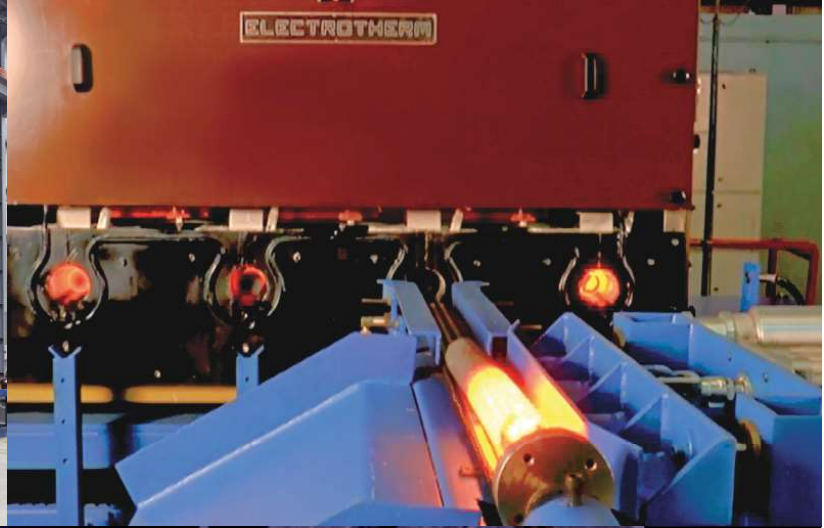
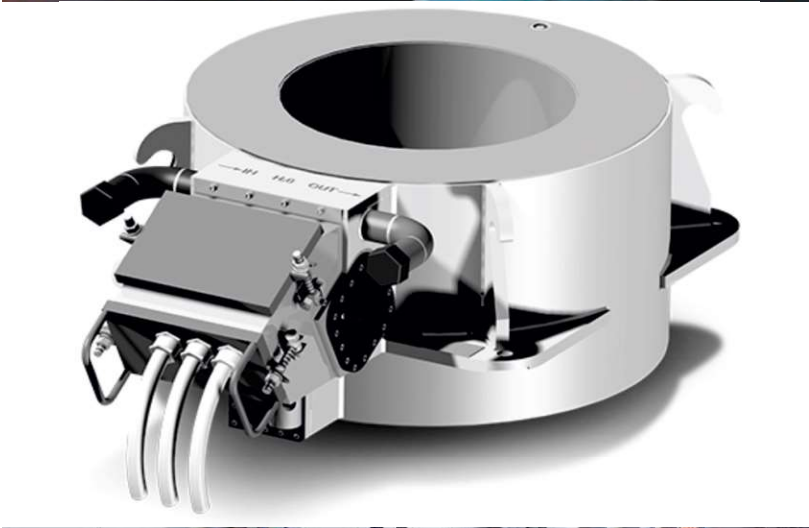
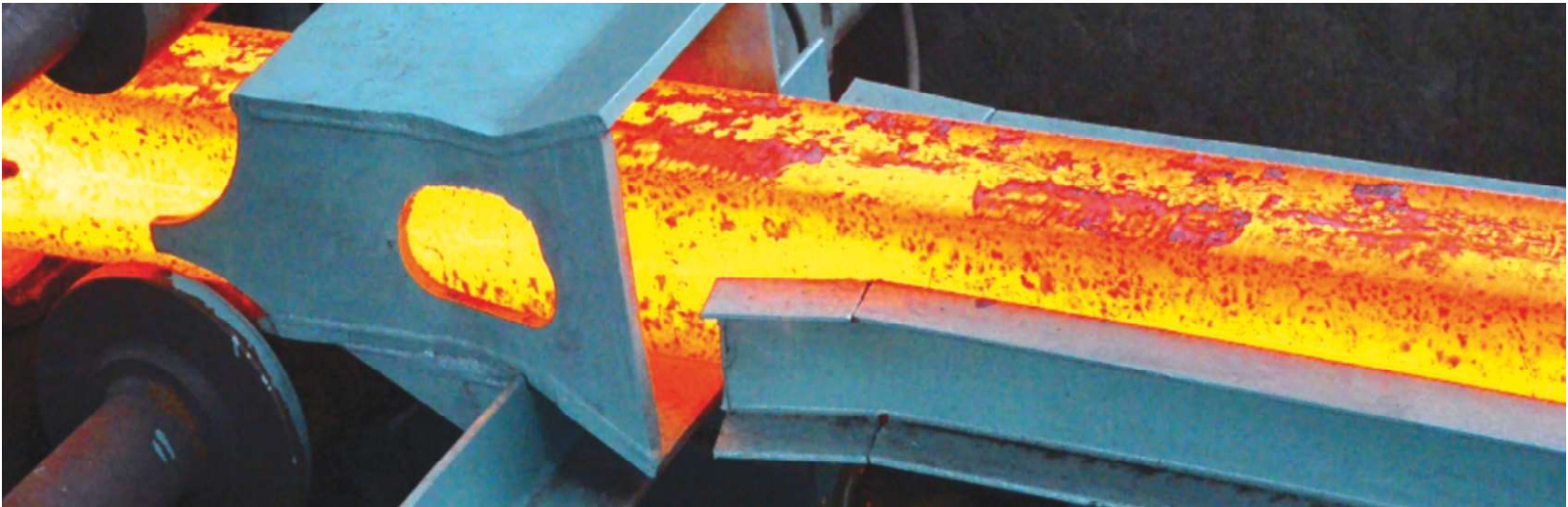
# 37<sup>th</sup> ANNUAL REPORT 2022-23



**ELECTROTHERM<sup>®</sup>**

[www.electrotherm.com](http://www.electrotherm.com)





## CORPORATE INFORMATION

### Board of Directors

Mr. Dinesh Mukati	Non-Executive Chairman & Independent Director
Mr. Shailesh Bhandari	Managing Director
Mr. Suraj Bhandari	Whole-time Director
Mr. Mukesh Bhandari	Non-Executive Director
Mr. Pratap Mohan	Independent Director
Ms. Nivedita R. Sarda	Independent Director

### Key Managerial Personnel

Mr. Jigar Shah	Company Secretary (w.e.f. 2 <sup>nd</sup> August, 2022)
Mr. Chirag Shah	Chief Financial Officer (w.e.f. 24 <sup>th</sup> May, 2023)

### Auditors

Hitesh Prakash Shah & Co.	Statutory Auditor
Bharat Prajapati & Co.	Secretarial Auditor
V. H. Savaliya & Associates	Cost Auditor

### Banks / Financial Institutions

Edelweiss Asset Reconstruction Company Limited  
 Invent Assets Securitisation & Reconstruction Pvt. Ltd.  
 Rare Asset Reconstruction Ltd.  
 Union Bank of India  
 Central Bank of India

### Registered Office

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 Satellite Road, Satellite,  
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 Website: www.electrotherm.com  
 Phone: +91-79 - 26768844  
 Fax: +91-79 - 26768855

### Registrar & Transfer Agent

Link Intime India Private Limited  
 5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre-I,  
 Beside Gala Business Centre, Nr. St. Xavier's College Corner,  
 Off. C G Road, Navrangpura, Ahmedabad - 380 009  
 Tel No. & Fax No. : +91-79-2646 5179  
 Email : ahmedabad@linkintime.co.in  
 Website: www.linkintime.co.in

### Engineering & Technologies Division

Survey No. 72,  
 Village: Palodia, Taluka: Kalol,  
 Dist: Gandhinagar – 382115, Gujarat

### Special Steel Division & Electric Vehicle Division

Survey No. 325, N. H. No. 8A,  
 Near Toll Naka,  
 Village: Samakhiyali,  
 Taluka: Bhachau,  
 Dist: Kutch – 370 140 Gujarat

### Transmission Line Tower Division

Village: Juni Jithardi  
 Tal: Karjan,  
 Dist: Vadodara, Gujarat

Read Inside	
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28	Management Discussion and Analysis Report
32	Report on Corporate Governance
47	Standalone Financial Statements
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## NOTICE

**NOTICE** is hereby given that the **37<sup>th</sup> Annual General Meeting** of Members of **Electrotherm (India) Limited** will be held on **Wednesday, 9<sup>th</sup> August, 2023 at 11.00 a.m.** through Video Conferencing / Other Audio Visual Means (VC/OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt audited standalone and consolidated financial statements of the Company for the financial year ended on 31<sup>st</sup> March, 2023 together with report of Board of Directors and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Shailesh Bhandari (DIN: 00058866), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **To ratify the remuneration of the Cost Auditor for the financial year ending on 31<sup>st</sup> March, 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 the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration, decided by the Board of Directors on the recommendation of the Audit Committee, of Rs. 2,00,000 (Rupees Two Lakhs Only) to M/s V. H. Savaliya & Associates, Cost Accountants (Membership No.13867) for conducting the audit of cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2024."

4. **To re-appoint Ms. Nivedita R. Sarda (DIN: 00938666) as an Independent Director of the Company for second term of 5 (five) years:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Ms. Nivedita R. Sarda (DIN: 00938666), who was appointed as an Independent Director up to 24<sup>th</sup> May, 2023 and who is eligible for re-appointment and who meets the criteria of independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company

has received a notice in writing under Section 160(1) of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for second term of 5 (five) consecutive years with effect from 25<sup>th</sup> May, 2023 till 24<sup>th</sup> May, 2028 on the Board of the Company."

**By Order of the Board  
For Electrotherm (India) Limited**

**Jigar Shah  
Company Secretary**

### Registered Office:

A-1, Skylark Apartment, Satellite Road,  
Satellite, Ahmedabad – 380 015  
Date: 27<sup>th</sup> May, 2023  
Place: Ahmedabad

### NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("**MCA**") has vide its circular nos. 14/2020 and 17/2020 dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020, respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19" and circular nos. 20/2020, 02/2021, 19/2021, 21/2021, 02/2022 and 10/2022 dated 5<sup>th</sup> May, 2020, 13<sup>th</sup> January, 2021, 8<sup>th</sup> December, 2021, 14<sup>th</sup> December, 2021, 5<sup>th</sup> May, 2022 and 28<sup>th</sup> December, 2022 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)" (collectively referred to as "**MCA Circulars**") permitted the Companies whose AGMs are due in the year 2023, to conduct their AGMs on or before 30<sup>th</sup> September, 2023 through VC / OAVM, without the physical presence of the members at a common venue and also provided relaxation from dispatching of physical copies of Notice of AGM and financial statements for the year 2022-2023 and considering the above MCA Circulars, Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5<sup>th</sup> January, 2023 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" ("**SEBI Circular**") provided relaxation up to 30<sup>th</sup> September, 2023, from Regulation 36(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") which requires sending hard copy of the Annual Report containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 ('Act') to the shareholders who have not registered their email addresses. In compliance with the MCA Circulars and SEBI Circular, the 37<sup>th</sup> AGM of the Company is being conducted through VC/OAVM, which does not require physical presence of Members at a common venue. Hence, members can attend and participate in the 37<sup>th</sup> AGM through VC/OAVM only.

## NOTICE

2. Pursuant to the above mentioned MCA Circulars and SEBI Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.
3. A body corporate intending to send their authorized representative(s) to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of resolution of the Board of Directors or other governing body authorizing such representative(s) to attend and vote on their behalf at the Meeting.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Members can join the 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 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 AGM without restriction on account of first come first served basis.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to special business in respect of Item No. 3 and 4 of the Notice to be transacted at the AGM is annexed hereto.
7. Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 with respect to Director seeking appointment / re-appointment at the Annual General Meeting is attached hereto.
8. Relevant documents referred to in the accompanying Notice and the statement pursuant to section 102(1) of the Companies Act, 2013 and also the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements will be available electronically for inspection by the members without any fees from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [sec@electrotherm.com](mailto:sec@electrotherm.com)
9. There is no money lying to unpaid / unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government.
10. In terms of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, Company has uploaded the data regarding unpaid/unclaimed dividend for the last seven years on the website of the Company [www.electrotherm.com](http://www.electrotherm.com) as well as website of the Investor Education and Protection Fund Authority, Ministry of Corporate Affairs (MCA) [www.iepf.gov.in](http://www.iepf.gov.in).
11. In compliance with the above mentioned MCA Circulars and SEBI Circular, Notice of the 37<sup>th</sup> AGM, Annual Report and instruction for e-voting are being sent to the members through electronic mode whose email addresses are registered with the Company/Depository Participant(s). The copy of Notice of 37<sup>th</sup> AGM and Annual Report will also be available on the website of (i) the Company at [www.electrotherm.com](http://www.electrotherm.com) (ii) the BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited (NSE) at [www.nseindia.com](http://www.nseindia.com) and (iii) Central Depository Services (India) Limited (CDSL) at [www.evotingindia.com](http://www.evotingindia.com).
12. In compliance with the provisions Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and above mentioned MCA Circulars, the members are provided with the facility to cast their vote by electronic means through the remote e-voting or through e-voting on the date of AGM, by using the platform provided by CDSL and the business may be transacted through such voting. The process for electronically voting is mentioned herein below.
13. The Voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on cut-off date i.e. Wednesday, 2<sup>nd</sup> August, 2023.
14. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.
15. Mr. Arvind Gaudana, Senior Partner or failing him Mr. Bhavya Gaudana, Partner of M/s Gaudana & Gaudana, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the electronically voting (remote e-voting or voting at AGM through electronically) process in a fair and transparent manner.
16. The Scrutinizer's decision on the validity of the vote shall be final.
17. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such vote cast through remote e-voting shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM through VC/OAVM, however such Member shall not be allowed to vote again during the AGM.
18. After completion of the scrutiny of the e-voting, the Scrutinizer will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the AGM or a person authorised by the Chairman, not later than three days from the conclusion of the AGM. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

**NOTICE**

19. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.electrotherm.com](http://www.electrotherm.com). The Company shall simultaneously forward the result to BSE, NSE and CDSL.
20. The Resolutions shall be deemed to be passed on the date of the AGM conducted through VC/OAVM, subject to receipt of the requisite number of votes in favour of the Resolutions.
21. The AGM will be held through VC/OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
22. Process for those shareholders whose email/mobile no. are not registered with the company/depositories :
  - (a) For Physical shareholders - please provide necessary details like 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/RTA email id.
  - (b) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
  - (c) For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
23. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate share certificate; renewal/ exchange of share certificate; endorsement; sub-division/splitting of share certificate; consolidation of share certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the forms which are available on the website of RTA i.e. Link Intime India Private Limited at [www.linkintime.co.in](http://www.linkintime.co.in). It may be noted that any service request can be processed only after the folio is KYC Compliant.
24. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form only.
25. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their depository participants. Members holding shares in physical form are requested to submit their PAN details to the Company's RTA.
26. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of RTA i.e. Link Intime India Private Limited at [www.linkintime.co.in](http://www.linkintime.co.in). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

**PROCESS AND MANNER FOR VOTING BY ELECTRONIC MEANS (E-VOTING):**

The instructions for members for remote e-voting and e-voting during the AGM and joining the meeting through VC/OAVM are as under:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to "E-voting facility provided by Listed Entities" and Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business as set forth in the accompanying Notice of AGM to be transacted at the 37<sup>th</sup> AGM and facility for those Members participating in the 37<sup>th</sup> AGM through VC/OAVM to cast vote through e-Voting during the 37<sup>th</sup> AGM through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be Wednesday, 2<sup>nd</sup> August, 2023. Please note that members can opt for only one mode of voting i.e. either by e-voting at the meeting or remote e-voting. If Members opt for remote e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again.

The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com)

**(A) The instructions for members for voting electronically:-**

- (i) The remote e-voting period begins on Sunday, 6<sup>th</sup> August, 2023 (9.00 a.m. IST) and ends on Tuesday, 8<sup>th</sup> August, 2023 (5.00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 2<sup>nd</sup> August, 2023, may cast their vote electronically. The e-voting shall not be allowed beyond the said time and date and e-voting module shall be disabled by CDSL for voting thereafter.



**NOTICE**

- (ii) A person who is not a Member as on the cut-off date should treat this Notice of 37<sup>th</sup> AGM for information purpose only.
- (iii) The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting through VC/OAVM but shall not be entitled to cast their vote again.
- (iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and Regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:- Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (v) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding shares 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in Demat mode with CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest 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 &amp; 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.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>

**NOTICE**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website 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. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cslindia.com">helpdesk.evoting@cslindia.com</a> or contact at toll free no.: 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2:- Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(vi) Login method for e-Voting and joining virtual meeting for shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - (a) For CDSL: 16 digits beneficiary ID
  - (b) For NSDL: 8 character DP ID followed by 8 digits Client ID
  - (c) Members holding shares in physical form should enter folio number registered with the Company.
- 4) Next enter the Image verification as displayed and click on Login.

**NOTICE**

- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- 6) If you are a first time user, follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for ‘ELECTROTHERM (INDIA) LIMITED’.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.

- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- (xvi) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xviii) Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only :
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the depository account(s)/folio numbers on which they wish to vote.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of Non-Individual Shareholders / Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. [sec@electrotherm.com](mailto:sec@electrotherm.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.



## NOTICE

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
  3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
  4. Shareholders are encouraged to join the meeting through Laptops / IPads for better experience.
  5. Further shareholders will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
  6. 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.
  7. Shareholders who would like to get any information on the accounts or operations of the Company or express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at sec@electrotherm.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sec@electrotherm.com. These queries will be replied to by the company suitably by email.
  8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
  9. Only those shareholders, who are present in the 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 available during the AGM.
  10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 225533
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:****ITEM NO. 3:**

The Board of Directors of the Company at their adjourned Meeting held on 27<sup>th</sup> May, 2023 in continuation of Meeting held on 24<sup>th</sup> May, 2023, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. V. H. Savaliya & Associates, Cost Accountants (Membership No.13867), Ahmedabad, to conduct the audit of the cost accounting records of the Company for the financial year ending on 31<sup>st</sup> March, 2024 at a remuneration of Rs.2,00,000/- (Rupees Two Lacs Only).

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for approving the Ordinary Resolution as set out in Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending on 31<sup>st</sup> March, 2024.

The resolution as set out in Item no. 3 of this Notice is accordingly recommended for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

**ITEM NO. 4:**

Ms. Nivedita R. Sarda (DIN: 00938666) was appointed as an Independent Director on the Board of the Company as per recommendation of the Nomination and Remuneration Committee Meeting held on 25<sup>th</sup> May, 2018 and approved by the Board of Directors at their meeting held on 25<sup>th</sup> May, 2018. Further the shareholders at the 32<sup>nd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2018 approved her appointment for a first term of 5 (five) years from 25<sup>th</sup> May, 2018 up to 24<sup>th</sup> May, 2023 ("first term") in line with the explanation to Section 149(10) and 149(11) of the Act.

The Board of Directors at its meeting held on 24<sup>th</sup> May, 2023, taking into account the recommendation of the Nomination and Remuneration Committee and based on the skills, experience, knowledge and report of her performance evaluation, approved the re-appointment of Ms. Nivedita R. Sarda (DIN: 00938666) as an Independent Director of the Company not liable to retire by rotation, for a "second term" of 5 (five) years from 25<sup>th</sup> May, 2023 up to 24<sup>th</sup> May, 2028. Her re-appointment is subject to the approval of the Shareholders at the 37<sup>th</sup> AGM by passing a Special Resolution.

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

Section 149 of the Act and provisions of SEBI Listing Regulations inter alia prescribe that an Independent Director of a company shall meet the criteria of independence as provided therein. The Company has received declaration from Ms. Nivedita R. Sarda (DIN: 00938666) that she meet with the criteria of independence as prescribed both under Section 149(6) of the Act and under the SEBI Listing Regulations.

In the opinion of the Board, Ms. Nivedita R. Sarda (DIN: 00938666) fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and SEBI Listing Regulations for her re-appointment as an Independent Director of the Company and is independent of the management. In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director.

Ms. Nivedita R. Sarda (DIN: 00938666) is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and in terms of SEBI Circular dated 20<sup>th</sup> June, 2018, she is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

The Board considers that her continued association would be benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Ms. Nivedita R. Sarda (DIN: 00938666) as an Independent Director. Accordingly, the Board recommends the resolution for the approval by the shareholders in relation to re-appointment of Ms. Nivedita R. Sarda (DIN: 00938666) as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years from 25<sup>th</sup> May, 2023 up to 24<sup>th</sup> May, 2028 on the Board of the Company.

Details of Director, whose re-appointment as Independent Director is proposed at Item No. 4, is provided in the "Annexure" to the Notice pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Save and except, Ms. Nivedita R. Sarda (DIN: 00938666) and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.4.

This statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations. The Board with majority recommends the Special Resolution set out at Item No.4 of the Notice for approval by the members.

**By Order of the Board  
For Electrotherm (India) Limited**

**Jigar Shah  
Company Secretary**

**Registered Office:**

A-1, Skylark Apartment, Satellite Road,  
Satellite, Ahmedabad – 380 015  
Date: 27<sup>th</sup> May, 2023  
Place: Ahmedabad

**ANNEXURE TO THE NOTICE**
**INFORMATION REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 WITH RESPECT TO THE APPOINTMENT / RE-APPOINTMENT OF A DIRECTOR**

Name of Director	Mr. Shailesh Bhandari	Ms. Nivedita R. Sarda
Director Identification Number (DIN)	00058866	00938666
Age	01/07/1958 (65 years)	18/06/1977 (46 years)
Date of First Appointment on the Board	27/06/1989	25/05/2018
Qualification	B.Sc. (Economics)	B.Com, PGDBA, CTM, FCA, LL.M
Experience / Expertise in functional areas (skill and capabilities required for the role and the manner in which the proposed person meets such requirement)	<p>He is associated with the Company since its inception as its Director and he had contributed immensely to the growth of the business of the Company. His areas of responsibility are marketing and international business. He had developed a strong bond with national and international customers and gives highest priority to customer's satisfaction. He had immensely contributed in designing and developing metallurgical equipment as import substitute. He closely supervises the marketing, banking &amp; financial activities and government relationships of the Company. He was instrumental in revival of operations of the Company after the Company has incurred heavy losses since 2012. During these difficult times, he has initiated various cost effective measures by building relationship with suppliers for longer credit period, effective working capital utilization and advance from customers, and control of manpower cost by effective utilization etc. Thereafter, there was turnaround of operations and the financial results have improved substantially.</p> <p>Due to his business acumen and foresight, the Company was able to arrive at settlement at appropriate time with various lenders at sustainable level. The Company had entered into settlement terms with 18 out of 19 lenders / ARC / financial institutions including full repayment of settlement amounts to 6 (six) banks / financial institutions. During June 2022, due to his continuous and persistent approach, the Company was able to arrive at settlement with Central Bank of India at appropriate time and come out of the clutches of the proposed Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016. Under his able leadership and guidance, the Company is hopeful to arrive at settlement with remaining one lender also. He had maintained cordial relationship with all the lenders, asset reconstruction companies, financial institutions and all the stakeholders for long term sustainability. Mr. Shailesh Bhandari has led the marketing initiatives at Electrotherm over the last more than 35 years. He has been primarily responsible for building and sustaining a very strong and large customer base for various products of the Company. Due to his persistent approach towards brand identity, the Company was successful to penetrate the products of the Company at national and international level including recognition with various government organizations.</p>	<p>She is Chartered Accountant, Certified Treasury Manager and Corporate Lawyer. By profession, she is Advocate. She has an experience of over 24 years gained from prestigious law firms in India and financial institutions. She is the founder Partner of Vedanta Law Chambers. She acts as legal mentor, advisor, solicitor, project sponsors &amp; coordinator to various government and private entities on business structuring &amp; restructuring, takeovers, joint ventures, business establishments, amalgamations, international trade finance, corporate finance and securities and also involved in advising and working for different companies incorporated in US, Singapore, Germany, Saudi Arabia etc. on certain aspects of its International structured investments, setups trade and regulatory compliance. She has been speaker in national conferences and seminars and at various industry forums on state and national level.</p>



**ANNEXURE TO THE NOTICE**

Name of Director	Mr. Shailesh Bhandari	Ms. Nivedita R. Sarda
<b>Terms and conditions of appointment / re-appointment</b>	He retires by rotation at 37 <sup>th</sup> AGM and being eligible offers himself for re-appointment. Further he was lastly re-appointed as a Managing Director for a further period of three years commencing from 1 <sup>st</sup> February, 2023 and concluding on 31 <sup>st</sup> January, 2026 through Postal Ballot	Re-appointment as an Independent Director for a second term of 5 (five) years, not liable to retire by rotation.
<b>Remuneration sought to be paid and the remuneration last drawn</b>	No Remuneration has been paid during last year. The remuneration proposed by the Board of Directors is Rs.2,00,000/- per month subject to the approval of Bank and Financial Institution.	Rs.3,00,000/- paid as sitting fees for the year ended on 31.03.2023. She will be entitled for sitting fees for attending Board / Committee Meetings.
<b>No. of Shares held in the Company</b>	8,48,275 Equity Shares	NIL
<b>Relationship with other Directors, Manager and other KMP</b>	He is father of Mr. Suraj Bhandari, Whole-time Director and brother of Mr. Mukesh Bhandari, Non-Executive Director	N.A.
<b>Number of Meetings of the Board held and attended during the year</b>	6/6	4/6
<b>Directorships held in other public companies (excluding foreign companies and Section 8 companies)</b>	1. Electrotherm Engineering & Projects Limited 2. Hans Ispat Limited 3. Electrotherm Services Limited 4. Shree Ram Electro Cast Limited 5. Western India Speciality Hospital Limited 6. E-Motion Power Limited	NIL
<b>Memberships/ Chairmanships of committees of other public companies (excluding foreign companies and Section 8 companies)</b>	None	None

## BOARDS' REPORT

To,  
The Members  
**Electrotherm (India) Limited**

Your Directors have pleasure in presenting the 37<sup>th</sup> Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2023.

### FINANCIAL SUMMARY OR HIGHLIGHTS:

The standalone financial performance of the Company for the year ended on 31<sup>st</sup> March, 2023 is summarized below:

(Rs. In Crores)

Particulars	2022-2023	2021-2022
Total Income	3080.74	2834.04
Total Expenses	2939.50	2734.90
<b>Profit / (Loss) before Finance Costs, Depreciation and Amortisation</b>	<b>141.24</b>	<b>99.14</b>
Less : Finance Costs	66.07	45.35
Depreciation and Amortisation Expenses	47.08	85.78
Profit / (Loss) before Exceptional Items and Tax	28.09	(31.99)
Less : Exceptional Items	(104.75)	(22.33)
<b>Profit / (Loss) before Tax</b>	<b>(76.66)</b>	<b>(54.32)</b>
Less: Tax Expenses	-	-
<b>Profit / (Loss) for the Year</b>	<b>(76.66)</b>	<b>(54.32)</b>
Other Comprehensive Income	(2.03)	0.39
<b>Total Comprehensive Income</b>	<b>(78.69)</b>	<b>(53.93)</b>
Earning Per Equity Share	(60.17)	(42.64)

### STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS:

The Company is engaged in the business of manufacturing induction furnaces, TMT Bars, Ductile Iron Pipes (DI Pipes), Electric Vehicles, Transformers etc.

During the year ended on 31<sup>st</sup> March, 2023 the total income of the Company was Rs.3080.74 Crores compared to Rs. 2834.04 Crores of previous financial year. The Profit before Finance Costs, Depreciation and Amortisation was Rs. 141.24 Crores as compared to Rs. 99.14 Crores of previous financial year. The net loss for the current financial year was Rs. 76.66 Crores as compared to loss of Rs. 54.32 Crores of previous financial year. A detailed analysis of performance for the year is included in the Management Discussion and Analysis, which forms part of this Annual Report.

### CHANGE IN NATURE OF BUSINESS:

During the financial year, there was no change in the nature of business carried out by the Company.

### TRANSFER TO RESERVES:

During the financial year under review, no amount has been transferred to the General Reserve.

### DIVIDEND:

In view of losses incurred during the current financial year and accumulated losses of the previous financial years, the Board of Directors of the Company do not recommend any dividend on Equity Shares and on Preference Shares for the year ended on 31<sup>st</sup> March, 2023.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION AFTER THE END OF FINANCIAL YEAR:

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements of the Company for the financial year 2022-2023 are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards ("Ind AS") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which form part of this Annual Report.

### SUBSIDIARY / JOINT VENTURE COMPANIES:

The Company has the following subsidiaries / joint venture companies as on 31<sup>st</sup> March, 2023:

1. Hans Ispat Limited
2. Electrotherm Services Limited
3. Shree Ram Electro Cast Limited
4. ET Elec-Trans Limited
5. Jinhua Indus Enterprises Limited
6. Jinhua Jahari Enterprises Limited (Step-down Subsidiary Company)
7. Bhaskarpara Coal Company Limited (Joint Venture Company)

**BOARDS' REPORT**

Pursuant to section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statement including the highlights of the performance of the subsidiary / joint venture companies in Form AOC-1 is attached as “Annexure – A” to this Report.

Pursuant to section 136 of the Companies Act, 2013, the financial statements of the company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries / joint venture companies, are available on the website of the company <https://www.electrotherm.com/investors/annual-reports>.

During the financial year 2022-2023, none of the companies have become or ceased to be subsidiaries, joint ventures or associate companies.

**NUMBER OF BOARD MEETINGS:**

During the financial year 2022-2023, six (6) Board Meetings were held. Details of the composition of the Board and its Committees and of the meetings held, attendance of the Directors at such meetings and other relevant details are provided in the Corporate Governance Report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**❖ **Retirement by Rotation**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mr. Shailesh Bhandari (DIN: 00058866), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

❖ **Appointment/ Cessation of Directors:**

During the financial year, Mr. Dinesh Mukati (DIN: 07909551) and Mr. Pratap Mohan (DIN: 03536057) were re-appointed as Independent Directors of the Company, for the second term of 5 (five) years from 5<sup>th</sup> September, 2022 upto 4<sup>th</sup> September, 2027 as per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their meeting held on 2<sup>nd</sup> August, 2022 respectively. The shareholders have approved their re-appointment at the 36<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> August, 2022.

Ms. Nivedita R. Sarda (DIN: 00938666) was appointed as an Independent Director on the Board of the Company as per recommendation of the Nomination and Remuneration Committee Meeting held on 25<sup>th</sup> May, 2018 and approved by the Board of Directors at their meeting held on 25<sup>th</sup> May, 2018. Further the shareholders at the 32<sup>nd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2018 approved her appointment for a first term of 5 (five) years from 25<sup>th</sup> May, 2018 up to 24<sup>th</sup> May, 2023 (“first term”) in line with the explanation to Section 149(10) and 149(11) of the Act. The Board taking into account the recommendation of the Nomination and Remuneration

Committee and on the basis of performance evaluation of Independent Director, has recommended the re-appointment of Ms. Nivedita R. Sarda (DIN: 00938666) as an Independent Director of the Company, for the second term of 5 (five) years from 25<sup>th</sup> May, 2023 upto 24<sup>th</sup> May, 2028, subject to approval of members in general meeting. A brief profile of Ms. Nivedita R. Sarda (DIN: 00938666), is given in the notice convening the 37<sup>th</sup> AGM, for the reference of the Shareholders.

❖ **Key Managerial Personnel:**

Mr. Shailesh Bhandari (DIN: 00058866) is the Managing Director and Mr. Suraj Bhandari (DIN: 07296523) is the Whole-time Director of the Company.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee at their respective meetings held on 2<sup>nd</sup> August, 2022, re-appointed Mr. Suraj Bhandari (DIN: 07296523) as a Whole-time Director for a period of three years, commencing from 13<sup>th</sup> November, 2022 and concluding on 12<sup>th</sup> November, 2025, which was approved by the shareholders at the 36<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> August, 2022.

Further the Board of Directors based on the recommendation of the Nomination and Remuneration Committee at their respective meetings held on 30<sup>th</sup> January, 2023, re-appointed Mr. Shailesh Bhandari (DIN: 00058855) as a Managing Director for a period of three years, commencing from 1<sup>st</sup> February, 2023 and concluding on 31<sup>st</sup> January, 2026, which was approved by the shareholders through Postal Ballot on 28<sup>th</sup> March, 2023.

During the financial year 2022-2023, Mr. Jigar Shah was appointed as a Company Secretary & Compliance Officer of the Company with effect from 2<sup>nd</sup> August, 2022. Further Mr. Chirag Shah was appointed as a Chief Financial Officer with effect from 24<sup>th</sup> May, 2023.

Except above, there was no change in the Key Managerial Personnel during the year under review.

❖ **Declaration of Independence**

The Company has received declaration of Independence as stipulated under section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations from all Independent Directors confirming that they meet the criteria of independence and not disqualified from appointment / continuing as an Independent Director and they have complied with the code of conduct for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. Further, pursuant to Companies (Creation and Maintenance of databank of Independent Directors) Rules 2019, Independent Directors registered their name in the Independent Director's Databank.

❖ **Annual Evaluation of Board's Performance**

In terms of the provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies



## BOARDS' REPORT

(Accounts) Rules, 2014 and Listing Regulations, the Nomination and Remuneration Committee has carried out the annual evaluation of performance of the Board and its Committees and the Board of Directors has carried out the annual evaluation of the performance of individual directors. The manner in which the evaluation was carried out is provided in the Corporate Governance Report, which is part of this Annual Report.

### ❖ Nomination and Remuneration Policy

The Board of Directors of the Company has, on the recommendation of Nomination and Remuneration Committee, framed and adopted a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The salient aspects of the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Annual Report. The said policy is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>

### PARTICULARS OF INVESTMENT, LOAN AND GUARANTEE:

Particulars of investment made, loan and guarantee given as covered under the Section 186 of the Companies Act, 2013, has been provided in the Note No. 5, 6 & 30 of the notes to the financial statements which form part of this Annual Report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee. The Board of Directors on the recommendation of Corporate Social Responsibility (CSR) Committee had approved the Corporate Social Responsibility Policy. The CSR Policy is available on the website of the company at <https://www.electrotherm.com/investors/codes-and-policies>. The composition and terms of reference of the CSR Committee are detailed in the enclosed Corporate Governance Report.

The Annual Report on CSR Activities during the financial year 2022-2023 forming part of this Board's Report is annexed herewith as "Annexure –B" to this report.

### RELATED PARTY TRANSACTIONS:

The Company has entered into related party transactions on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on the Company's website at <https://www.electrotherm.com/investors/codes-and-policies>.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. The details of transaction with related parties for the financial year ended on 31<sup>st</sup> March, 2023 is given in Note No. 42 of the financial statements which is part of this Annual Report of the Company.

### FIXED DEPOSIT:

During the financial year 2022-2023, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further there are no outstanding deposits as on 31<sup>st</sup> March, 2023.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors state that :

- in the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit or loss of the company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- the Directors had prepared the Annual Accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS AND AUDITORS' REPORT:

#### ⇒ STATUTORY AUDITOR:

Pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Hitesh Prakash Shah & Co., Chartered Accountants (Firm Registration No. 127614W), Ahmedabad, were appointed as Statutory Auditors of the Company at the 36<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> August, 2022 for a second term of five (5) years beginning from the conclusion of the 36<sup>th</sup> Annual General Meeting till the conclusion of the 41<sup>st</sup> Annual General Meeting to be held in the year 2027.

## BOARDS' REPORT

**Auditors' Report:**

In the Independent Auditors' Report for the year ended on 31<sup>st</sup> March, 2023, there are certain matters of emphasis related to (a) Note No 8 (d) in respect of pending appeal filed against order of DRT, Ahmedabad filed for sale of property of the Wholly owned subsidiary M/s Hans Ispat Limited and provision of expected credit losses / provision for doubtful debt on the balances outstanding of the said subsidiary and impairment in value of investment (b) Note No 15(c) in respect of non-payment of major Installments due to lenders of the loan for the period from June 30, 2020 to March 31, 2023 and major of the Interest due for the period from September 30, 2020 till March 31, 2023 and the lenders are yet to confirm the revised repayment schedule (c) Note No 15(f) related to default in complying with the terms and conditions of settlement entered with the Banks / ARCs (other than Central Bank of India) and the uncertainty about the amount of final liability. The impact of the settlement of Central Bank of India, will be given on the compliance of all the terms and conditions of the agreement (d) Note No 32(a)(ix) and 40 in respect of pending enquiries/ notices/summons/litigation and recovery proceedings against the company and the Directors of the Company (e) Note No 36 in respect of defaults & recovery proceedings against the company and for the treatment in the books of account of the assignment / settlements of debts of various banks and the financial institutions (f) Note No 36(a)(vi)(f) related to petition filed under section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against the Company by Edelweiss Asset Reconstruction Company Limited (g) Note No 36(a)(vi) (g) related to statutory demand notice issued by Edelweiss Asset Reconstruction Company Limited under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI") read with Security Interest (Enforcement) Rules, 2002 to discharge the liabilities (h) Note No 38(b) & (e) in respect of confirmation / reconciliation / regrouping and classification of few accounts of "Trade Receivables", "Trade Payable", "Advance from Customers", Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties" and the amount of inventories as are taken by the management.

The relevant Notes to accounts related to these matters of emphasis are self-explanatory.

With regard to the qualification in the Independent Auditors' Report in reference to Note No. 37(b) of non-provision of interest on NPA accounts of banks, on approximate basis of Rs. 102.27 Crores, for the year under consideration and total amount of such unprovided interest till date is Rs. 668.62 Crores, the Board of Directors submits that the loan account of the Company have been classified as Non-Performing Assets (NPA) by the said Bank / ARC and the Bank / ARC has not charged interest on the said account and therefore provision for interest has not been made in the books of accounts.

**⇒ Cost Auditor:**

Pursuant to the consent and certificate received from M/s V. H. Savaliya & Associates, Cost Accountants, Ahmedabad and as per Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has on the recommendation of the Audit Committee appointed him as Cost Auditor, to conduct the cost audit of the Company for the financial year ending on 31<sup>st</sup> March, 2024, at a remuneration as mentioned in the notice convening the Annual General Meeting, subject to ratification of the remuneration by the Members of the Company.

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is applicable to the Company and accordingly such accounts and records are made and maintained by the Company.

**⇒ Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (LODR) Regulations 2015, the Company has appointed M/s. Bharat Prajapati & Co., Company Secretary in Practice to conduct the Secretarial Audit of the Company. The Secretarial Audit Report in Form No. MR-3 is annexed herewith as "**Annexure – C**" to this report.

With regard to qualifications of the Secretarial Auditor, the Board of Directors submits as under:

- (a) With regard to non-appointment of Company Secretary, the Company was in process to identify the suitable candidate for the said post and appointed Mr. Jigar Shah as a Company Secretary & Compliance Officer with effect from 2<sup>nd</sup> August, 2022.
- (b) With regard to non-appointment of Chief Financial Officer, the Company was in process to identify the suitable candidate for the said post and appointed Mr. Chirag Shah as a Chief Financial Officer with effect from 24<sup>th</sup> May, 2023.
- (c) With regard to delay in approval of Cost Audit Report for the financial year ended on 31<sup>st</sup> March, 2022 within the due date of 30<sup>th</sup> September, 2022, it is submitted that the same was approved by the Board of Directors on 14<sup>th</sup> November, 2022 and the Company will ensure to approve the same within the due date now onwards.
- (d) With regard to non-submission of disclosures of defaults on payment of interest/ repayment of principal amount on loans from banks / financial institutions for the period from 1<sup>st</sup> April, 2022 till 31<sup>st</sup> March, 2023, due to the legal implications under various laws for acknowledgement of liability of default, the same was not submitted by the Company. However, the Company will evaluate the same in due course, as may be legally advised.

## BOARDS' REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in "Annexure - D" which forms part of this Annual Report.

### PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees are given in "Annexure - E" to this Annual Report.

### AUDIT COMMITTEE:

The composition, terms of the reference and number of meetings & attendance at the Audit Committee held during the financial year is covered in the enclosed Corporate Governance Report.

As on 31<sup>st</sup> March, 2023, the Audit Committee consists of (i) Mr. Pratap Mohan, Independent Director as Chairman (ii) Mr. Dinesh Mukati, Independent Director as Member and (iii) Ms. Nivedita R. Sarda, Independent Director as Member.

### RISK MANAGEMENT POLICY:

The Risk Management covers the various criteria for identification of key risk, action plans to mitigate those risks, review and reporting of identified risks on periodical basis etc.

In the opinion of the Board of the Directors of the Company, there are elements of risks in the nature of various legal cases including for recovery of dues, attachment of certain properties and petition under section 7 of the Insolvency and Bankruptcy Code filed by financial creditor which may threaten the existence of the Company.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

Presently, there are certain significant and material orders passed by the regulator / court / tribunal which may impact the Company and its operations in future as mentioned in Note No. 36 & 40 of the standalone financial statements which is part of this Annual Report.

### CORPORATE GOVERNANCE:

In compliance with the provisions of Listing Regulations, a separate report on Corporate Governance along with a certificate from a Practicing Company Secretary regarding the status of compliance of conditions of corporate governance forms a part of this Annual Report.

### WHISTLE BLOWER POLICY/VIGIL MECHANISM:

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly the Board of Directors has formulated Whistle Blower Policy/Vigil Mechanism in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details of the Whistle Blower Policy/Vigil Mechanism

are explained in the Corporate Governance Report. The Whistle Blower Policy/Vigil Mechanism is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulation 34(2)(e) read with Part B of Schedule V of the Listing Regulations, Management Discussion and Analysis Report is annexed after the Boards' Report and form a part of this Annual Report.

### EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the Annual Return as on 31<sup>st</sup> March, 2023 is available on the website of the Company at <https://www.electrotherm.com/investors/annual-reports>.

### DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has put in place adequate internal financial controls with reference to the financial statements. During the financial year, such internal financial controls were operating effectively and it is commensurate with the size, scale and complexity of the Company and the nature of business of the Company.

### SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and during the financial year, the Company has not received any complaints under the said Act.

### OTHER DISCLOSURES:

- During the financial year 2022-2023, there was no change in authorized share capital, subscribed and paid-up share capital of the Company. Also, there was no reclassification/sub-division in authorized share capital of the Company.
- There was no reduction of share capital or buy back of shares or change in capital resulting from restructuring.
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- The Company has not issued sweat equity shares to its directors or employees.
- The Company does not have any Employees Stock Option Scheme for its Employees/Directors.
- During the financial year 2022-2023, the Company has not made allotment of any securities and as such, the requirement for obtaining credit rating was not applicable to the company.

**BOARDS' REPORT**

- g) There is no money lying to unpaid / unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government.
- h) The Auditors has not reported any frauds under sub-section (12) of Section 143 of the Companies Act, 2013.
- i) The details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or financial institutions along with the reasons thereof is not applicable, as there was no valuation done at the time of one time settlement with Bank / financial institutions.
- j) There are certain pending petitions before the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad and inspection / investigation by Ministry of Corporate Affairs as mentioned in Note No. 40 of the standalone financial statements which is part of this Annual Report.

**APPRECIATION:**

Your Directors wish to place on record their appreciation for the valuable co-operation and support received from the customers and suppliers, various financial institutions, banks, government authorities, auditors and shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company.

**For and on behalf of the Board of Directors  
Electrotherm (India) Limited**

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2023

**Shailesh Bhandari**  
Managing Director  
(DIN : 00058866)

**Suraj Bhandari**  
Whole-time Director  
(DIN: 07296523)



**ANNEXURE TO THE BOARDS' REPORT**

**ANNEXURE - A**  
**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 statements of subsidiaries / associate companies / joint ventures**  
**PART A: SUBSIDIARIES**

(₹ in Crores)

Sr. No	Name of Subsidiary	Date since when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	Extent of shareholding [in percentage]
1	Jinhua Indus Enterprises Limited	11/04/2007	31/12/2022	RMB	2.06	(2.87)	1.03	1.85	0.62	-	0.00	-	(0.00)	-	100.00
2	Jinhua Jahari Enterprises Limited #	26/06/2007	31/12/2022	RMB	0.54	1.58	3.09	0.97	-	0.02	0.00	-	0.00	-	-
3	ET Elec-Trans Limited	27/11/2008	31/03/2023	INR	0.90	(1.49)	0.00	0.59	-	-	(0.00)	-	(0.00)	-	80.49
4	Hans Ispat Limited	01/06/2010	31/03/2022	INR	36.42	(155.41)	42.79	161.78	-	0.02	(3.38)	-	(3.38)	-	100.00
5	Electrotherm Services Limited	01/06/2010	31/03/2023	INR	0.35	(4.22)	0.32	4.19	-	0.02	(0.02)	-	(0.02)	-	100.00
6	Shree Ram Electro Cast Limited	20/05/2010	31/03/2023	INR	8.19	(36.48)	1.36	29.64	0.01	-	(0.01)	-	(0.01)	-	100.00*

Exchange Rate as on 31/03/2023 1 RMB = Rs. 11.964

1. Jinhua Indus Enterprises Limited, ET Elec-Trans Limited and Shree Ram Electro Cast Limited has not carried out any business activities during the financial year.
  2. No Company which have been liquidated or sold during the year.
- # 100% holding by Jinhua Indus Enterprises Limited  
\* 5% shares of Shree Ram Electro Cast Limited are held by Electrotherm Services Limited, Subsidiary Company

**ANNEXURE TO THE BOARDS' REPORT****PART B: Associates and Joint Ventures****Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in Crores)

Name of Joint Ventures	Bhaskarpara Coal Company Limited
1. Latest audited Balance Sheet Date	31/03/2023
2. Date on which the Joint Venture was associated or acquired	21/11/2008
3. Shares of Joint Ventures held by the Company on the year ended	
- No. of Shares	90,45,127 Equity Shares of ₹ 10 each
- Amount of Investment in Joint Venture	₹ 9.04
- Extend of Holding%	52.63%
4. Description of how there is significant influence	The Company is holding more than 20% of the total share capital
5. Reason why the Joint Venture is not consolidated	Not Applicable
6. Networth attributable to Shareholding as per latest audited balance sheet	₹ 6.99
7. Profit / (Loss) for the year	0.02
(i) Considered in Consolidation	0.01
(ii) Not Considered in Consolidation	0.01

- Bhaskarpara Coal Company Limited is yet to commence operations.
- No Company which have been liquidated or sold during the year

**For and on behalf of the Board of Directors  
Electrotherm (India) Limited**

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2023

**Shailesh Bhandari**  
Managing Director  
(DIN : 00058866)

**Suraj Bhandari**  
Whole-time Director  
(DIN: 07296523)

**ANNEXURE TO THE BOARDS' REPORT**
**ANNEXURE – 'B'**
**Annual Report on Corporate Social Responsibility (CSR) Activities for financial Year 2022-23**
**1. Brief outline on CSR Policy of the Company:**

The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

As per the CSR Policy, the CSR activities to be undertaken by the Company are as specified in Schedule VII of the Companies Act, 2013, which inter alia, includes promoting education, eradicating hunger, disaster management, empowering women, animal welfare, preventive health care etc.

**2. Composition of CSR Committee:**

Sr. 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. Shailesh Bhandari	Chairman (Managing Director)	3	3
2.	Mr. Dinesh Mukati	Member (Non-Executive & Independent Director)	3	3
3.	Mr. Pratap Mohan	Member (Non-Executive & Independent Director)	3	3

**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: [www.electrotherm.com](http://www.electrotherm.com).**
**4. Provide the Executive summary alongwith weblink(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : As the average CSR obligation of the Company during the financial year is less than ten crore rupees, impact assessment of CSR projects is not applicable. .**

- a. Average net profit of the company as per section 135(5): ₹ 18.36 Crore
- b. Two percent of average net profit of the company as per section 135(5): ₹ 0.37 Crore
- c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- d. Amount required to be set off for the financial year; if any: Nil
- e. Total CSR obligation for the financial year (5b+5c-5d): ₹ 0.37 Crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than ongoing project) : ₹ 0.37 Crore
- (b) Annual spent in Administration Overheads : Nil
- (c) Amount spent in Impact assessment, if applicable : Nil
- (d) Total amount spent in the financial year (a)+(b)+(c) : ₹ 0.37 Crore

**(e) CSR amount spent or unspent for the financial year;**

Total Amount Spent for the Financial Year (in ₹ crores)	Amount Unspent (in ₹ Crores)				
	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
0.37	-	-		--	

## ANNEXURE TO THE BOARDS' REPORT

## (f) Excess amount for set-off if any:

Sr. no.	Particulars	Amount (Rs. In Crore)
(i)	Two percent of average net profit of the company as per sub section 5 of section 135	0.37
(ii)	Total amount spent for the financial year	0.37
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arise out of CSR Project or Programme or Activities of the Previous Financial years, if any.	-
(v)	Amount available for set-off for the succeeding financial years [(iii)-(iv)]	-

## 7 Details of unspent Corporate Social Responsibility amount spent for the preceding three financial years;

(1)	(2)	(3)	(4)	(5)	(6)		(6)	(7)
Sr. No.	Preceding financial years	Amount transferred to Unspent CSR account under sub-section 6 of section 135 (in Rs. Crores)	Balance amount in Unspent CSR account under sub-section 6 of section 135 (in Rs. Crores)	Amount spent in the financial year (in Rs. Crores)	Amount transferred to a fund as specified under schedule VII as per second proviso to sub section 5 section 135 if any		Amount remaining to be spend in the succeeding financial years (in Rs. Crores)	Deficiency if any
					Amt. (Rs. Crores)	Date of Transfer		
1.	2019-20	-	-	-	-	-	-	-
2.	2020-21	-	-	-	-	-	-	-
3.	2021-22	1.38	1.29	0.09	-	-	1.29	-

8. Whether any capital assets have been created or acquired through corporate Social Responsibility amount spent in the financial year: No
9. Specify the reason(s) if the company has failed to spend two percent of the average net profit as per sub section (5) of Section 135: Not applicable

For and on behalf of the Board of Directors  
of Electrotherm (India) Limited

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2023

Dinesh Mukati  
Chairman  
(DIN: 07909551)

Shailesh Bhandari  
Managing Director &  
Chairman-CSR Committee  
(DIN: 00058866)



**ANNEXURE TO THE BOARDS' REPORT**
**ANNEXURE – C  
FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> 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,  
**Electrotherm (India) Limited**  
A-1, Skylark Apartment,  
Satellite Road, Satellite,  
Ahmedabad – 380015

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Electrotherm (India) Limited (CIN L29249GJ1986PLC009126)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2023** ('Audit Period') 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Electrotherm (India) Limited for the financial year ended on 31<sup>st</sup> 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 and amendment thereof;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the amendment thereof;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- (vi) Following laws specifically applicable to the Company:-
  1. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder;
  2. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975;
  3. Environment Protection Act, 1986 and the rules, notifications issued thereunder;
  4. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
  5. Motor Vehicles Act, 1988 to the extent of product certification before production and from time to time primarily in respect of vehicles manufactured by the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the "SEBI (LODR) Regulations, 2015"].

**ANNEXURE TO THE BOARDS' REPORT**

I further report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, *except followings:*

- (i) *The Company has not appointed Company Secretary (CS) as a Compliance officer of the Company for the period from 1<sup>st</sup> August, 2021 till 1<sup>st</sup> August, 2022 which is required to be appointed under the provisions of section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6(1) of the SEBI (LODR) Regulations, 2015. NSE & BSE has imposed total fine of Rs. 4,31,880/- for the quarter ended on 31<sup>st</sup> March 2022, 30<sup>th</sup> June 2022 and 30<sup>th</sup> September 2022. The Company has paid the said fines.*
- (i) *The Company has not appointed Chief Financial Officer (CFO) for the period from 12<sup>th</sup> March, 2021 till 31<sup>st</sup> March, 2023 which is required to be appointed under the provisions of section 203 of the Companies Act, 2013 read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*
- (ii) *The Cost Audit Report for the financial year ended on 31<sup>st</sup> March, 2022 was not approved by Board of Directors within the due date of 30<sup>th</sup> September, 2022 as per Section 148 of the Companies Act, 2013 read with Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014.*
- (iii) *The Company has not made/submitted the disclosures of defaults on payment of interest/ repayment of principal amount on loans from banks / financial institutions, under SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21<sup>st</sup> November, 2019, for the period from 01<sup>st</sup> April, 2022 till 31<sup>st</sup> March, 2023 during the period under review.*

**I further report that**

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.

Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were usually sent 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I 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 compliances with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, there was no specific events/actions having major bearing on the Company's affairs except the following:

- (a) Mr. Siddharth Bhandari, one of the Promoter group and erstwhile Whole-time Director and Dr. Rakesh Bhandari, one of the Promoter group of the Company ("Petitioners") has filed two separate petitions (CP No. 93 / 2018 and CP No. 94 / 2018) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 149, 150, 152, 159 and 176 of the Companies Act, 2013 inter alia, for declaring the appointment of four independent directors as null and void from their respective dates of appointment being violative of provisions of section 149 and 150 and other related provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014. All the parties have filed their reply / rejoinder. In the Interlocutory Applications filed by Petitioners, the Hon'ble NCLT has inter alia, passed various orders related to certain agenda of Board Meetings, joint signatory in bank accounts, policy decisions affecting smooth running of company as a going concern etc. The Company and Mr. Shailesh Bhandari challenged the order dated May 4, 2021 before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") and the Hon'ble NCLAT has stayed the further Board Meetings of the Company by order dated May 24, 2021 and stayed the joint signatory by order dated June 17, 2021. Thereafter, the Hon'ble NCLAT has upheld the order dated May 4, 2021 and disposed of the appeals with certain directions on January 28, 2022. The Company and Mr. Shailesh Bhandari has challenged the said order dated January 28, 2022 before the Hon'ble Supreme Court of India and the Hon'ble Supreme Court of India by order dated February 25, 2022 continued the stay order on joint signatory dated June 17, 2021 passed by Hon'ble NCLAT. The Hon'ble Supreme Court of India dismissed the appeals by order dated October 11, 2022. Thereafter, the CP No. 93 / 2018 and CP No. 94 / 2018 was heard by the Hon'ble NCLT, Ahmedabad and the said petitions were disposed off on January 11, 2023 as not maintainable and vacated all interim orders. The Petitioners have challenged the order dated January 11, 2023 before the Hon'ble NCLAT and the appeals are pending before the Hon'ble NCLAT for hearing.
- (b) Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director, Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter group and Dr. Rakesh Bhandari, Promoter group of the Company ("Petitioners") has filed petition (CP No. 38 / 2019) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 against the Company, Mr. Shailesh Bhandari & Others inter alia, for removal of Mr. Shailesh Bhandari from the Board and investigation into the ownership of shares by some of the shareholders. The petition was pending before the Hon'ble NCLT for admission as well as on maintainability. Petitioners has filed interim application seeking waiver of the mandatory requirement of section 244(1) (a) of the Companies Act, 2013 and the Hon'ble NCLT vide order dated April 8, 2021, rejected the said interim application of waiver. Some of the Respondents have filed Interlocutory Applications for their discharge and the same were pending for hearing. The Petitioners have filed appeal before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") against the order dated April 8, 2021 passed by Hon'ble NCLT, however the same was withdrawn on September 27, 2021. The financial

**ANNEXURE TO THE BOARDS' REPORT**

implication of this petition was not ascertainable at that point of time. Thereafter, the Hon'ble NCLT, Ahmedabad by order dated November 15, 2022 disposed of the CP No. 38 / 2019 alongwith all Interlocutory Applications.

- (c) Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter group, Dr. Rakesh Bhandari, Promoter group and Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director of the Company has filed a petition (CP No. 89 / 2019) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 222 of the Companies Act, 2013 against the Company and three shareholders for suspension of their voting rights and non-participation in voting at the 33<sup>rd</sup> Annual General Meeting of the Company and for maintaining the existing status of Petitioner No. 1 Mr. Siddharth Bhandari. The Hon'ble NCLT vide order dated September 27, 2019 allowed the Company to go ahead with the 33<sup>rd</sup> Annual General Meeting and e-voting process, however, the agenda Item No. 2 of the AGM shall be subject to final outcome of the petition. The petition is pending for further hearing.
- (d) Mr. Siddharth Bhandari, Mr. Mukesh Bhandari and Dr. Rakesh Bhandari ("Petitioners") has filed a petition (CP No. 5/2022) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 and other issues against the Company, Mr. Shailesh Bhandari & Others. The Hon'ble NCLT has issued notice to respondents and directed to file reply on interim relief and maintainability. The Company has filed its reply on interim relief and maintainability. The petition is pending for further hearing.

During the pendency of this petition, the Petitioners have filed an Interlocutory Application No. 55 / 2022 in CP No. 5/ 2022 to restrain the Company from holding Board Meeting dated August 2, 2022 and stay some of the agenda items. The Hon'ble NCLT, Ahmedabad has by order dated August 24, 2022 rejected the application as misconceived and not maintainable. The Petitioners have challenged the order dated August 24, 2022 before the Hon'ble NCLAT and the Hon'ble NCLAT by order dated November 29, 2022 dismissed the appeal. The Petitioners have challenged the order dated November 29, 2022 before the Hon'ble Supreme Court of India and the civil appeal is pending for hearing before the Hon'ble Supreme Court of India.

- (e) Ministry of Corporate Affairs, Office of the Regional Director, North-Western Region, Ahmedabad has in October, 2018 initiated inspection of books of accounts and other records under section 206(5) of the Companies Act, 2013. Thereafter, the Regional Director has issued letter for violations / irregularities of the Companies Act, 1956 / 2013 and the Company has replied to the same. Based on the same, the Registrar of Companies, Gujarat has issued letter for violations of the provisions of the Companies Act, 2013 and initiated prosecution against some of the directors / officers of the Company. Some of the directors / officer have challenged the said prosecution before the Hon'ble Gujarat High Court under section 463 of the Companies Act, 2013 and the said petition is pending for hearing before the Hon'ble Gujarat High Court.

Further the office of Regional Director vide letter / order dated 24<sup>th</sup> December, 2019 informed the Company about investigation into the affairs of the Company under section 210(1)(c) of the Companies Act, 2013. Thereafter, the Company was directed to furnish documents / information and the Company has challenged the said investigation before the Hon'ble Gujarat High Court. As the petition was rejected by the Hon'ble Gujarat High Court, the Company has challenged the same before division bench by filing Letters Patent Appeal and the division bench of the Hon'ble Gujarat High Court has passed order for continuation of investigation and that if the report recommends closure of the proceedings, no further orders may be necessary, however, if the report recommends some coercive measures to be taken, then the Central Government or the competent authority may not take any such decision without leave of the Court. The Letters Patent Appeal is pending awaiting the appropriate report of investigation under Section 210 of the Companies Act, 2013.

**FOR, BHARAT PRAJAPATI & CO.**  
COMPANY SECRETARIES

**BHARAT PRAJAPATI**  
PROPRIETOR  
F.C.S. NO. : 9416  
C. P. NO. : 10788

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2023

Peer Review Cert. No. : 2367/2022  
UDIN : F009416E000365442

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**ANNEXURE TO THE BOARDS' REPORT****'ANNEXURE A'**

To  
The Members,  
**Electrotherm (India) Limited**  
A-1, Skylark Apartment,  
Satellite Road, Satellite,  
Ahmedabad – 380015

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records and procedures followed by the Company with respect to secretarial Compliance.
2. I have followed the audit practices and processes 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the applicable laws such as direct and indirect tax laws and maintenance of financial records and books of account have not been review in this audit since the same have been subject to review by the statutory financial auditor, tax auditors and other designated Professionals.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures 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, BHARAT PRAJAPATI & CO.**  
COMPANY SECRETARIES

**BHARAT PRAJAPATI**  
PROPRIETOR  
F.C.S. NO. : 9416  
C. P. NO. : 10788

Peer Review Cert. No. : 2367/2022  
UDIN : F009416E000365442

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2023



**ANNEXURE TO THE BOARDS' REPORT****ANNEXURE – D**

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014**

**A. CONSERVATION OF ENERGY:**

During the last few years, the Company has taken various steps for conversion of energy and using alternate sources of energy by making capital investment on energy conservation equipments, which are as under:

**(i) Steps taken or impact on conservation of energy**

- Use of various equipment like LED light, VFD for energy saving and for reduction in power and energy consumption
- Primary air nozzle modification to improve combustion in Boiler Furnace
- Condenser chemical cleaning to reduce the exhaust temperature
- Implementation of auto coal feeding system
- Installation of belt conveyer feeding system for elimination of bed material feeding

**(ii) The Steps taken for utilizing alternate sources of energy**

- Whenever feasible and appropriate, Steel division is using wind energy as alternate sources of energy.

**(iii) Capital investment on energy conservation equipment's:**

In order to reduce the consumption of coal and electricity, the Company has installed various energy conservation equipments in Steel Division plants / processes.

**B. TECHNOLOGY ABSORPTION:****(i) The efforts made towards technology absorption**

- Installation of scrap shearing machine and billet shearing machine

**(ii) Benefits derived like product improvement, cost reduction, product development, import substitution etc.**

- Elimination of loss by installation of scrap shearing machine and billet shearing machine
- Increase in productivity

**(iii) Imported Technology : None****(iv) Expenditure incurred on Research and Development : NIL****C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

1. Foreign exchange Earning : Rs. 254.49 Crores
2. Foreign Exchange Out Go : Rs. 95.11 Crores

**For and on behalf of the Board of Directors  
Electrotherm (India) Limited**

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2023

**Shailesh Bhandari**  
Managing Director  
(DIN : 00058866)

**Suraj Bhandari**  
Whole-time Director  
(DIN: 07296523)

## ANNEXURE TO THE BOARDS' REPORT

## ANNEXURE – E

## PARTICULARS OF EMPLOYEES

Disclosures as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- 1 Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & Key Managerial Personnel (KMP) in the Financial Year :

Sr. No.	Name of Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration to employees	Percentage increase in Remuneration during FY 2022-2023
1	Mr. Dinesh Mukati *	Non-Executive Chairman & Independent Director	0.83	Nil
2	Mr. Shailesh Bhandari	Managing Director	Nil	
3	Mr. Suraj Bhandari	Whole-time Director	Nil	
4	Mr. Mukesh Bhandari	Non-Executive Director	Nil	
5	Mr. Pratap Mohan *	Independent Director	0.83	
6	Ms. Nivedita Sarda *	Independent Director	0.66	
7	Mr. Jigar Shah #	Company Secretary	Not Applicable	

\* Reflects sitting fees.

# Mr. Jigar Shah was appointed as a Company Secretary with effect from 2<sup>nd</sup> August, 2022.

- The percentage increase in the median remuneration of employees in the financial year was 5.23%
- There were 2108 permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2023.
- The average annual increase in the salaries of the employees, other than managerial personnel was 15.74 % whereas there was no increase/decrease in remuneration to the managerial personnel i.e., Managing Director and Whole Time Director.
- The company affirms that the remuneration is as per the remuneration policy of the Company.
- The further information required pursuant to Section 134(3)(q) and 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms a part of this report. However, as per the provisions of Sections 134 and 136 of the Act, this report is being sent excluding the information on particulars of employees, which are available for inspection by the members. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors  
Electrotherm (India) Limited

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2023

Shailesh Bhandari  
Managing Director  
(DIN : 00058866)

Suraj Bhandari  
Whole-time Director  
(DIN : 07296523)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE & DEVELOPMENTS

The Management's perspective on performance of the Company for financial year 2022-23 is given in this report, should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Annual Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

Electrotherm (India) Limited a leading engineering company, known for providing best steel melting equipment globally. The company also has significant presence in steel sector for TMT Bar and DI Pipe industry in India. Electrotherm (India) Limited is maiden manufacturer and one of the known brands in battery-operated electric vehicles. The Company executes EPC projects and supplies engineering equipment in more than 71 countries around the world. The Company is a leading engineering company in India and one of the strongest steel brands in Gujarat with a proven track record of operational excellence, cost efficiency, and high-quality products.

#### A. ENGINEERING & TECHNOLOGIES DIVISION:

Electrotherm is one of the world's most efficient steel melting equipment manufacturer and it is the only manufacturer of induction melting furnace and refining equipment in the world who has its own integrated steel plant. This division has commissioned over 6500 installations operating in more than 71 countries around the world. The company undertakes execution of turnkey projects and have executed many turnkey projects in various parts of the world. Each year Electrotherm products delivers innovative solutions towards energy efficient melting equipment to scale new heights in the global engineering industry.

The core strengths of the company are its continuous emphasis on R&D, customized designs & solutions and excellent services. With continued investments in innovation and technology, we focus on providing differentiated products and solutions that address the evolving needs of our customers and reducing energy consumption. The Research and Development department of Electrotherm ENT Division is recognized by the Ministry of Science and Technology, Government of India. Our global network of service professionals minimizes the risk of equipment failures and unscheduled repairs. Electrotherm has always focused on improving the customer processes which enables them to lower operational expenditure. We help customers in increasing plant performance and reducing conversion costs to support the quick and proper selection of feasible improvement measures.

In financial year 2022-23, Engineering & Technologies Division has achieved the highest ever sales as well as crossed the milestone of operational margins.

#### B. SPECIAL STEEL DIVISION:

At Electrotherm, our vision for special steel division is to build a civilization that stands tall and a civilization of structures that lasts through time and become landmarks. The environment friendly steel is key contributor in strengthening India's infrastructure while also playing a key role in its green transition and journey towards self-reliance. The steel unit of the company was established in 2005 and since then the journey of efforts continued to provide better products with operational excellence with its versatility and infinite recyclability of internal products to make our processes more environment friendly.

Electrotherm is one of the establishments which has fully integrated facilities for Epoxy coated TMT Bars which increases life of the infrastructure substantially. The company also supplies Cut & Bend TMT Bars which reduces material & labour wastage and making it safer at sight during the construction work and after. The steel operations are revived from Dec – 2022, the first half witnessed losses in the division due to high raw material costs, especially coking coal and energy, aggravated by supply chain bottlenecks. Hike in interest rates by major banks to rein in runaway inflation dampened steel demand, leading to softening steel prices. However, from Dec – 2022 the company could revive its operation at 60% with gradual improvement in each month.

India's steel consumption is expected to grow by 7.5% during the fiscal year Mar-2024, as per the Indian Steel Association (ISA) steel demand is expected to be 128.9 million tonnes during financial year 2023-24, up from 119.9 million tonnes during the previous financial year, boosted by rising demand from the domestic construction, railways and capital goods sectors.

The market for ductile iron pipes is expected to grow significantly in the coming years, driven by factors such as urbanization, population growth, and increasing investments in infrastructure projects. Additionally, the demand for ductile iron pipes is expected to increase due to the growing need for sustainable and eco-friendly water and wastewater management systems.

Electrotherm's commitment to stringent quality controls at every step ensures best in class products. ET TMT bars are produced under strictly regulated manufacturing process and thus have good corrosion resistance, excellent ductility & bendability, high weldability, high strength and strong resistance on dynamic loading which makes ET TMT as one of the most reliable brands envisioning to become a part of the journey that helps India "Build It Right" and to become a reliable partner in nation building.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****C. ELECTRIC VEHICLE DIVISION:**

The industry shifted last year from slow speed to high-speed scooter primarily due to a subsidy scheme called FAME2 wherein high-speed scooters meeting local manufacturing were offered substantial subsidy, which led to high-speed scooters and low speed scooters almost similar in price, resulting into subdued performance in FY 2022-23 as compared to previous financial year. This subsidy scheme has been reduced from 1<sup>st</sup> June 2023, which will make High speed scooters expensive by Rs 38000 making low speed scooters more popular.

The E2W industry saw and is seeing a positive sentiment and a high level of interest from the customers due to environment awareness; encouragement from the Government in terms of EV incentive policies & schemes; improved battery technology and growing charging facilities across the nation.

Infrastructure development for battery & vehicle manufacturing, charging infrastructure, and battery swapping centers will definitely lead to growing EV market. The Government wants India to be a 100%, electric vehicle nation by the year 2030. By 2030 the government plans to have EV sales penetration of 80% for two- and three-wheelers.

In Electrotherm, the low-speed and high-speed electric two-wheelers will continue to contribute positively in net earnings of the Company. However, our focus shall continue to grow in High-speed models of two wheelers segment with hundreds of thousands happy customers towards Government's mission Electric Vehicles 2025 onwards.

**FINANCIAL LIABILITY STATUS:**

Originally the Company had 19 lenders and ten of them have assigned their debts to Edelweiss Asset Reconstruction Company Limited ("EARC"), Invent Assets Securitisation & Reconstruction Pvt. Ltd. ("Invent") and Rare Asset Reconstruction Limited ("Rare ARC").

While as a part of debt resolution with other nine lenders, the Company has One Time Settlement arrangement. Wherein entire settlement amount had been paid to ICICI Bank, UCO Bank, Vijaya Bank, Syndicate Bank, International Finance Corporation and Standard Chartered Bank while the company had ongoing OTS with Union Bank of India (including debt of Corporation Bank) and Central Bank of India. During and post COVID-19, the Company has not paid some of the installment and interest due thereon and is in negotiation with the respective lenders for revised restructuring.

**Segment-Wise Performance:**

The Business segment of the Company comprises of Engineering & Technologies Division, Special Steel Division and Electric Vehicle Division. The Segment wise performance of the Company for all the three divisions for the year ended on 31<sup>st</sup> March, 2023 is as under:

(Rs. In Crores)

Particulars	Engineering & Technologies Division	Special Steel Division	Electric Vehicle Division
Revenue from operations	1007.50	2034.65	39.52
Segment Profit / (Loss) Before Finance Cost & Tax	143.82	(47.53)	(2.15)
Capital Employed	123.51	(923.59)	24.62

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:****Revenue from operations:**

The revenue from operations of the Company for the financial year ended on 31<sup>st</sup> March, 2023 was Rs.3074.05 Crores as compared to Rs. 2830.28 Crores of previous financial year.

**Cost of Materials consumed including purchase of traded goods:**

The cost of materials consumed including purchase of traded goods for the financial year ended on 31<sup>st</sup> March, 2023 was Rs.2285.26 Crores as compared to Rs.2129.45 Crores of previous financial year.

**Depreciation and amortization:**

Depreciation and amortization for the financial year ended on 31<sup>st</sup> March, 2023 is Rs.47.08 Crores as compared to Rs. 85.78 Crores of the previous financial year.

**Finance Costs:**

Finance costs for the financial year ended on 31<sup>st</sup> March, 2023 is of Rs. 66.07 Crores as compared to Rs. 45.35 Crores of previous financial year.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Loan accounts of the company have been classified as Non-Performing Assets by the Central Bank of India and Rare Asset Reconstruction Limited (being debt assignee of Indian Overseas Bank). The Bankers have not charged interest on the said Loans and therefore provision for Interest (other than upfront charges) has not been provided in the books of accounts and to that extent loss has been understated and bankers loan liability has been understated. The extent of exact amount is under determination and reconciliation with the banks. The company has entered into OTS with Central Bank of India on June 28, 2022 and therefore the unprovided interest on the said loan has been reversed. However as per the details available with the company, the amount of unprovided interest, on approximate basis, on the said loans is Rs. 102.27 Crores for the financial year 2022-23 and total amount of Rs. 668.62 Crores upto 31<sup>st</sup> March, 2023.

### Profit/(Loss) Analysis:

The Profit before Exceptional items and tax for the financial year ended on 31<sup>st</sup> March 2023 is Rs. 28.09 Crores as compared to loss of Rs. 31.99 Crores of previous financial year. The net loss for the financial year ended on 31<sup>st</sup> March, 2023 is Rs. 76.66 Crores as compared to loss of Rs. 54.32 Crores of previous financial year.

### Key Ratios:

Pursuant to Regulation 34 of the Listing Regulations, the details of the key financial ratios of the Company and comparison to previous year has been provided in Note No. 49 to standalone financial statements of the Company.

### RISK AND CONCERNS:

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks in the operations of the Company.

At present, the Company is at risk with regards to recovery proceedings, attachment of properties and petition filed by financial creditor under section 7 of the Insolvency and Bankruptcy Code, 2016 which may threaten the existence of your Company.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Internal Control System is designed to prevent operational risks through a framework of internal controls and processes. The Company has in place adequate system of internal control and internal audit commensurate with its size and the nature of its operations. Our internal control system ensures that all business transactions are recorded in a timely manner, resources are utilized effectively and our assets are safeguarded. Internal Audit is conducted by experienced Chartered Accountants in close coordination with company's Finance, Accounts and other departments of the Company. The findings of the Internal Audit team are discussed internally with the Executive Directors as well as in Audit Committee Meetings and their suggestion for improvement & strengthening is reviewed by the Audit Committee / Board. The Company is in process to strengthen its internal control system by implementing Standard Operating Procedures (SOP) for all its major areas under the guidance of Audit Committee / Board.

### DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The employees are the most valuable assets of Electrotherm. The Company on regular basis takes initiatives to provide training to its employees on environment, health and safety and also provide training on soft skill up-gradation to improve their skills as may be relevant to the respective functions. We are sincerely grateful to all employees for their close and constructive cooperation in the year 2022-2023. We were able to achieve progress against many strategic challenges and continuing that partnership will be a key to implementing the significant changes announced under Human Resource Development Strategy. The Company also hire contract labour on time-to-time basis for success and growth of the Company. As on 31<sup>st</sup> March, 2023, there were 2108 permanent employees employed by the company.

The Human Resources Development Strategy provides transparency on the company's employee metrics and how we are translating our strategic priorities into action. It helped to achieve the goals in organizational culture; diversity and inclusion; talent and development; talent acquisition; compensation and benefits; managing change; and collaboration with our social partners.

For Electrotherm, investing in our employees remains of paramount importance. The success of Human Resource Development Strategy will depend in part on our ability to retain, motivate, develop, and continue to attract employees with the skills and experience to help the challenges and make the most of opportunities.

### HEALTH & SAFETY

We value the human life and believe, all injuries are preventable. Our aim is zero accident. We are committed to conduct all our operations in a manner, so as to avoid harm to employees, contractors, workmen, visitors, local public and the environment. This responsibility starts with each one of us.

The Company has made necessary arrangement to ensure that the employees and stakeholders are safe and comfortable at work place.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We Provide safe machines and need based Personal Protective Equipments to employees to reduce risk at work place. We create awareness among employees / vendors / contractors through training and partner to demonstrate our commitment and involvement, responsibility and accountability to achieve HSE performance and provide a safe and healthy work environment for all employees.

### CORPORATE SOCIAL RESPONSIBILITY

The Company strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. We also wish to keep the environment clean and safe for the society by adhering to the best industrial practices, adopting best technologies and investing in greener initiatives, and so on. It is our intent to make a positive contribution to the society in which the Company lives and operates. CSR is an evolving business practice at Electrotherm that incorporates sustainable development into a company's business model and leaving a positive impact on social, economic and environmental factors.

At Electrotherm our purpose is to improve the quality of life of the communities, we serve and we also believe in returning to the society, what we earn. We also focus majorly on rural development and environment friendly initiatives, providing healthcare facilities to nearby villagers, focusing on education, and much more. Our CSR approach stands for eradicating extreme poverty & hunger, health & sanitation, basic needs fulfillment (sharing & caring), ensure environment sustainability, animal welfare activities in nearby villages etc.

### CAUTIONARY STATEMENT:

*Statements in this Management Discussion and Analysis detailing Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" with the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the company conducts its business and other factors such as litigation.*

**CORPORATE GOVERNANCE REPORT**
**REPORT ON CORPORATE GOVERNANCE**
**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Electrotherm (India) Limited believes that Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the company's objective of enhancing shareholder value and discharge of social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders.

Electrotherm remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. The Company strongly believes that sound and unambiguous system of Corporate Governance practices go a long way in enhancing shareholder value and retaining investor trust and preserving the interest of all stakeholders in a context where ethics and values are under siege.

The Company is in compliance with Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), except as mentioned in this report, with regard to Corporate Governance.

**2. BOARD OF DIRECTORS:**

The Board of Directors of the Company is having optimum combination of Executive and Non-Executive Directors. As on 31<sup>st</sup> March, 2023, the Board of Directors comprises of six (6) Directors, out of which two are Executive Directors and four are Non-Executive / Independent Directors (including Woman Director).

The details of composition of Board, category of all Directors as well as their Directorship/Membership in other Companies/Committees are given below:

Sr. No.	Name of Director	Category	Number of other Directorship and Other Committee Membership / Chairmanship			Particulars of Directorship in other Listed Entities		No. of Equity Shares held in the Company
			Directorship	Committee Membership	Committee Chairmanship	Name of the Company	Category of Directorship	
1.	Mr. Dinesh Mukati (Chairman)	Non-Executive & Independent Director	-	-	-	-	-	3,000
2.	Mr. Shailesh Bhandari (Managing Director)	Promoter & Executive Director	14	-	-	-	-	8,48,275
3.	Mr. Suraj Bhandari (Whole-time Director)	Promoter & Executive Director	-	-	-	-	-	81,100
4.	Mr. Mukesh Bhandari (Director)	Promoter & Non-Executive – Non-Independent Director	2	-	-	-	-	8,09,500
5.	Ms. Nivedita R. Sarda (Woman Director)	Non-Executive & Independent Director	2	-	-	-	-	-
6.	Mr. Pratap Mohan (Director)	Non-Executive & Independent Director	-	-	-	-	-	100

➤ While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership/Chairmanship of only Audit Committee and Stakeholders' Relationship Committee have been considered pursuant to the Listing Regulations. None of the Director is a member in more than ten committees or act as a Chairman of more than Five Committees across all companies in which he/she is a Director.

➤ None of the Directors are related to each other except Mr. Mukesh Bhandari and Mr. Shailesh Bhandari, who are Brothers and Mr. Shailesh Bhandari and Mr. Suraj Bhandari, who are father and son.

**❖ Board Meetings:**

As per the provisions of Regulation 17 of the Listing Regulations, the Board of Directors meet at least four times a year and the time gap between any two Board meetings cannot be more than 120 days. During the financial year ended on 31<sup>st</sup> March, 2023, 6 (six) Board Meetings were held on 30<sup>th</sup> May, 2022, 2<sup>nd</sup> August, 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022, 30<sup>th</sup> January, 2023 and 14<sup>th</sup> February, 2023.

**CORPORATE GOVERNANCE REPORT**

Mr. Mukesh Bhandari & Others (“Petitioners”) have filed an Interlocutory Application No. 55 / 2022 in CP No. 5/ 2022 to restrain the Company from holding Board Meeting dated 2<sup>nd</sup> August, 2022 and to stay some of the agenda items. The Hon’ble NCLT, Ahmedabad has by order dated 24<sup>th</sup> August, 2022 rejected the application as misconceived and not maintainable. The Petitioners have challenged the order dated 24<sup>th</sup> August, 2022 before the Hon’ble NCLAT and the Hon’ble NCLAT by order dated 29<sup>th</sup> November, 2022 dismissed the appeal. The Petitioners have challenged the order dated 29<sup>th</sup> November, 2022 before the Hon’ble Supreme Court of India and the civil appeal is pending for hearing before the Hon’ble Supreme Court of India.

Attendance of Directors at the Board Meetings and at the Last Annual General Meeting held on 31<sup>st</sup> August, 2022 are as under:

Name of Director	Total Board Meetings held during tenure	Attendance	
		Board Meetings	AGM held on 31 <sup>st</sup> August, 2022
Mr. Dinesh Mukati	6	6	Yes
Mr. Shailesh Bhandari	6	6	Yes
Mr. Suraj Bhandari	6	6	Yes
Mr. Mukesh Bhandari	6	0	Yes
Ms. Nivedita R. Sarada	6	4	Yes
Mr. Pratap Mohan	6	6	Yes

All the information required to be furnished to the Board was made available to them along with detailed agenda notes.

The Board of Directors confirms that in the opinion of the majority of Board, the Independent Directors fulfil the conditions specified in Listing Regulations and are independent of the management.

❖ **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 (“the Act”) and Rules made thereunder and as provided in Schedule IV of the Act and Listing Regulations, the Nomination and Remuneration Committee has carried out the annual evaluation of performance of the Board and its Committee and the separate meeting of the Independent Directors has carried out the annual evaluation of the performance of non-independent directors in their meeting held on 30<sup>th</sup> March, 2023.

The performance of the Board is evaluated based on composition of the Board, its committees, performance of duties and obligations, governance issues etc. The performance of the committees is evaluated based on adequacy of terms of reference of the Committee, fulfilment of key responsibilities, frequency and effectiveness of meetings etc. The performance of non-independent Directors and Chairman was also carried out in terms of adherence to code of conduct, participation in board meetings, implementing corporate governance practices etc.

❖ **Meeting of Independent Directors:**

During the year under review, a separate meeting of the Independent Directors of the Company was held on 30<sup>th</sup> March, 2023 inter alia, to review the performance of Non-Independent Directors, Chairman and the Board as a whole and to assess the flow of information between the company management and the Board of Directors. Mr. Dinesh Mukati, Mr. Pratap Mohan and Ms. Nivedita R. Sarada, all the three Independent directors of the Company were present at the said meeting.

❖ **Familiarisation Programme for Independent Directors:**

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company by providing various presentation at Board/ Committee meetings from time to time. The details of the familiarisation programmes imparted to independent directors can be accessed on the website <https://www.electrotherm.com/investors/codes-and-policies>

❖ **A chart or a matrix setting out the skills/expertise/competence of the Board of Directors:**

The Board of Directors of the Company comprises qualified members with the required skills, expertise and competence for the effective contribution to the Board and the Committees. The Board of Directors are committed to ensure that the Company is in compliance with the Corporate Governance. Your Company’s Board of Directors have identified the following skills/expertise/competence to function and discharge their responsibilities effectively:

- Operation and Production	- Risk Management
- Legal & Compliance	- Marketing
- Strategic expertise	- Financial expertise
- Human Resource Development (HR)	- General Management
- Technical and Research & Development	



## CORPORATE GOVERNANCE REPORT

The Directors have the following skills:

Sr. No.	Name of Directors	Skills / Expertise / Competencies
1.	Mr. Dinesh Mukati	Operation and Production, HR, Strategic and General Management
2.	Mr. Shailesh Bhandari	Marketing, Legal & Compliance, HR, Finance, Risk
3.	Mr. Suraj Bhandari	Marketing, Operation, Production, Finance, Legal & Compliance and General Management
4.	Mr. Mukesh Bhandari	Technical and Research & Development
5.	Mr. Pratap Mohan	Finance, Risk and Strategic
6.	Ms. Nivedita R. Sarda	Legal & Compliance, Strategic and Finance

### 3. COMMITTEES OF BOARD:

#### A. AUDIT COMMITTEE:

**(i) Brief description of Terms of Reference:**

The terms of reference in the nature of role, power and review of information by the Audit Committee are in compliance with the provisions of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013. Minutes of the Audit Committee are circulated and discussed at the Board Meeting.

**(ii) Composition of the Committee:**

The Audit Committee comprises of three directors as members and all the members of Audit Committee are independent directors. The Audit Committee comprises of following Members:

- Mr. Pratap Mohan - Chairman (Non-Executive & Independent Director)
- Mr. Dinesh Mukati - Member (Non-Executive & Independent Director)
- Ms. Nivedita R. Sarda - Member (Non-Executive & Independent Director)

Mr. Jigar Shah, Company Secretary acts as the Secretary to the Committee.

**(iii) Meetings and Attendance:**

During the financial year ended on 31<sup>st</sup> March, 2023, Five (5) Meetings of the Audit Committee were held on 30<sup>th</sup> May, 2022, 2<sup>nd</sup> August, 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 14<sup>th</sup> February, 2023. The Chairman of the Audit Committee Mr. Pratap Mohan was present at the 36<sup>th</sup> Annual General Meeting.

Details of Attendance at the Meetings of Audit Committee:

Name of Committee Members	Designation	Attendance
Mr. Pratap Mohan	Chairman	5 / 5
Mr. Dinesh Mukati	Member	5 / 5
Ms. Nivedita R. Sarda	Member	2 / 5

#### B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee was constituted as per the provisions of Companies Act, 2013 and Regulation 19 of the Listing Regulations.

**(i) Brief description of Terms of Reference:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in Key Managerial or Senior Management position in accordance with the criteria laid down in the policy;
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;

**CORPORATE GOVERNANCE REPORT**

- (g) To develop a succession plan for the Board and to regularly review the plan.
- (h) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

**(ii) Composition of the Committee:**

The Nomination and Remuneration Committee comprises of three directors as members and all the members of Nomination and Remuneration Committee are independent directors. Minutes of the Nomination and Remuneration Committee are circulated and discussed at the Board Meeting. The Nomination and Remuneration Committee comprises of following Members:

1. Mr. Pratap Mohan - Chairman (Non-Executive & Independent Director)
  2. Mr. Dinesh Mukati - Member (Non-Executive & Independent Director)
  3. Ms. Nivedita R. Sarda - Member (Non-Executive & Independent Director)
- Mr. Jigar Shah, Company Secretary acts as the Secretary to the Committee.

**(iii) Meetings and attendance:**

During the financial year ended on 31<sup>st</sup> March, 2023, Four (4) Meetings of the Nomination and Remuneration Committee were held on 2<sup>nd</sup> August, 2022, 12<sup>th</sup> August, 2022, 30<sup>th</sup> January, 2023 and 30<sup>th</sup> March, 2023.

Details of Attendance at the Meetings of Nomination & Remuneration Committee:

Name of Committee Members	Designation	Attendance
Mr. Pratap Mohan	Chairman	4 / 4
Mr. Dinesh Mukati	Member	4 / 4
Ms. Nivedita R. Sarda	Member	3 / 4

**(iv) Remuneration Policy:**

The Nomination and Remuneration Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, Key Managerial Personnel ("KMP") and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable & sufficient to attract, retain and motivate Directors, KMP & Senior Management Personnel. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The details of the remuneration policy including criteria for making payments to Non-Executive Directors can be accessed on the website <https://www.electrotherm.com/investors/codes-and-policies>

**(a) Director/ Managing Director:**

Besides the above Criteria, the Remuneration/ compensation/ commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**(b) Non-Executive Independent Directors:**

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Board of Directors has approved the payment of sitting fees of Rs.75,000/- to each Independent Non-Executive Director towards each of the Board meetings attended by them. During the financial year 2022-2023, the Company had paid sitting fees to Independent Non-Executive Directors as approved by the Board for attending Board meetings.

**(c) Key Management Personnels (KMPs) / Senior Management Personnel:**

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**CORPORATE GOVERNANCE REPORT**
**(v) Details of Remuneration of Directors:**
**(a) Criteria of making payments to Non-Executive /Independent Directors:**

The Non-Executive Independent Directors are entitled to sitting fees for attending the meetings of Board of Directors or Committees thereof. Sitting fees paid to Non-Executive / Independent Directors are within the prescribed limits under the Companies Act, 2013 and as determined by the Board of Directors from time to time.

The details of sitting fees paid to Non-Executive / Independent Directors for the financial year 2022-2023 are as under:

Name of Non-Executive Independent Director	Sitting Fees (Amount in Rs.)
Mr. Dinesh Mukati	3,75,000
Ms. Nivedita R. Sarda	3,00,000
Mr. Pratap Mohan	3,75,000

**(b) Managing Director & Whole-time Director:**

The Shareholders of the Company by way of postal ballot, on 28<sup>th</sup> March, 2023 approved the re-appointment of Mr. Shailesh Bhandari as a Managing Director for a period of three years from 1<sup>st</sup> February, 2023 and concluding on 31<sup>st</sup> January, 2026 with monthly remuneration of Rs. 2,00,000/-. Further, the Shareholders of the Company, at the 36<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> August, 2022, also approved appointment of Mr. Suraj Bhandari as a Whole Time Director of the Company, for a period of three years from 13<sup>th</sup> November, 2022 and concluding on 12<sup>th</sup> November, 2025 with monthly remuneration of Rs. 1,50,000/-.

With regard to payment of remuneration to Mr. Shailesh Bhandari as a Managing Director and Mr. Suraj Bhandari as a Whole Time Director, as per the provisions of Section 197(1) of the Companies Act, 2013, where the Company has defaulted in payment of dues to any bank or public financial institution or any other secured creditor, the prior approval of the bank or public financial institution concerned or other secured creditor, as the case may, shall be obtained by the company before obtaining the approval in the general meeting. As the Company has defaulted in payment of dues to banks / financial institutions, the remuneration to Managing Director and Whole Time Director would be paid after receipt of approval of the concerned banks / financial institutions or on cessation of default on amicable settlement with the concerned banks / financial institutions, without further approval from the shareholders.

In view of pending approval of lenders, pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V, the Company has not paid any remuneration to Managing Director and Whole Time Director, during the financial year ended on 31<sup>st</sup> March, 2023.

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE:**
**(i) Brief description of Terms of Reference:**

The Committee specifically look into the mechanism of redressal of grievances including related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meeting etc. and other terms of reference in the nature of role, power and review of information by the Stakeholders Relationship Committee are in compliance with the provisions of Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013. Minutes of the Stakeholders Relationship Committee are circulated and discussed at the Board Meeting.

**(ii) Composition of the Committee:**

The Stakeholders Relationship Committee is in compliance with the provisions of Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013. Chairman of the Committee is Non-Executive Independent Director. The Stakeholders Relationship Committee comprises of following Members:

- Ms. Nivedita R. Sarda - Chairman (Non-Executive & Independent Director)
- Mr. Pratap Mohan - Member (Non-Executive & Independent Director)
- Mr. Shailesh Bhandari - Member (Executive Director)

Mr. Jigar Shah, Company Secretary of the Company is the Compliance Officer pursuant to Regulation 6 of the Listing Regulations. He was appointed as Company Secretary and Compliance Officer of the Company with effect from 2<sup>nd</sup> August, 2022.

During the year under review, Four (4) meetings of the Stakeholders Relationship Committee were held on 30<sup>th</sup> May, 2022, 2<sup>nd</sup> August, 2022, 14<sup>th</sup> November, 2022 and 14<sup>th</sup> February, 2023.

**CORPORATE GOVERNANCE REPORT**

Details of Attendance at the Meetings of Stakeholders Relationship Committee:

Name of Committee Members	Designation	Attendance
Ms. Nivedita R. Sarda	Chairperson	2 / 4
Mr. Pratap Mohan	Member	4 / 4
Mr. Shailesh Bhandari	Member	4 / 4

**Details of Shareholders Complaints received during the year 2022-2023:**

The details of complaints received / resolved / pending during the financial year are as under:

Complaints as on 01 <sup>st</sup> April, 2022	Received during the year	Resolved during the year	Pending as on 31 <sup>st</sup> March, 2023
NIL	NIL	NIL	NIL

**SEBI Complaints Redress Systems (SCORES)**

SEBI vide circular dated 3<sup>rd</sup> June, 2011 introduced the system of process of investors complaints in a centralised web based complaints redress system known as a 'SCORES'. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of action taken on the complainant and its current status etc. As per the Listing Regulations, the Company is registered on the SCORES platform for handling of investor complaints electronically.

**D. RISK MANAGEMENT COMMITTEE:**

The provisions related to Regulation 21 of the Listing Regulations for constitution of Risk Management Committee is not applicable to the Company.

**E. OTHER COMMITTEES:****(i) SECURITIES ALLOTMENT COMMITTEE:**

The Company has constituted a Securities Allotment Committee on 29<sup>th</sup> July, 2006. The terms of reference of Securities Allotment Committee includes to look into the receipt of money by way of subscription of Shares, Warrants, FCCBs or other convertible instruments issued or to be issued by the Company and allotment of Shares, Warrants, FCCBs or other convertible instruments and allotment of Equity Shares arising on conversion of Warrants, FCCBs or other convertible instruments issued by the Company or to be issued by the Company in future.

The Securities Allotment Committee comprises of following Members:

- Mr. Shailesh Bhandari - Chairman (Executive Director)
- Mr. Dinesh Mukati - Member (Non-Executive & Independent Director)
- Mr. Pratap Mohan - Member (Non-Executive & Independent Director)

During the financial year ended on 31<sup>st</sup> March, 2023, no meeting of the Securities Allotment Committee was held.

**(ii) MANAGEMENT COMMITTEE:**

The Company has constituted a Management Committee on 29<sup>th</sup> October, 2007. The terms of reference of Management Committee includes to look into the day to day functioning and exercise of delegated power of the Board for matters relating to operations and granting of authority for various functional requirements such as issue of Power of Attorney, arranging for vehicle loans, dealings with Central / State Governments and various Statutory / Judicial / Regulatory / Local / Commercial / Excise / Customs / Port / Sales Tax / Income tax / Electricity Board, Opening/Closing of Current Accounts with various Banks, Change in signatory in various Current Accounts with various Banks, Transfer of unpaid dividend to Investor Education and Protection Fund, closing of such dividend accounts, matters related to settlement of loan with banks / financial institutions and other authorisations on behalf of the Company.

The Management Committee comprises of following members:

- Mr. Shailesh Bhandari - Chairman (Executive Director)
- Mr. Suraj Bhandari - Member (Executive Director)
- Mr. Dinesh Mukati - Member (Non-Executive & Independent Director)

During the financial year ended on 31<sup>st</sup> March, 2023, one (1) Meeting of the Management Committee was held on 14<sup>th</sup> February, 2023. All the members of the Management Committee were present at the said meeting.



## CORPORATE GOVERNANCE REPORT

### (iii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE):

As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The CSR Committee has formulated a CSR policy of the Company and the same has been placed on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>

The CSR Committee comprises of following Members:

1. Mr. Shailesh Bhandari - Chairman (Executive Director)
2. Mr. Dinesh Mukati - Member (Non-Executive & Independent Director)
3. Mr. Pratap Mohan - Member (Non-Executive & Independent Director)

During the financial year ended on 31<sup>st</sup> March, 2023, three (3) meetings of the CSR Committee were held on 2<sup>nd</sup> August, 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022. All the members of the CSR Committee were present in all the three meetings.

## 4. GENERAL BODY MEETING:

### (i) Annual General Meetings

The last three Annual General Meetings (AGM) of the Company were held within the statutory time period. The details of the same are as under:

AGM	Financial Year / Period	Venue	Date & Time	Special Resolutions Passed
36 <sup>th</sup>	2021-22	Through Video Conferencing / Other Audio Visual Means	31 <sup>st</sup> August, 2022 11.00 a.m.	<ul style="list-style-type: none"> <li>◆ To re-appoint Mr. Dinesh Mukati as an Independent director for a second term of 5 (five) years.</li> <li>◆ To re-appoint Mr. Pratap Mohan as an Independent director for a second term of 5 (five) years.</li> </ul>
35 <sup>th</sup>	2020-21	Through Video Conferencing / Other Audio Visual Means	6 <sup>th</sup> December, 2021 11:00 a.m.	◆ No Special resolution was passed.
34 <sup>th</sup>	2019-20	Through Video Conferencing / Other Audio Visual Means	17 <sup>th</sup> August, 2020 10:00 a.m.	◆ No Special resolution was passed.

### (ii) Extra Ordinary General Meetings

No Extra Ordinary General Meeting was held during the financial year ended on 31<sup>st</sup> March, 2023.

### (iii) Special Resolution passed through Postal Ballot

During the financial year ended on 31<sup>st</sup> March, 2023, no special resolution was passed through Postal Ballot. However, one ordinary resolution to re-appoint Mr. Shailesh Bhandari (DIN: 00058866) as a Managing Director for a period of three years with effect from 1<sup>st</sup> February, 2023 and concluding on 31<sup>st</sup> January, 2026 was passed through Postal Ballot on 28<sup>th</sup> March, 2023, the last date specified by the Company for e-voting.

### (iv) Procedure of postal Ballot:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement and relevant documents are sent to the shareholders through Email to enable them to consider and vote for or against the proposal within a period of 30 days. E-voting facility is made available to all the shareholders and instructions for the same are specified under instructions for voting in the Postal Ballot Notice. E-mails are sent to shareholders whose e-mail ids are available with the depositories and the Company along with Postal Ballot Notice. The details about postal ballot and the procedure related thereto is published in the Newspapers. After the last day for e-voting, the Scrutinizer, after due verification, submits the results to the Chairman or person authorised by the Chairman. Thereafter, the Chairman / person authorised by the Chairman declares the result of the Postal Ballot. The same is posted on the Company's website and submitted to the Stock Exchanges where the shares of the Company are listed.

## 5. DISCLOSURES:

### (i) Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on Arm's Length basis. There were no materially significant related party transactions during the year that may have potential conflict with the interest of the Company at large. The Company at the 28<sup>th</sup> Annual

**CORPORATE GOVERNANCE REPORT**

General Meeting held on 30<sup>th</sup> September, 2014 has approved all proposed related party transactions with annual limits. The details of related party transactions as per Indian Accounting Standard ("Ind AS") 24 are included in the notes to accounts of the Financial Statements.

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz. <https://www.electrotherm.com/investors/codes-and-policies>

**(ii) Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. In compliance with the Code, Directors and Senior Management of the Company have affirmed compliance with the Code for year ended on 31<sup>st</sup> March, 2023. The declaration of compliance of Code of Conduct by the Managing Director is part of this Annual Report. The Code of Conduct is available on the website of the Company viz. <https://www.electrotherm.com/investors/codes-and-policies>

**(iii) Prohibition of Insider Trading:**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has adopted the Insider Trading Code to regulate, monitor compliance and report trading by designated persons who are expected to have access to the unpublished price sensitive information relating to the Company. The said Insider Trading Code is available on the website of the Company viz. <https://www.electrotherm.com/investors/codes-and-policies>

**(iv) Details of Non-Compliance and penalties imposed by stock exchanges:**

Following non-compliances observed during last three years.

- (i) During the financial year 2022-23, the Company has received notices from BSE and NSE for the non appointment of qualified company secretary as compliance officer in terms of Regulation 6(1) of SEBI (LODR) Regulations, 2015. BSE & NSE has imposed total fine of Rs. 4,31,880/- for the quarter ended on 31<sup>st</sup> March 2022, 30<sup>th</sup> June 2022 and 30<sup>th</sup> September 2022 and the Company has paid the said fines. The Company has appointed Mr. Jigar Shah as a Company Secretary and Compliance officer w.e.f. 2<sup>nd</sup> August, 2022.
- (ii) The Company has not made/submitted the disclosures of defaults on payment of interest/ repayment of principal amount on loans from banks / financial institutions, under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21<sup>st</sup> November, 2019 for the period from 31<sup>st</sup> December, 2020 till 31<sup>st</sup> March, 2023.
- (iii) During the financial year 2021-22, in view of the stay on the Board Meeting by the Hon'ble National Company Law Appellate Tribunal (NCLAT), the Company could not hold the Board / Committee Meetings and there was delay in submission of Audited / Unaudited Financial Results for the quarter / year ended on 31<sup>st</sup> March, 2021, 30<sup>th</sup> June 2021 and 30<sup>th</sup> September, 2021. NSE & BSE has imposed penalty on the Company for delay in submission of said financial results and after payment of the said fines, the Company has submitted the waiver requests to the NSE and BSE.
- (iv) During the financial year 2020-21, the Company has received notices from National Stock Exchange of India Limited (NSE) & BSE Limited (BSE) with regard to Regulation 19(1)/(2) of the Listing Regulations - composition of the Nomination and Remuneration Committee. The NSE has levied the penalty of Rs. 6,46,640/- (inclusive taxes) for the period from 11<sup>th</sup> February, 2020 to 10<sup>th</sup> November, 2020 and the BSE has levied the penalty of Rs. 3,13,880/- (inclusive taxes) for the period from 1<sup>st</sup> July, 2020 to 10<sup>th</sup> November, 2020. The Company has submitted the waiver requests to the NSE and BSE as matter of interpretation and remitted the amount of penalty as abundant precaution without accepting the said non-compliance. The NSE vide its letter dated 28<sup>th</sup> June, 2021, informed the Company that waiver of fine was considered favorably. The waiver request submitted to BSE is pending.
- (v) The Minutes of the Meetings of the Board of Directors of the one of the unlisted subsidiary were not placed at the Meeting of the Board of Directors of the Company as per Regulation 24(3) of the SEBI (LODR) Regulations, 2015.
- (vi) SEBI Adjudicating Officer vide order No. Order/MC/DS/2020 -2021/8788-8794 dated 28<sup>th</sup> August, 2020, in the matter of Show Cause Notice No. EAD5/MC/DPS/18599/2019 dated July 23, 2019 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, in the matter of Electrotherm (India) Limited, imposed penalty of Rs. 10,00,000/- upon the Company and Rs. 1,00,000/- upon its four Executive Directors and then Chief Financial Officer.

Except above, there was no other non-compliance by the company and no penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

## CORPORATE GOVERNANCE REPORT

### (v) Vigil Mechanism / Whistle Blower Policy:

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, the Vigil Mechanism / Whistle Blower Policy was established for directors and employees to report concern about unethical behaviour, actual or suspected fraud, leakage of unpublished price sensitive information or violation of the company's code of conduct. The Board hereby affirms that no personnel have been denied access to the Audit Committee. The Vigil Mechanism / whistle blower policy is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>

### (vi) Compliance with discretionary requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations, except as mentioned above. Following are the details related to compliance with the discretionary requirement as per Listing Regulations:

1. The Company has a Non- Executive Independent Director as Chairman. The position of the Chairman of the Board of Directors and the Managing Director are separate.
2. The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company' website at <https://www.electrotherm.com/investors/financial-results>
3. The auditors have qualified the financial statements for the financial year 2022-2023. The Board has clarified/explained the same in Board's Report.
4. The Internal Auditor regularly reports to the Audit Committee.

### (vii) Policy on "Material" Subsidiaries:

The Board of Directors of the Company has approved a policy on determining Material Subsidiary which is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>. The Company has complied with the corporate governance requirements with respect to subsidiary / unlisted material subsidiary as per Regulation 24 of the Listing Regulations.

### (viii) Commodity Price risk or foreign exchange risk and hedging activities:

During the course of business of the Company, there are import and export of goods and materials. In view of the fluctuation of the foreign currency rate, the Company is exposed to the foreign exchange risk.

Further the Company is exposed to the risk associated with fluctuation in the prices of the commodity used for the manufacturing activities.

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

### (ix) CEO and CFO Certification:

Pursuant to the Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director and Chief Financial Officer has given the compliance certificate and the same is part of this Annual Report.

## 6. MEANS OF COMMUNICATION:

The quarterly, half yearly and yearly results are published in national and local daily newspapers such as "Financial Express" in English Edition and Gujarati Edition. The results are also available on the website of the Company viz. <https://www.electrotherm.com/investors/financial-results>. The official news releases of the Company are displayed on the website of the stock exchanges / company.

The Company has not made any presentations to the institutional investors or to the analysts during the financial year ended on 31<sup>st</sup> March, 2023.

## 7. GENERAL SHAREHOLDER INFORMATION:

Day, Date & Time of 37 <sup>th</sup> AGM	Wednesday, 9 <sup>th</sup> August, 2023 at 11.00 a.m.
Venue of AGM	VC/OAVM
Email for Investor Complaint	<a href="mailto:sec@electrotherm.com">sec@electrotherm.com</a>
Website	<a href="http://www.electrotherm.com">www.electrotherm.com</a>
Financial Year	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024
Dividend Payment Date	Not Applicable, as the Board of Directors has not recommended any dividend for the financial year ended on 31 <sup>st</sup> March, 2023
ISIN with NSDL & CDSL	INE822G01016

**CORPORATE GOVERNANCE REPORT**

Tentative Financial Calendar for 2023-2024 (from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024):

Quarter ending on 30 <sup>th</sup> June, 2023	On or before 14 <sup>th</sup> August, 2023
Quarter ending on 30 <sup>th</sup> September, 2023	On or before 14 <sup>th</sup> November, 2023
Quarter ending on 31 <sup>st</sup> December, 2023	On or before 14 <sup>th</sup> February, 2024
Quarter ending on 31 <sup>st</sup> March, 2024	On or before 30 <sup>th</sup> May, 2024

**A. Listing on Stock Exchange(s):**

Equity Shares of your Company are listed on the Two Stock Exchanges namely:

Name & Address of Stock Exchange	Stock Code
BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	526608
National Stock Exchange of India Limited: Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	ELECTHERM

Annual Listing Fees for the Financial Year 2023-2024 has been paid to both Stock Exchanges.

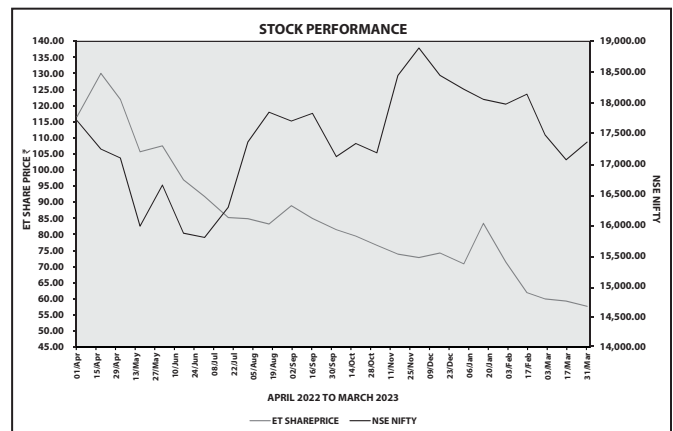
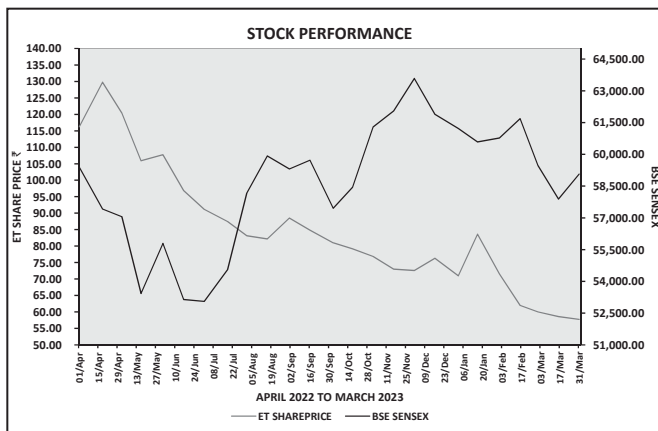
**B. Market Price Data:**

Market price data of equity shares of the Company having face value of Rs. 10/- on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial year 2022-2023 are given below:

Month	BSE – Share Price		BSE Monthly Volume	NSE – Share Price		NSE Monthly Volume
	High	Low		High	Low	
April, 2022	134.15	111.45	1,39,661	134.90	112.05	6,22,717
May, 2022	124.50	98.00	1,22,710	124.80	96.95	4,66,549
June, 2022	112.40	84.90	91,929	112.75	85.20	9,36,652
July, 2022	95.85	69.70	1,91,390	96.00	69.85	20,27,095
August, 2022	92.40	76.15	1,28,284	92.00	75.85	7,95,029
September, 2022	90.00	76.80	1,76,466	91.00	76.60	7,80,224
October, 2022	81.90	74.30	26,453	81.50	74.20	2,21,714
November, 2022	76.95	69.00	1,95,278	76.65	66.20	4,05,441
December, 2022	76.30	65.00	71,551	76.70	64.20	3,09,251
January, 2023	83.60	67.45	1,94,813	83.45	67.00	12,40,392
February, 2023	71.55	57.05	65,796	71.45	57.55	5,34,662
March, 2023	68.80	48.00	1,76,616	68.70	51.20	11,09,438

**C. Stock Performance:**

Performance of share price of the Company in comparison to BSE Sensex and Nifty for the financial year 2022-2023 are as under:



**CORPORATE GOVERNANCE REPORT**
**D. Registrar and Share Transfer Agent:**

M/s. Link Intime India Pvt. Ltd. is the Registrar and Share Transfer Agent for entire functions of share registry, dematerialisation / rematerialisation of shares, issue of duplicate / split / consolidation of shares etc.

**LINK INTIME INDIA PVT. LTD.**

5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre-I, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off. C G Road, Navrangpura, Ahmedabad - 380 009.

Tel No. & Fax No. : +91-79-2646 5179 • Email : [ahmedabad@linkintime.co](mailto:ahmedabad@linkintime.co) • Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**E. Share Transfer System:**

Pursuant to amendment in Regulation 40(1) of the Listing Regulations, effective from 24<sup>th</sup> January, 2022, no shares can transferred in physical mode and any request for transfer of shares shall be processed for shares held in dematerialised form only. This restriction shall not be applicable to the request received for transmission or transposition of physical shares. The Company had sent communication to the shareholders encouraging them to dematerialise their holdings in the Company. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

As per Regulation 40(9) of the Listing Regulations, the Company has obtained the yearly certificate from the Company Secretary in Practice for compliance of share transfer formalities and the same have been submitted to the Stock Exchanges within stipulated time. The Company has also obtained Quarterly Reconciliation of Share Capital Audit Report as per the Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 and submitted the same to the Stock Exchanges within stipulated time.

**F. Distribution of shareholding as on 31<sup>st</sup> March, 2023:**

Category			No. of Shareholders		No. of Shares	
			Total	% of Shareholders	Total	% of Shares
1	-	500	9638	90.41	893719	7.01
501	-	1000	526	4.93	402830	3.16
1001	-	2000	227	2.13	332602	2.61
2001	-	3000	88	0.83	227274	1.78
3001	-	4000	36	0.34	124764	0.98
4001	-	5000	35	0.33	163659	1.29
5001	-	10000	43	0.40	305437	2.40
10001	&	Above	67	0.63	10292529	80.77
<b>Total</b>			<b>10660</b>	<b>100.00</b>	<b>12742814</b>	<b>100.00</b>

**G. Categories of Shareholding as on 31<sup>st</sup> March, 2023:**

Sr. No.	Category	No. of Shares	% to Share Capital
<b>A.</b>	<b>PROMOTERS SHAREHOLDING</b>		
1.	Promoters and Promoters Group	39,55,825	31.04
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>		
1.	Mutual Funds	9,800	0.08
2.	FIs/FPIs	6,29,424	4.94
3.	Banks/Financial Institutions	100	0.00
4.	Bodies Corporate (includes LLP)	17,93,653	14.08
5.	NRIs	88,163	0.69
6.	Foreign Companies	20,00,000	15.70
7.	Clearing Members	9,697	0.08
8.	Indian Public & HUF	42,56,152	33.39
	<b>Total</b>	<b>1,27,42,814</b>	<b>100.00</b>



**CORPORATE GOVERNANCE REPORT****H. Dematerialisation of Shares and Liquidity:**

The Equity Shares of the Company are under compulsory trading in demat form. The details of dematerialisation of shares as on 31<sup>st</sup> March, 2023 is as under:

Sr. No.	Particulars	No. of Shares	% of Paid up Capital
1.	Held in Physical form	11,09,932	8.71
2.	Held in Demat form	1,16,32,882	91.29
	<b>Total</b>	<b>1,27,42,814</b>	<b>100.00</b>

**I. Outstanding GDRs/ADRs/Warrants or Convertible instruments, conversion date and likely impact on the Equity:**

As on 31<sup>st</sup> March, 2023, the Company does not have any GDRs/ADRs/Warrants or any convertible instruments.

**J. Plant Locations:**

Engineering & Technologies Division	Special Steel and Electric Vehicle Division	Transmission Line Tower Division
Survey No.: 72, Village: Palodia, Taluka: Kalol, Dist.: Gandhinagar - 382 115 Gujarat	Survey No. 325, Village Samkhiyali, Taluka : Bhachau, Dist. Kutch, Gujarat	Village : Juni Jithardi, Tal : Karjan, Dist : Vadodara, Gujarat

**K. Address for Correspondence:**

Shareholders are requested to correspond with the company at the following address:

Mr. Jigar Shah, Company Secretary and Compliance officer  
ELECTROTHERM (INDIA) LIMITED  
A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380 015  
Phone No. : (02717) 234553 to 57 Fax No. : (02717) 660600  
Email : [sec@electrotherm.com](mailto:sec@electrotherm.com)

**L. List of all Credit Ratings obtained by the Company along with any revisions thereto during the relevant financial year:**

During the financial year, the Company has not issued any securities or debt instruments and as such the requirement of obtaining credit ratings was not applicable to the Company.

**8. OTHER DISCLOSURES:****A. Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement:**

During the year, the Company did not raise any funds by way of preferential allotment or qualified institutions placement.

**B. Certificate from a Company Secretary in practice:**

A Certificate from CS Bharat Prajapati, Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority is attached with this Annual Report.

**C. Total fees for all services paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditor:**

Total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditors are a part is Rs. 0.24 crores (excluding taxes).

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

The Company is committed to provide a friendly working environment that ensures every employee get equal treatment. The details of the same have been disclosed in the Boards' Report forming part of the Annual Report. During the year 2022-2023, the Company has not received any complaint in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**E. Non-compliance of any requirement of Corporate Governance Report:**

During the financial year, there were no instances of non-compliance of any requirement of the Corporate Governance Report as prescribed by the Listing Regulations except as disclosed in this Corporate Governance Report.

**F. Equity shares under suspense account**

The Company has no equity shares under Suspense Account and hence disclosure relating to the same is not applicable.

**G. During the financial year, there was no instance where the board had not accepted any recommendation of any committee of the board which is mandatorily required.**

**CORPORATE GOVERNANCE REPORT****DECLARATION OF CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all the Board Members and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year ended on 31<sup>st</sup> March, 2023.

Date: 27<sup>th</sup> May, 2023  
Place: Ahmedabad

**Shailesh Bhandari**  
Managing Director  
(DIN: 00058866)

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**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate**

To,  
The Board of Directors  
**Electrotherm (India) Limited**

**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF  
SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2023 and that to the best of our knowledge and belief -
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) 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, except as disclosed in the financial statements.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the 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 propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: 27<sup>th</sup> May, 2023  
Place: Ahmedabad

**Shailesh Bhandari**  
Managing Director  
(DIN : 00058866)

**Chiragkumar Shah**  
Chief Financial Officer

## CORPORATE GOVERNANCE REPORT

## COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE

To,  
The Members of  
**Electrotherm (India) Limited**  
Ahmedabad

I have examined the compliance of conditions of Corporate Governance by Electrotherm (India) Limited ('the Company') for the year ended on 31<sup>st</sup> March, 2023 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015" / "Listing Regulations"]. I have obtained all the information and explanation which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the review of the procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Listing Regulations, except the following:

- (i) *As per Regulation 6(1) of SEBI (LODR) Regulations, the Company has not appointed qualified company secretary as compliance officer after the resignation of Company Secretary w.e.f. 31<sup>st</sup> July, 2021 till 1<sup>st</sup> August, 2022. NSE & BSE has imposed total fine of Rs. 4,31,880/- for the quarter ended on 31<sup>st</sup> March 2022, 30<sup>th</sup> June 2022 and 30<sup>th</sup> September 2022. The Company has paid the said fines.*

I further state that such compliance 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 Company.

**FOR, BHARAT PRAJAPATI & CO.**  
COMPANY SECRETARIES

**BHARAT PRAJAPATI**  
PROPRIETOR

F.C.S. NO.: 9416, C.P. NO.: 10788  
Peer Review Cert. No. 2367/2022  
UDIN: F009416E000365563

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2023

**CORPORATE GOVERNANCE REPORT**
**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,  
**ELECTROTHERM (INDIA) LIMITED**  
A-1, Skylark Apartment, Satellite Road,  
Satellite, Ahmedabad – 380015

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ELECTROTHERM (INDIA) LIMITED** having CIN L29249GJ1986PLC009126 and having registered office at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380015 (hereinafter referred to as “the Company”), produced before me 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Shailesh Bhandari	00058866	27/06/1989
2	Mr. Mukesh Bhandari	00014511	01/03/1994
3	Mr. Suraj Bhandari	07296523	13/11/2019
4	Mr. Dinesh Mukati	07909551	05/09/2017
5	Mr. Pratap Mohan	03536047	05/09/2017
6	Mrs. Nivedita R. Sarda	00938666	25/05/2018

I further report that the ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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, BHARAT PRAJAPATI & CO.**  
COMPANY SECRETARIES

**BHARAT PRAJAPATI**  
PROPRIETOR  
F.C.S. NO.: 9416, C.P. NO.: 10788  
Peer Review Cert. No. 2367/2022  
UDIN: F009416E000365508

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2023

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**Electrotherm (India) Limited.**

**Report on the audit of the Standalone Financial Statements****Qualified Opinion**

We have audited the accompanying standalone financial statements of **Electrotherm (India) 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, Statement of Cash Flow 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 (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

*We draw attention to Note No. 37(b) of non-provision of interest on NPA accounts of banks, on approximate basis of Rs.102.27 Crore, for the year under consideration and the total amount of such unprovided interest till date is Rs.668.62 Crore. The exact amounts of the said non-provisions of interest are not determined and accordingly the amount of Net Loss for the year is understated by Rs. 102.27 crore and the amount of Bank/ARC liability and Total retained earnings/(loss) as on March 31,2023 is understated by Rs. 668.62 crore. Our audit reports for the previous year ended March 31, 2022 was also qualified in respect of this matter.*

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013 ("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 of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 statement.

**Emphasis of Matter**

We draw attention to the following Notes of Statement of Standalone Audited Financial Statements of the Company:

- (a) Note No 8(d) in respect of pending appeal filed against order of DRT Ahmedabad filed for sale of property of the Wholly owned subsidiary M/s Hans Ispat Limited and provision of expected credit losses / provision for doubtful debt on the balances outstanding of the said subsidiary and impairment in value of investment.
- (b) Note No 15(c) in respect of non-payment of major Installments due to lenders of the loan for the period from June 30, 2020 to March 31, 2023 and major of the Interest due for the period from September 30, 2020 till March 31, 2023 and the lenders are yet to confirm the revised repayment schedule.
- (c) Note No 15(f) related to default in complying with the terms and conditions of settlement entered with the Banks / ARCs (other than Central Bank of India) and the uncertainty about the amount of final liability. The impact of the settlement of Central Bank of India, will be given on the compliance of all the terms and conditions of the agreement.
- (d) Note No 32(a)(ix) and 40 in respect of pending enquiries/notices/summons/litigation and recovery proceedings against the company and the Directors of the Company.
- (e) Note No 36 in respect of defaults & recovery proceedings against the company and for the treatment in the books of account of the assignment / settlements of debts of various banks and the financial institutions.
- (f) Note No 36(a)(vi)(f) related to petition filed under section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against the Company by Edelweiss Asset Reconstruction Company Limited.
- (g) Note No 36(a)(vi)(g) related to statutory demand notice issued by Edelweiss Asset Reconstruction Company Limited under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI") read with Security Interest (Enforcement) Rules, 2002 to discharge the liabilities.
- (h) Note No 38(b) & (e) in respect of confirmation / reconciliation / regrouping and classification of few accounts of "Trade Receivables", "Trade Payable", "Advance from Customers", "Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties" and the amount of inventories as are taken by the management.



## INDEPENDENT AUDITOR'S REPORT

In our opinion in respect of the above *Emphasis of Matter*, we do not provide any modified opinion, as these are not material/quantifiable/relevant for the accounting purpose, for the year under consideration.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters (Other than those given in Basis for Qualified Opinion)	Auditor's Response
<p><b>Impairment of Investment in equity shares of Subsidiary M/s Hans Ispat Limited.</b></p> <p>(Refer note 8(d) of the standalone financial statement)</p> <p>As at March 31 2023, the carrying amount of investment in equity shares of <b>Hans Ispat Limited</b> amounted to Rs Nil Crore net off impairment losses of Rs 36.46 crore. The management at each reporting date assesses if there are any further indicators that the investment in subsidiary are impaired and, if indicators exist, performs an impairment analysis on these investments by making an estimate of recoverable amount, being the higher of fair value less costs to sell and value in use.</p> <p>The recoverable amount of the investment in subsidiary are assessed based on complex assumptions that require the management to exercise their judgment such as future expected revenue, future expected revenue growth rate, gross margins, future cash flows and determination of historical trends. As a result, the Company recorded a total impairment as on March 31, 2023 of Rs. 36.46 crores (for the year ended March 31, 2022 Rs. Nil) against said investment.</p> <p>We focused on this area due to significant carrying amount of the investment in Hans Ispat Limited and the significant management judgement and estimates involved in making an estimate of the recoverable amount.</p>	<p>We performed the following principal audit procedures in relation to management's estimation of recoverable amount of investment in <b>Hans Ispat Limited</b>.</p> <ul style="list-style-type: none"> <li>We have obtained an understanding of management's processes with regard to identifying existence and testing the impairment in the value of investment in the subsidiary.</li> <li>We have also obtained and verified the latest financial statements of the subsidiary regarding the present level of operations and profitability of the subsidiary.</li> <li>We have also reviewed the DRT order for sale of the subsidiary property. Further action taken by the management and the lender as described in Note No 8(d) of the Financial Statements.</li> <li>Refer Para (a) in Emphasis of Matter.</li> <li>We read and tested the disclosures in the notes to standalone financial statements which are as per the relevant accounting standards.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for matter stated in section 134(5) of the Act, with respect to the preparation and presentation of these Standalone Financial Statement that gives 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT

In preparing the standalone financial statements, management and Board of Directors are 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.

The Board of Directors 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 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 system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial Statement 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 statement, including the disclosures, and whether the standalone financial statement represents 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, make 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 for the financial year ended March 31, 2023 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

- (A) As required by the Companies (Auditors' 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, to the extent applicable for the year under consideration.
- (B) As required by Section 143(3) of the Act and read with the notes to accounts, based on our audit and the explanations given to us by the company, we broadly 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;

**INDEPENDENT AUDITOR'S REPORT**

- (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 as at March 31, 2023, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow and Statement of Changes in Equity for the year then ended dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;
- (e) The matter described in 'Qualified Opinion' and 'Emphasis of Matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;
- (g) 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**" to this report;
- (h) The company has not paid any managerial remuneration to its directors and thus, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023.
- (i) With respect to the other matters to be included in the auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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- Please Refer Note No.32(a), 36 and 40 to the Standalone Financial Statement;
  - ii. There are no long-term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
  - iii. There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 41(v), no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 41(vi), no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), 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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.
- v. The Company has not declared any dividend during the year.

**For, Hitesh Prakash Shah & Co**  
(Firm Regd.no: 127614W)  
Chartered Accountants

**Hitesh Shah**  
Partner

Membership No. 124095  
UDIN:23124095BGXFQZ8003

Place: Ahmedabad  
Date: May 27, 2023

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

**Annexure A to Independent Auditor's Report of even date on the Standalone Financial Statements of Electrotherm (India) Limited for the year ended on March 31, 2023.**

**(Referred to in paragraph A under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Electrotherm (India) Limited)**

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and the relevant details of right-of-use assets.
  - (B) The company has maintained proper records showing full particulars of intangible assets.
  - (b) As informed to us, the Company has a programme of physical verification of its majority of Property, Plant and Equipment by which the Property, Plant and Equipment are verified by the Management at periodic interval. In accordance with this programme Property, Plant and Equipment of Engineering & Technologies division were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanation given to us by the management, and based on the examination of property tax receipts and lease agreement(s) for assets on lease, registered sale deed/transfer deed/conveyance deed provided to us, we report that the title deeds of immovable properties (which are included under the Note 3 - 'Property, Plant and Equipment'), are held in the name of the Company as at the Balance sheet date.
  - (d) The company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) According to the information and explanation given to us by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion and as explained to us, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) The Company has not been sanctioned or availed any new working capital loan during the year and therefore reporting under the said clause 3(ii)(b) of the Order is not applicable to the company.
- iii. (a) The company has not provided any guarantee or security to any companies, firm, limited liability partnerships or any other parties covered in the register maintained under section 189 of the Act. During the year the company has granted loan secured or unsecured to such companies, firm, limited liability partnerships or any other parties and its details are as follows:-
- (A) Loan provided / Guarantee granted to subsidiaries, joint venture and associates' concern:
    - The company has not provided any such guarantee.
    - During the year the Company has granted loan to the subsidiary of Rs. Nil Crore. The balance outstanding as on March 31, 2023 of the said loan before provision as doubtful debt, is Rs. 4.18 Crore.
    - During the year the Company has granted loan in the nature of advances to the subsidiary of Rs. 1.19 Crore. The balance outstanding as on March 31, 2023 of the said advances before provision as doubtful debt, is Rs. 65.98 Crore.
    - During the year the Company has invested in subsidiary and joint venture of Rs Nil Crore. The balance outstanding as on March 31, 2023 of the said investment before impairment, is Rs.48.63 Crore.
  - (B) Loan provided / Guarantee granted to other parties (other than subsidiaries, joint venture and associates concern):
    - During the year the company has not granted any loan to the other parties (other than subsidiaries, joint venture and associates). The balance outstanding as on March 31, 2023 of the loan is Rs. 0.15 Crore.
  - (b) As explained to us, the terms and conditions of all loan given and advances in the nature of loans; except unsecured advances considered as doubtful by the company; are not prejudicial to the company's interest.
  - (c) No schedule of repayment of principal and payment of interest in respect of loan and advances in nature of loan has been stipulated and accordingly we are unable to make specific comment on the regularity of repayment of principal and payment of interest. The aggregate balance of such advances before provision as doubtful debt, as on March 31, 2023 is Rs.70.31 Crore.
  - (d) As no schedule for repayment of principal and payment of interest has been stipulated, we cannot comment whether the amount is overdue for more than ninety days or not. Further major of the loan and advances in nature of loan has been considered as doubtful.
  - (e) No loan or advances in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

- (f) The company has granted loans or advances in the nature of loans either payable on demand or without specifying any terms or period of repayment and the aggregate amount of such loan before provision as doubtful debt, is Rs 70.31 crore and it is 100% to such loan granted. The aggregate amount of loans granted to promoters; related parties as defined in clause 76 of section 2 of the Companies Act 2013 is Rs 70.31 crore.
- iv. In our opinion and according to the information and explanation given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans given and investments made have been complied with by the Company. The Company has not granted any guarantees & security in terms of section 185 and 186 of the Act.
- v. In our opinion, and according to the information and explanations given to us, during the year under consideration, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the reporting under clause 3(v) of the Order are not applicable to the company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete or not.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Duty of Customs, Cess and other material statutory dues, as applicable, with the appropriate authorities; though there has been a slight delay in a few cases.
- (b) There are no material undisputed amounts payable in respect of above dues which were in arrears as at March 31, 2023, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, following are the details of outstanding dues in respect of Income Tax, Goods and Service Tax, Sales Tax, service tax, duty of customs, duty of excise, value added tax or cess etc which have not been deposited/adjusted/reversed, on account of dispute:-

Name of the Statute	Nature of Dues	Amount (Rs. In Crore)	Period to which amount relates	Forum Where Dispute is Pending
Central Excise Act, 1944	Excise duty	0.00	2005-06	Commissioner, Central Excise
	Excise duty	11.65	December-2005 to December-2008	CESTAT
	Excise duty	175.00	April-2005 to March-2010	CESTAT
	Excise duty (Advance Licence)	22.41	March-2011 to December-2011	High Court, Gujarat
	Excise duty	68.62	October-2007 to September-2012	Commissioner, Central Excise
	Excise duty	0.12	April-2008 to July-2011	CESTAT
	Excise duty	57.38	April-2009 to March-2010	High Court, Gujarat
	Excise duty	6.82	February-2014 to March-2015	CESTAT
	<b>SUB TOTAL</b>	<b>342.00</b>		
Finance Act, 1944	Service Tax	1.84	April-2007 to March-2008	High Court, Gujarat
	<b>SUB TOTAL</b>	<b>1.84</b>		
Custom Act, 1962	CVD	7.27	March-2011 to December-2011	CESTAT
	Custom Duty	0.83	March-2012 to January-2013	CESTAT
	Custom Duty	0.02	Apr-2011	Joint Commissioner of Custom (Preventive).
	<b>SUB TOTAL</b>	<b>8.12</b>		
Income Tax Act, 1962	Income Tax	21.37	Asst Year 2013-14 to 2017-18	National Faceless Appeal Centre.
	<b>SUB TOTAL</b>	<b>21.37</b>		
Central Goods and Service Tax Act, 2017	Goods and Service Tax	2.13	April-2018 to March-2020	Joint Commissioner of Sales Tax (Appeal) Rajkot
	<b>SUB TOTAL</b>	<b>2.13</b>		
Maharashtra VAT Act, 2002	VAT	6.06	2009-10	Deputy Commissioner of MVAT
	VAT	23.09	2010-11	Deputy Commissioner of MVAT
	<b>SUB TOTAL</b>	<b>29.15</b>		
	<b>Grand Total</b>	<b>404.61</b>		

The above amount does not include amount of additional interest, after the determination of the aforesaid liability.



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

- viii. According to the records of the Company examined by us and the information and explanation given to us, no transaction that has not been recorded in the books of accounts have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961, (43 of 1961).
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, Company has defaulted in repayment of loans or other borrowing or in the payment of Interest thereon to lenders as on March 31, 2023 and its details are as followings:-

Nature of Borrowing, including debt security	Name of the Lender	Amount not paid on due date (Rs in Crore)	Whether Principal or Interest	No. of Days delay or unpaid
Loan	Corporation Bank (now merged with UBI bank)	5.53	Principal	731
		7.31	Principal	640
		7.31	Principal	548
		10.01	Interest	From 0 days to 731 days
		<b>Total</b>	<b>30.16</b>	
Loan	Edelweiss Asset Reconstruction Company Limited	20.15	Principal	835
		40.00	Principal	745
		40.00	Principal	653
		40.00	Principal	561
		40.00	Principal	470
		40.00	Principal	380
		42.625	Principal	288
		42.625	Principal	196
		42.625	Principal	105
		42.625	Principal	15
		35.44	Interest	From 0 days to 275 days
	<b>Total</b>	<b>426.09</b>		
	Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce)	0.85	Principal	1005
		0.85	Principal	913
		0.85	Principal	821
		0.85	Principal	731
		0.90	Principal	640
		0.90	Principal	548
		0.90	Principal	456
		0.90	Principal	366
		1.00	Principal	275
		1.00	Principal	183
		1.00	Principal	91
1.00		Principal	1	
<b>Total</b>	<b>11.00</b>			
Loan	Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank)	0.34	Principal	1005
		3.25	Principal	913
		3.25	Principal	821
		3.25	Principal	731
		3.50	Principal	640
		3.50	Principal	548
		3.50	Principal	456
		3.50	Principal	366
		4.20	Principal	275
		4.20	Principal	183
		4.20	Principal	91
		4.20	Principal	1
		<b>Total</b>	<b>40.89</b>	

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Nature of Borrowing, including debt security	Name of the Lender	Amount not paid on due date (Rs in Crore)	Whether Principal or Interest	No. of Days delay or unpaid
Loan	Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Allahabad Bank)	1.31	Principal	1005
		4.25	Principal	913
		4.25	Principal	821
		4.25	Principal	731
		5.25	Principal	640
		5.25	Principal	548
		5.25	Principal	456
		5.25	Principal	366
		6.50	Principal	275
		6.50	Principal	183
		7.00	Principal	91
		7.00	Principal	1
	<b>Total</b>	<b>62.06</b>		
	Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Allahabad Bank, Punjab National Bank and Oriental Bank of Commerce)	23.85	Interest	From 0 day to 913 days
Loan	Rare Asset Reconstruction Limited (assignee of debts of Dena Bank)	0.25	Principal	821
		1.75	Principal	731
		1.75	Principal	640
		1.75	Principal	548
		1.75	Principal	456
		1.75	Principal	382
		4.02	Interest	Form 0 days to 913
	<b>Total</b>	<b>13.02</b>		
Loan	Rare Asset Reconstruction Limited (assignee of debts of Indian Overseas Bank)	189.95	Principal	4231
		0.01	Interest	4231
	<b>Total</b>	<b>189.96</b>		
Loan	Union Bank of India	0.426	Principal	456
		0.618	Principal	425
		0.618	Principal	397
		0.618	Principal	366
		0.618	Principal	336
		0.618	Principal	305
		0.618	Principal	275
		0.618	Principal	244
		0.618	Principal	213
		0.618	Principal	183
		0.618	Principal	152
		0.618	Principal	122
		0.618	Principal	91
		0.618	Principal	60
		0.618	Principal	31
		0.618	Principal	1
0.67	Interest	Form 0 days to 336		
	<b>Total</b>	<b>10.36</b>		

- (b) According to the records of the Company examined by us and the information and explanation given to us, read with the notes to accounts, the company has not been declared, as wilful defaulter by any bank or financial institution or other lender during the year under consideration.
- (c) According to the records of the Company examined by us and the information and explanation given to us, the company has not taken any term loan during the year and accordingly reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the records of the Company examined by us and the information and explanation given to us, during the year the company has not raised any funds on short term basis which have been used for long-term purposes by the company.

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

- (e) According to the records of the Company examined by us and the information and explanation given to us, during the year the company has not taken any fund from any entity or persons on account of or to meet the obligations of its subsidiaries, associates, or joint venture.
- (f) According to the records of the Company examined by us and the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture, or associate.
- x. (a) According to the records of the Company examined by us and the information and explanation given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the records of the Company examined by us and the information and explanation given to us, the company has not made any preferential allotment or private placements of shares or convertible debentures during the year and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) As informed to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules 2014 with the Central Government, during the year.
- (c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and accordingly reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given by the management and based on our examination of the records of the Company transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial Statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature timing and extent of our audit procedures.
- xv. In our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b), and (c) of the Order is not applicable to the Company
- (b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has not been any resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, that uncertainty exists as on the date of the audit report, that the company might not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within 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.
- xx. (a) With respect to other than ongoing projects for the year ended as on March 31, 2023, there are no unspent amount to be transferred to fund specified in Schedule VII to the Companies Act within the period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of the section 135 of the said Act.
- (b) The amount remaining unspent under sub-section (5) of the section 135 of the Companies Act, pursuant to ongoing project, has been transferred to special account in compliance with the provisions of sub-section (6) of the section 135 of the said section.
- xxi. The requirement of clause 3(xxi), is not applicable in respect of Standalone Financial Statement.

**For, Hitesh Prakash Shah & Co**  
(Firm Regd.no: 127614W)  
Chartered Accountants

**Hitesh Shah**  
Partner

Membership No. 124095  
UDIN:23124095BGXFQZ8003

Place: Ahmedabad  
Date: May 27, 2023

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Annexure B referred to paragraph B(g) under 'Report on Other Legal Regulatory Requirements of Independent Auditor's report of even date for year ended March 31, 2023.

### Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **Electrotherm (India) 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

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Standalone financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone financial statements includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Financial Statements

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

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

### Opinion

In our opinion, the Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting with reference to this standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statement were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Hitesh Prakash Shah & Co**  
(Firm Regd.no: 127614W)  
Chartered Accountants

**Hitesh Shah**  
Partner

Membership No. 124095  
UDIN:23124095BGXFQZ8003

Place: Ahmedabad  
Date: May 27, 2023



**Standalone Balance Sheet as at March 31, 2023**

(Rs In Crore)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non Current Assets</b>			
a) Property, Plant and Equipment	3	614.90	634.49
b) Capital Work in Progress	3	26.08	32.68
c) Intangible Assets	4a	3.71	4.73
d) Right of Use Assets	4b	1.60	2.19
e) Financial Assets			
i) Investments	5	9.80	46.26
ii) Loans	6	-	-
iii) Other Financial Assets	7	32.12	43.55
f) Other Non Current Assets	8	2.44	6.30
<b>Total Non- Current Assets (A)</b>		<b>690.65</b>	<b>770.20</b>
<b>Current assets</b>			
a) Inventories	9	566.19	541.93
b) Financial Assets			
i) Investments	5	0.04	0.04
ii) Trade Receivables	10	197.13	176.17
iii) Cash and Cash Equivalent	11	65.64	64.01
iv) Bank Balance Other than (iii) Above	11	6.64	7.25
v) Other Financial Assets	7	1.39	1.57
c) Current Tax Assets	12	5.53	3.28
d) Other Current Assets	8	175.81	201.04
<b>Total Current Assets (B)</b>		<b>1,018.37</b>	<b>995.29</b>
<b>TOTAL ASSETS (A+B)</b>		<b>1,709.02</b>	<b>1,765.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	13	12.74	12.74
b) Other Equity	14	(1,052.15)	(973.46)
<b>Total Equity (A)</b>		<b>(1,039.41)</b>	<b>(960.72)</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	15	244.88	362.25
ii) Lease Liabilities	16	0.18	0.90
b) Provisions	17	21.35	19.67
<b>Total Non Current Liabilities (B)</b>		<b>266.41</b>	<b>382.82</b>
<b>Current liabilities</b>			
a) Financial Liabilities			
i) Short Term Borrowings	18	1,643.74	1,626.10
ii) Lease Liabilities	16	1.36	1.13
iii) Trade Payables	19		
Total Outstanding Dues Of :			
- Micro Enterprises & Small Enterprises		50.19	38.69
- Other than Micro Enterprises & Small Enterprises		324.66	345.85
iv) Other Financial Liabilities	20	89.67	26.93
b) Other Current Liabilities	21	355.31	289.43
c) Provisions	17	17.09	15.26
<b>Total Current Liabilities (C)</b>		<b>2,482.02</b>	<b>2,343.39</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>1,709.02</b>	<b>1,765.49</b>
Summary of Significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
**For Hitesh Prakash Shah & Co.**  
 Chartered Accountants  
 Firm Registration No: 127614W

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Hitesh Shah**  
 Partner  
 Membership No. 124095  
 UDIN: 23124095BGXFQZ8003

**Shailesh Bhandari**  
 Managing Director  
 DIN:- 00058866

**Suraj Bhandari**  
 Whole Time Director  
 DIN:- 07296523

**Chiragkumar H Shah**  
 Chief Financial Officer

**Jigar H. Shah**  
 Company Secretary

Place : Ahmedabad  
 Date : May 27, 2023

Place : Ahmedabad  
 Date : May 27, 2023

**Standalone Statement of Profit and Loss for the Year ended March 31, 2023**

(Rs In Crore)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue From Operations	22	3,074.05	2,830.28
Other Income	23	6.69	3.76
<b>Total Income</b>		<b>3,080.74</b>	<b>2,834.04</b>
<b>Expenses</b>			
Cost of Raw Materials and Components Consumed	24	2,285.26	2,127.85
Purchases of Stock in Trade	24	-	1.60
Changes in Inventories of Finished Goods & Work in Progress	25	9.81	(48.01)
Employee Benefit Expense	26	144.75	133.67
Finance Costs	27	66.07	45.35
Depreciation and Amortisation Expense	28	47.08	85.78
Other Expenses	29	499.68	519.79
<b>Total expenses</b>		<b>3,052.65</b>	<b>2,866.03</b>
<b>Profit / (Loss) Before Exceptional Items And Tax</b>		<b>28.09</b>	<b>(31.99)</b>
Exceptional item	30	(104.75)	(22.33)
<b>Profit/(Loss)Before Tax</b>		<b>(76.66)</b>	<b>(54.32)</b>
<b>Tax Expense:</b>			
Income Tax	31	-	-
<b>Total Tax Expense</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the Year</b>		<b>(76.66)</b>	<b>(54.32)</b>
<b>Other comprehensive income / (loss)</b>			
<b>A. Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent period</b>			
Re-measurement gain / (loss) on defined benefit plans		(2.03)	0.39
Income tax effect relating to these items		-	-
<b>Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period</b>		<b>(2.03)</b>	<b>0.39</b>
<b>Total Other comprehensive income/(loss) for the year, net of tax</b>		<b>(2.03)</b>	<b>0.39</b>
<b>Total comprehensive income / (Loss) for the year</b>		<b>(78.69)</b>	<b>(53.93)</b>
<b>Earnings per equity share (nominal value of shares Rs 10) (Basic &amp; Diluted)</b>	35	<b>(60.17)</b>	<b>(42.64)</b>
Summary of Significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
**For Hitesh Prakash Shah & Co.**  
Chartered Accountants  
Firm Registration No: 127614W

**Hitesh Shah**  
Partner  
Membership No. 124095  
UDIN: 23124095BGXFQZ8003

Place : Ahmedabad  
Date : May 27, 2023

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Shailesh Bhandari**  
Managing Director  
DIN:- 00058866

**Chiragkumar H Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 27, 2023

**Suraj Bhandari**  
Whole Time Director  
DIN:- 07296523

**Jigar H. Shah**  
Company Secretary

**Standalone Cash Flow Statement for the Year Ended March 31, 2023**

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Tax	(76.66)	(54.32)
<b>Adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation on property, plant, equipment & Amortization of Assets	47.08	85.78
Finance income (including fair value changes in financial instruments)	(2.70)	(2.91)
Net Sundry Balances Written Off/(Written Back)	0.31	(0.20)
Exceptional item	104.75	22.33
Provision For Doubtful Trade Receivables & Advances	2.09	1.92
Finance costs (including fair value changes in financial instruments)	66.07	45.35
Unrealized foreign exchange (gain)/loss	(3.33)	(2.14)
<b>Operating Profit before working capital changes</b>	<b>137.61</b>	<b>95.81</b>
<b>Working capital adjustments:</b>		
Decrease/(Increase) in trade receivables	(40.02)	94.61
Decrease/(Increase) in inventories	(24.26)	(46.66)
Decrease/(Increase) in other current financial assets & others	(0.09)	0.11
Decrease/(Increase) in other current Asset	(22.50)	(31.21)
(Decrease)/Increase in trade payables	(10.27)	(1.97)
(Decrease)/Increase in other current liabilities	65.88	63.84
(Decrease)/Increase in other current financial liabilities	0.41	(0.75)
(Decrease)/Increase in provisions	1.48	6.97
<b>Cash generated from operations</b>	<b>108.24</b>	<b>180.75</b>
Direct taxes Paid / (Refund)	(2.25)	(1.50)
<b>Net Cash (used in) generated from operating activities</b>	<b>105.99</b>	<b>179.25</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipments & intangible assets (including CWIP and capital advances)	(17.50)	(40.11)
Redemption/ (Investments) of bank deposits	12.25	23.56
Interest income	2.77	2.40
<b>Net Cash (used in) generated from investing activities</b>	<b>(2.48)</b>	<b>(14.15)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings (Net)	(99.73)	(147.55)
Payment of Principal portion of Lease Liabilities	(0.70)	(0.95)
Finance Cost (Net)	(1.45)	(40.79)
<b>Net Cash (used in) generated from financing activities</b>	<b>(101.88)</b>	<b>(189.29)</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	<b>1.63</b>	<b>(24.19)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>64.01</b>	<b>88.20</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>65.64</b>	<b>64.01</b>

**Standalone Cash Flow Statement for the Year Ended March 31, 2023****Unrealized foreign exchange (gain)/loss**

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Trade Receivable	(3.60)	(2.26)
Trade Payable	0.27	0.12
<b>Total</b>	<b>(3.33)</b>	<b>(2.14)</b>

**Notes:-**

- a) The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard 7 “Cash Flow Statement”
- b) Disclosure of change in liabilities arising from financing activities, including both arising from cash flows and non-cash changes are as per Note No. 15(e), 16 & 18

As per our report of even date  
**For Hitesh Prakash Shah & Co.**  
 Chartered Accountants  
 Firm Registration No: 127614W

**Hitesh Shah**  
 Partner  
 Membership No. 124095  
 UDIN: 23124095BGXFQZ8003

Place : Ahmedabad  
 Date : May 27, 2023

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Shailesh Bhandari**  
 Managing Director  
 DIN:- 00058866

**Chiragkumar H Shah**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : May 27, 2023

**Suraj Bhandari**  
 Whole Time Director  
 DIN:- 07296523

**Jigar H. Shah**  
 Company Secretary

**Statement of Change in Equity for the Year ended March 31, 2023**
**A. EQUITY SHARE CAPITAL**

Particulars	No. of Shares	(Rs In Crore)
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid</b>		
<b>As at April 1, 2021</b>	<b>1,27,42,814</b>	<b>12.74</b>
Change in Equity Share Capital Due to Prior Period Errors	-	-
<b>Restated balance as at April 1, 2021</b>	<b>1,27,42,814</b>	<b>12.74</b>
Add: Issue of Equity Share Capital	-	-
<b>As at March 31, 2022</b>	<b>1,27,42,814</b>	<b>12.74</b>
Change in Equity Share Capital Due to Prior Period Errors	-	-
<b>Restated balance as at April 1, 2022</b>	<b>1,27,42,814</b>	<b>12.74</b>
Add: Issue of Equity Share Capital	-	-
<b>As at March 31, 2023</b>	<b>1,27,42,814</b>	<b>12.74</b>

**B. OTHER EQUITY**

(Rs In Crore)

Particulars	Reserves & Surplus				Total Other Equity
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
As at April 1, 2021	158.41	240.01	300.46	(1,618.41)	(919.53)
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as at April 1, 2021</b>	<b>158.41</b>	<b>240.01</b>	<b>300.46</b>	<b>(1,618.41)</b>	<b>(919.53)</b>
Loss for the year	-	-	-	(54.32)	(54.32)
Other Comprehensive Income (Re-measurement Gain on defined benefit plans)	-	-	-	0.39	0.39
Total Comprehensive Income	-	-	-	(53.93)	(53.93)
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
<b>As at March 31, 2022</b>	<b>158.41</b>	<b>240.01</b>	<b>297.20</b>	<b>(1,669.08)</b>	<b>(973.46)</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as at April 1, 2022</b>	<b>158.41</b>	<b>240.01</b>	<b>297.20</b>	<b>(1,669.08)</b>	<b>(973.46)</b>
Loss for the year	-	-	-	(76.66)	(76.66)
Other Comprehensive Income / (Loss) (Re-measurement loss on defined benefit plans)	-	-	-	(2.03)	(2.03)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(78.69)</b>	<b>(78.69)</b>
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
<b>As at March 31, 2023</b>	<b>158.41</b>	<b>240.01</b>	<b>293.94</b>	<b>(1,744.51)</b>	<b>(1,052.15)</b>

As per our report of even date  
**For Hitesh Prakash Shah & Co.**  
 Chartered Accountants  
 Firm Registration No: 127614W

**Hitesh Shah**  
 Partner  
 Membership No. 124095  
 UDIN: 23124095BGXFQZ8003

Place : Ahmedabad  
 Date : May 27, 2023

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Shailesh Bhandari**  
 Managing Director  
 DIN:- 00058866

**Chiragkumar H Shah**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : May 27, 2023

**Suraj Bhandari**  
 Whole Time Director  
 DIN:- 07296523

**Jigar H. Shah**  
 Company Secretary



**Notes to Standalone Financial Statements for the year ended March 31, 2023****1. CORPORATE INFORMATION:**

Electrotherm (India) Limited (the “Company”) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad, Gujarat. The Company is engaged in the manufacturing of Induction Furnace, Casting Machines, Transformers, Sponge and Pig Iron, Ferrous and Non-Ferrous Billets/ bars/ Ingots, Duct Iron Pipes, Transmission Line Towers, Battery Operated Vehicles and Services relating to Steel Melting and Other Capital equipment.

The financial statements were approved for issue in accordance with a resolution of the directors on May 27, 2023.

**2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT OF FINANCIAL STATEMENTS:****A) Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015. (as amended from time to time) including the Companies (Indian Accounting Standards) Amendment Rules, 2019 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements of the Company.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments) and derivative financial instruments.

Certain comparative figures appearing in these financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

The financial statements have been presented in Indian Rupee has been rounded off to the nearest Crore. Amounts less than 0.01 Crore have been presented as “0” except where otherwise indicated.

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:****a CURRENT VERSUS NON-CURRENT CLASSIFICATION:**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

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

**b FOREIGN CURRENCIES:**

The Company’s financial statements are presented in Rupees in Crore, which is also the company’s functional currency. The Company determines the functional currency and items included in the financial statements are measured using that functional currency

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

### Transactions and balances

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rates prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange differences arising on settlement of such transactions and on translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

### c. FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

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

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

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

**d. Revenue from contracts with customers:**

Revenue from contracts with customers is recognized to the extent that is probable that the economic benefits will flow to the company and revenue can be reliably measurable regardless of when payment is being received. Revenue is measured at transaction value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The company has concluded that it is the principal in all its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

However, the Goods & Service Tax is not received by company on its own account, rather it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

**Sale of Goods:**

Revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as Goods and Service Tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

**Variable Consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognised on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same

**Dividends:**

Dividend is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**Interest income and expense:**

Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

**Contract Balances****Contract assets:**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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

### Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### Contract liabilities (Advance from customers)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities (advance from customers) are recognised as revenue when the Company performs under the contract.

### Refund liabilities:

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

### e. PROPERTY, PLANT AND EQUIPMENT (PPE):

Property Plant and Equipment and Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the Standalone Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of PPE that are yet not installed and not ready for their intended use at the Balance Sheet date.

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

The Company calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013, except in respect of following fixed assets:

- Long Term Lease hold land is amortised over a period of 99 years, being the lease term.
- Power Plant are depreciated at annual rate of 5% and same is to bring the depreciation rates in line with the useful life of assets as estimated by the Technical Team of the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

### f. INTANGIBLE ASSETS:

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets in the form of software are amortised over a period of six years and trademarks over a period of five years as per their respective useful life based on a straight-line method. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Standalone Statement of profit or loss when the asset is derecognised.

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

g. **IMPAIRMENT OF NON-FINANCIAL ASSETS:**

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

h. **BORROWING COSTS:**

Borrowing costs 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i. **LEASES:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee:**i **Right of use assets**

The company recognizes right-of-use assets at the commencement date of the lease (i.e the date the underlying asset is available for use), Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

<u>Assets</u>	<u>Estimated Useful Life</u>
Right-of-use of office premises and Leasehold land	Over the balance period of lease agreement

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in relating to Impairment of non-financial assets.

ii. **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of office equipment that is considered to be low value amounting to Rs. 0.02 crore. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### j. FINANCIAL INSTRUMENTS:

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

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through Standalone Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or or which the Company has applied the practical expedient, are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.1(d) Revenue from contracts with customers

##### Subsequent measurement

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

- Financial assets instruments (debt instruments) - measured at amortised cost
- Financial asset at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)
- Financial asset - measured at fair value through other comprehensive income (FVTOCI)

##### Financial asset at amortised cost (debt instruments)

A 'financial assets' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the Standalone Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

##### Financial Assets at FVTOCI

Financial assets that meet the following conditions are measured initially as well as at the end of each reporting date at fair value, recognised in other comprehensive income (OCI).

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the asset that give rise on specified dates to cash flows that represent solely payment of principal and interest.

**Notes to Standalone Financial Statements for the year ended March 31, 2023****Financial Assets at FVTPL**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and investments in equity instruments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

**Equity investments**

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Standalone Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

The Company considers a financial asset in default when contractual payments are overdue. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

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

### **Financial assets measured at amortised cost:**

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### **Financial liabilities & Equity Instruments**

#### **Classification as debt or equity**

Financial liabilities and equity instruments are classified 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.

#### **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.

#### **Initial recognition and measurement**

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

#### **Financial liabilities at fair value through Profit or Loss.**

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through Statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / losses are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability at FVTPL.

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Standalone Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation

**Derecognition**

A financial liability is derecognised 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 in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**k. INVENTORIES:**

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Scrap is valued at net realisable value. Cost is determined on a Weighted Average method.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them in their respective present location and condition.

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

**l. RETIREMENT AND OTHER EMPLOYEE BENEFITS:**

Retirement benefits in the form of provident fund are defined contribution plans. The Company has no obligation, other than the contributions payable to provident fund. The Company recognises contribution payable to these funds as an expense, when an employee renders the related service.

For the defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs; and
- Net interest expense or income

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

The liability in respect of unused leave entitlement of the employees as at the reporting date is determined on the basis of an independent actuarial valuation carried out and the liability is recognized in the Statement of Profit and Loss. Actuarial gain and loss are recognised in full in the period in which they occur in the Statement of Profit and Loss.

### m. TAXES:

Tax Expenses comprises of current income tax and deferred tax

#### Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the Standalone Statement of Profit and Loss is recognised outside the Standalone Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred Tax:

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

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

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

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

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

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### n. PROVISIONS:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.



**Notes to Standalone Financial Statements for the year ended March 31, 2023****o. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit 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 earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**p. CASH AND CASH EQUIVALENT:**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

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

**q. CASH DIVIDEND**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**r. CONTINGENT LIABILITIES**

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

**2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:**

The preparation of the Company's financial statements requires management to make judgements, estimates customer will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from contract with customer. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract with the customer. Before adjusting any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the financial statements.

**Determining the lease term of contracts with renewal and termination options – Company as lessee.**

The Company determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**Estimates and assumptions**

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

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

### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in Note 33.

### Useful Life of Property Plant & Equipment and Intangible assets

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

## 2.23 RECENT ACCOUNTING PRONOUNCEMENTS

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

- (A) **Ind AS 1** - Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.
- (B) **Ind AS 8** - Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.
- (C) **Ind AS 12** – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.
- (D) **Ind AS 34** – Interim Financial Reporting - modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.
- (E) **Ind AS 107** – Financial Instruments Disclosures – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.
- (F) **Ind AS 109** – Financial Instruments – modification relating to reassessment of embedded derivatives.

The Company is evaluating the amendments and the expected impact, if any, on the Company's financial statements on application of the amendments for annual reporting periods beginning on or after April 1, 2023.

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

(Rs In Crore)

## 3 Property, plant and equipment

Particulars	Freehold Land	Building	Plant and Equipment	Computer	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost</b>								
As at April 1, 2021	150.35	293.55	869.67	10.46	4.88	5.28	5.33	1,339.52
Additions	-	1.33	41.21	0.66	0.07	0.71	0.93	44.91
As at March 31, 2022	150.35	294.88	910.88	11.12	4.95	5.99	6.26	1,384.43
Additions	-	5.55	19.75	0.15	0.06	0.21	0.08	25.80
As at March 31, 2023	150.35	300.43	930.63	11.27	5.01	6.20	6.34	1,410.23
<b>Depreciation / Amortization and Impairment</b>								
As at April 1, 2021	-	69.31	582.07	7.83	1.93	2.87	2.11	666.12
Depreciation for the Year	-	14.12	66.51	1.43	0.39	0.84	0.53	83.82
As at March 31, 2022	-	83.43	648.58	9.26	2.32	3.71	2.64	749.94
Depreciation for the Year	-	14.07	28.72	0.82	0.38	0.77	0.63	45.39
As at March 31, 2023	-	97.50	677.30	10.08	2.70	4.48	3.27	795.33
<b>Net Block</b>								
As at April 1, 2021	150.35	224.24	287.60	2.63	2.95	2.41	3.22	673.40
As at March 31, 2022	150.35	211.45	262.30	1.86	2.63	2.28	3.62	634.49
As at March 31, 2023	150.35	202.93	253.33	1.19	2.31	1.72	3.07	614.90

Notes:-

- (a) There is a pari-pasu charge by way of Registered Mortgage on Immovable Property, Plant and Equipments & hypothecation on all Movable Property, Plant & Equipments.
- (b) No borrowing costs are capitalized on Property Plant and Equipment during the current and previous years as the company has not borrowed fund for the purpose of acquisition of Property Plant and Equipment.
- (c) The title deed of immovable properties are held in the name of Company.
- (d) Capital Work in Progress

Particulars	(Rs In Crore)
As at March 31, 2023	26.08
As at March 31, 2022	32.68

**Notes to Standalone Financial Statements for the year ended March 31, 2023**
**3(e) Capital Work In Progress ageing schedule is as below**
**As At March 31, 2023**
**CWIP Ageing Schedule**

(Rs In Crore)

Particular	Amount in CWIP for a period of				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects in progress	11.73	6.41	5.99	0.58	24.71
Projects temporarily suspended	-	-	-	1.37	1.37
<b>Total</b>	<b>11.73</b>	<b>6.41</b>	<b>5.99</b>	<b>1.95</b>	<b>26.08</b>

**CWIP which are being temporarily suspended**

(Rs In Crore)

Particular	To be completed in				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
<b>Projects temporarily suspended</b>					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.37</b>	<b>1.37</b>

**Capital Work In progress ageing schedule is as below**
**As At March 31, 2022**
**CWIP Ageing Schedule**

(Rs In Crore)

Particular	Amount in CWIP for a period of				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects in progress	19.27	11.34	0.26	0.44	31.31
Projects temporarily suspended	-	-	0.12	1.25	1.37
<b>Total</b>	<b>19.27</b>	<b>11.34</b>	<b>0.38</b>	<b>1.69</b>	<b>32.68</b>

**CWIP which are being temporarily suspended**

(Rs In Crore)

Particular	To be completed in				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
<b>Projects temporarily suspended</b>					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.37</b>	<b>1.37</b>

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

## 4(a) Intangible Assets

(Rs In Crore)

Particulars	Software	Trademark	Total
<b>Cost</b>			
As at April 1, 2021	6.65	0.03	6.68
Additions	0.49	-	0.49
<b>As at March 31, 2022</b>	<b>7.14</b>	<b>0.03</b>	<b>7.17</b>
Additions	-	-	-
<b>As at March 31, 2023</b>	<b>7.14</b>	<b>0.03</b>	<b>7.17</b>
<b>Amortization and Impairment</b>			
As at April 1, 2021	1.45	0.02	1.47
Amortization for the Year	0.97	-	0.97
<b>As at March 31, 2022</b>	<b>2.42</b>	<b>0.02</b>	<b>2.44</b>
Amortization for the Year	1.02	-	1.02
<b>As at March 31, 2023</b>	<b>3.44</b>	<b>0.02</b>	<b>3.46</b>
<b>Net Block</b>			
As at March 31, 2022	4.72	0.01	4.73
<b>As at March 31, 2023</b>	<b>3.70</b>	<b>0.01</b>	<b>3.71</b>

## 4(b) Right of Use Assets

(Rs In Crore)

Particulars	Right of Use Assets		
	Premises	Lease Hold Land	Total
<b>Gross Carrying Value</b>			
As at April 1, 2021	4.21	0.96	5.17
Additions	1.34	-	1.34
<b>As at March 31, 2022</b>	<b>5.55</b>	<b>0.96</b>	<b>6.51</b>
Additions	0.08	-	0.08
<b>As at March 31, 2023</b>	<b>5.63</b>	<b>0.96</b>	<b>6.59</b>
<b>Accumulated Amortization</b>			
As at April 1, 2021	3.28	0.05	3.33
Amortization Charged for the Year	0.98	0.01	0.99
<b>As at March 31, 2022</b>	<b>4.26</b>	<b>0.06</b>	<b>4.32</b>
Amortization Charged for the Year	0.66	0.01	0.67
<b>As at March 31, 2023</b>	<b>4.92</b>	<b>0.07</b>	<b>4.99</b>
<b>Net Carrying Value</b>			
As at March 31, 2022	1.29	0.90	2.19
<b>As at March 31, 2023</b>	<b>0.71</b>	<b>0.89</b>	<b>1.60</b>



**Notes to Standalone Financial Statements for the year ended March 31, 2023**
**5 Investments** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current Investments</b>		
<b>Non-Trade Investments - Investments in Mutual Funds (Quoted) (at fair value through profit and loss)</b>		
- 21,503.949 (March 31, 2022: 21,503.949) Units Of Bandhan Mutual Fund Value Fund (Erstwhile IDFC Sterling Value Fund) - Regular Plan Growth	0.20	0.19
- 13,027.83 (March 31, 2022: 13,027.83) Units Of Canara Robeco Emerging Equities - Regular Plan Growth	0.20	0.21
- 49,990 (March 31, 2022: 49,990) Units Of Union Focused Largecap Fund - Regular Plan-Growth	0.08	0.08
<b>Other unquoted investments in Government Securities (At Amortized Cost)</b>		
- National Saving Certificates	0.00	0.00
<b>Investment in Equity Instruments (Unquoted) : (at Cost Less Provision for Impairment)</b>		
<b>(a) Investment in unquoted Equity Share of Joint Ventures</b>		
- 90,45,127 (March 31, 2022: 90,45,127) Equity Shares of Rs. 10 each of Bhaskarpara Coal Company Limited	9.06	9.06
Less:- Accumulated Impairment on Bhaskarpara Coal Company Limited	(2.13)	(2.13)
<b>(b) Investment in unquoted Equity Share of Subsidiary Company (at Cost Less Provision for Impairment)</b>		
- 38,00,000 (March 31, 2022: 38,00,000) Shares of Rmb 1 each of Jinhua Indus Enterprise Limited	2.04	2.04
- 3,64,20,000 (March 31, 2022: 3,64,20,000) Equity Shares of Rs. 10/- each of Hans Ispat Limited (Refer Note 8(d))	36.46	36.46
Less: Accumulated Impairment on Hans Ispat Limited	(36.46)	-
- 3,50,000 (March 31, 2022: 3,50,000) Equity Shares of Rs. 10/- each of Electrotherm Services Limited	0.35	0.35
- 7,78,000 (March 31, 2022: 7,78,000) Equity Shares of Rs. 100/- each at a Premium of Rs. 909/- of Shree Ram Electrocast Limited	-	-
- 7,24,400 (March 31, 2022: 7,24,400) Equity Shares of Rs. 10 each of ET Elec-Trans Limited	0.72	0.72
Less: Accumulated Impairment on ET Elec-Trans Limited	(0.72)	(0.72)
<b>Total Non Current Investment</b>	<b>9.80</b>	<b>46.26</b>
<b>Current-Investment</b>		
<b>Non-Trade Investments - Investments in Mutual Funds (Quoted) (at fair value through profit and loss)</b>		
- 389.612 (March 31, 2022: 12,052.424) Units Of HSBC Ultra Short Duration Fund-Regular Growth merger from L&T Ultra Short Term Fund - Regular Plan-Growth	0.04	0.04
<b>Total Current Investment</b>	<b>0.04</b>	<b>0.04</b>
Aggregate book value of Investments in unquoted equity shares	48.63	48.63
Aggregate Value of Investments in Government Security	0.00	0.00
Aggregate Carrying Value & Books Value of quoted Investments	0.52	0.52
Aggregate amount of impairment in value of investments in unquoted equity shares	39.31	2.85

- (a) The Company holds investment in equity shares of Shree Ram Electrocast Limited as subsidiary company. Due to heavy losses and non operation of Shree Ram Electrocast Limited the amount of Investment of Rs. 78.68 Crore has been written off during the financial year 2015-2016. State Bank of India has conducted auction under Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 & Movable & Immovable Property, Plant & Equipment and Inventory charged with the bank were sold during the year ended on March 31, 2020. In view of the said facts advances to the said subsidiary of Rs 1.78 Crore (March 31, 2022 Rs. 1.78 Crore), shown in Note no. 8 , has been treated as Doubtful advance to the Subsidiary Company.
- (b) The company holds an investment in equity shares of ET Elec-Trans Limited as subsidiary company and Bhaskarpara Coal Company Limited as a joint venture. These Companies have incurred heavy losses and/or are non-operating and therefore the fate of said Companies is uncertain. Provision for impairment of Rs. 2.13 Crore (March 31, 2022 Rs. 2.13 Crore) in the value of investment in joint ventures namely Bhaskarpara Coal Company Limited and in the value of investment in subsidiary namely ET Elec-Trans Limited Rs. 0.72 Crore (March 31, 2022 Rs. 0.72 Crore) has been provided as on April 1, 2016.

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

## 6 Loans (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered doubtful</b>		
Loan Receivable from Subsidiary- Credit Impaired	4.18	4.18
Less: Impairment allowance (Allowance for bad and doubtful debts)	(4.18)	(4.18)
<b>Total</b>	<b>-</b>	<b>-</b>

## (a) Loan to subsidiary (Rs In Crore)

Particulars	Balance as at March 31, 2023	Balance as at March 31, 2022
Electrotherm Services Limited	4.18	4.18

(Rs In Crore)

Particulars	Maximum Amount Outstanding at any time during the Year Ended	
	March 31, 2023	March 31, 2022
Electrotherm Services Limited	4.18	4.18

- (b) The settlement of loans and advances to subsidiary is neither planned nor likely to occur in the next twelve months and are given as interest free.
- (c) Loans and advances to subsidiary is given for business purpose.
- (d) Due to uncertainty of recovery, impairment allowance (allowance for bad and doubtful debts) of the amount recoverable of Rs. 4.18 Crore (March 31, 2022 Rs. 4.18 Crore) from Electrotherm Services Limited has been made as on April 1, 2016.

## Movement of allowance for expected credit losses (Rs. In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at beginning of the year</b>	<b>4.18</b>	<b>4.18</b>
Provision for expected credit losses	-	-
<b>Balance at end of the year</b>	<b>4.18</b>	<b>4.18</b>

## 7 Other Financial Assets (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non Current Other Financial Assets</b>		
<b>Unsecured, Considered Good</b>		
Sundry Deposits (Includes Bank Fixed Deposit of Rs. 3.29 Crore (March 31, 2022: 7.73 crore) given as EMD)	25.69	31.05
In term deposit accounts (marked as lien against the LC/BG) (remaining maturity more than 12 months)	6.43	12.50
<b>Total Non Current Other Financial Assets</b>	<b>32.12</b>	<b>43.55</b>
<b>Current Other Financial Assets</b>		
<b>Unsecured, Considered Good</b>		
Loan to Employees	0.14	0.04
Interest accrued	1.25	1.53
<b>Total Current Other Financial Assets</b>	<b>1.39</b>	<b>1.57</b>

**Notes to Standalone Financial Statements for the year ended March 31, 2023**
**8 Other Assets** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Other Non Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Advance for Capital Goods	2.44	6.30
<b>Total Non Current Other Assets</b>	<b>2.44</b>	<b>6.30</b>
<b>Other Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Advance to subsidiaries	0.95	0.95
Enterprises owned or Significantly influenced by Key Managerial Personnel or their relative	0.15	0.16
Advances Recoverable In Cash or Kind (Net)	32.63	33.73
Advances to Staff	0.23	0.16
Advance to Suppliers and Other Parties	116.33	99.31
Prepaid Expenses	6.88	4.38
Balance with Revenue Authorities	16.85	14.02
<b>Unsecured, Considered Doubtful</b>		
Advance to Subsidiary (Refer Note 5(a) & 8(d)) - Credit Impaired	65.03	63.84
Less : Impairment allowance on subsidiary (allowance for bad and doubtful Advances)	(63.24)	(15.51)
Advance to Suppliers and Other Parties - Credit Impaired	18.05	18.05
Less : Impairment allowance (allowance for bad and doubtful Advances)	(18.05)	(18.05)
<b>Total</b>	<b>175.81</b>	<b>201.04</b>

**(a) Movement of allowance for expected credit losses** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at beginning of the year</b>	<b>33.56</b>	<b>18.05</b>
Movement in Provision For Doubtful Receivable on Advance to suppliers, subsidiary and other Parties	47.73	15.51
<b>Balance at end of the year</b>	<b>81.29</b>	<b>33.56</b>

**(b) Advances to Subsidiaries** (Rs In Crore)

Particulars	Balance As at March 31, 2023	Balance As at March 31, 2022
Jinhua Indus Enterprise Limited	0.95	0.95
Shree Ram Electrocast Limited	1.78	1.78
Hans Ispat Limited	63.25	62.06
<b>Total</b>	<b>65.98</b>	<b>64.79</b>

(Rs In Crore)

Particulars	Maximum Amount Outstanding at any time during the Year Ended	
	March 31, 2023	March 31, 2022
Jinhua Indus Enterprise Limited	0.95	0.95
Shree Ram Electrocast Limited	1.78	1.78
Hans Ispat Limited	63.25	62.06

(c) The settlement of advances to subsidiaries and related parties are not planned and is not likely to occur with in twelve months

(d) "The Company holds investment in equity shares of Hans Ispat Limited (Wholly Owned Subsidiary Company). Bank of Baroda had filed Original Application against said Wholly Owned Subsidiary Company & its guarantors (i.e. Mr. Shailesh Bhandari and Mr. Mukesh Bhandari) before Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act 1993. The Hon'ble DRT vide judgement dated April 15, 2019 allowed the original application

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

filed by the Bank of Baroda and for issue of recovery certificate against the Wholly Owned Subsidiary Company and guarantors to the tune of Rs. 50.74 Crores and future interest on the amount due @12.00% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. Thereafter, the Hon'ble Recovery Officer has put the properties for e-auction on November 22, 2019, April 29, 2020, September 24, 2021 and November 18, 2021. On November 18, 2021 the bid offer of Rs. 33.03 Crores from Kemo Steel Industries Private Ltd was successful. The Ld. Recovery Officer, DRT-I Ahmedabad confirmed the sale and handed over the possession on April 6, 2022 to the auction purchaser. Sale Certificate was issued on April 7, 2022 in favour of the auction purchaser.

However, Invent Assets Securitisations & Reconstruction Private Limited (assignee of debts of State Bank of India for Wholly Owned Subsidiary Company) has filed an appeal in DRAT, Mumbai. The Hon'ble DRAT has passed an order on April 19, 2022 that further proceeding consequent to the sale which has already been confirmed and possession handed-over be stalled and stayed further proceedings and status-quo to be maintained. Thereafter, by order dated August 10, 2022, the Hon'ble DRAT by way of an interim arrangement, permitted the auction purchaser to run the factory, subject to the certain condition and to the ultimate decision to be taken in the Appeal. Invent Assets Securitisations & Reconstruction Private Limited has filed a Writ Petition before the Bombay High Court challenging this order of the DRAT. Hans Ispat Limited has also filed an appeal in the DRAT against the order of the Recovery officer, DRT Ahmedabad finalising the sale of the mortgaged property. The said appeals are pending for further hearing.

As on March 31, 2023 the company had Trade Receivable of Rs 27.39 Crore (as at March 31, 2022 Rs 27.30 Crore), Advances of Rs 63.25 Crore (as at March 31, 2022 Rs 62.06 Crore) and investment of Rs 36.46 Crore (as at March 31, 2022 Rs 36.46 Crore) and against which on considering all the facts as stated above, during the year ended March 31, 2023, the company has provided expected credit loss / Provision for doubtful amount of Rs 20.57 Crore (as at March 31, 2022 Rs 6.82 Crore) on trade receivable, Rs 47.73 Crore (as at March 31, 2022 Rs 15.51 Crore) on advances and impairment on investment in subsidiary of Rs 36.46 Crores respectively and which had been considered as Exceptional items and the cumulative provision for expected credit loss / Provision for doubtful debt / Impairment upto March 31, 2023 on trade receivable is Rs 27.39 Crore (as at March 31, 2022 Rs 6.82 Crore), on Advances Rs 63.24 Crores (as at March 31, 2022 Rs 15.51 Crore) and impairment of investment is Rs 36.46 Crore.

(e) Advances to subsidiaries are given for the business purpose.

## 9 Inventories {Refer Note No 38(e)}

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Raw Material [including goods in transit of Rs.Nil (March 31, 2022 Rs. 2.30 Crore) ]	195.40	168.17
b. Work-In-Progress	236.03	207.85
c. Finished Goods / Stock in Trade [ Including goods in transit of Rs.14.95 Crore (March 31, 2022 Rs.10.42 Crore) ]	85.32	123.31
d. Stores and Spares	49.44	42.60
<b>Total</b>	<b>566.19</b>	<b>541.93</b>

## 10 Trade Receivables {Refer Note No 38(b)}

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(A) Trade receivables from other parties</b>		
Secured Considered Good	27.42	38.71
Unsecured Considered Good	160.03	107.30
Unsecured Considered Doubtful- Credit Impaired	100.78	98.68
Less: Allowance for Expected Credit Loss / Doubtful Receivable	(100.78)	(98.68)
<b>(B) Due from Related Parties</b>		
<b>(Unsecured, Considered Good)</b>		
- Enterprises owned or Significantly influenced by key management personnel or their relative	9.68	9.68
<b>(Unsecured, Considered Doubtful)</b>		
- Subsidiaries Company - Credit Impaired (Refer Note No 8d)	27.90	27.81
Less: Allowance for Expected Credit Loss / Doubtful Receivable	(27.90)	(7.33)
<b>Total</b>	<b>197.13</b>	<b>176.17</b>

**Notes to Standalone Financial Statements for the year ended March 31, 2023**
**(a) Ageing of Trade Receivable**
**As at March 31, 2023**

(Rs. In Crore)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	68.51	99.98	7.21	8.06	4.43	8.94	197.13
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	0.06	0.03	0.01	28.14	96.41	124.65
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	4.03	4.03
<b>Total</b>	<b>68.51</b>	<b>100.04</b>	<b>7.24</b>	<b>8.07</b>	<b>32.57</b>	<b>109.38</b>	<b>325.81</b>
<b>Less: Provision for Expected Credit Loss / Doubtful Receivable</b>							
- on Subsidiaries							(27.90)
- on Other Parties							(100.78)
<b>Total Trade Receivable</b>							<b>197.13</b>

**As at March 31, 2022**

(Rs. In Crore)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	70.01	37.54	13.11	20.17	4.26	10.60	155.69
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	0.37	26.35	0.95	94.72	122.39
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	4.10	4.10
<b>Total</b>	<b>70.01</b>	<b>37.54</b>	<b>13.48</b>	<b>46.52</b>	<b>5.21</b>	<b>109.42</b>	<b>282.18</b>
<b>Less: Provision for Expected Credit Loss / Doubtful Receivable</b>							
- on Subsidiary							(7.33)
- on Other Parties							(98.68)
<b>Total Trade Receivable</b>							<b>176.17</b>

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

## b Movement in expected credit loss allowance (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at beginning of the year</b>	<b>106.01</b>	<b>97.27</b>
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	22.67	8.74
<b>Balance at end of the year</b>	<b>128.68</b>	<b>106.01</b>

- c A formal credit policy has been framed and credit facilities are given to customer within the framework of the credit policy. As per credit risk management mechanism, a policy for doubtful debt has been formulated and risk exposure related to receivables are identified based on criteria mentioned in the policy and provided for credit loss allowance.

## 11 Cash and Cash Equivalents (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash and Cash Equivalents (At Amortized Cost)</b>		
a. Balances with Bank		
- In Current Account	63.81	63.39
b. Cash on hand	0.54	0.62
c. Unpaid CSR Fund	1.29	-
<b>Cash and cash equivalent for the purpose of statement of cash flow</b>	<b>65.64</b>	<b>64.01</b>
<b>Bank Balance Other than Cash and Cash Equivalents (At Amortized Cost)</b>		
- Deposits with original maturity of more than three months but less than twelve months	5.98	6.80
- Interest accrued but not due	0.66	0.45
<b>Total</b>	<b>6.64</b>	<b>7.25</b>

## 12 Current Tax assets (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Asset	5.53	3.28
<b>Total</b>	<b>5.53</b>	<b>3.28</b>

## 13 Equity share capital (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Authorized Share Capital:</b>			
2,50,00,000 (March 31, 2022: 2,50,00,000 and April 1, 2021: 2,50,00,000) Equity Shares of Rs.10/- each	25.00	25.00	25.00
2,50,00,000 (March 31, 2022: 2,50,00,000 and April 1, 2021: 2,50,00,000) 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	25.00	25.00	25.00
2,85,90,000 (March 31, 2022: 2,85,90,000 and April 1, 2021: 2,85,90,000) Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- each	28.59	28.59	28.59
	<b>78.59</b>	<b>78.59</b>	<b>78.59</b>
<b>Issued, subscribed and fully paid up:</b>			
<b>(a) Equity Shares</b>			
1,27,42,814 (March 31, 2022 1,27,42,814 and April 1, 2021: 1,27,42,814) Equity Shares of Rs.10/- each Fully paid up	12.74	12.74	12.74
	<b>12.74</b>	<b>12.74</b>	<b>12.74</b>



**Notes to Standalone Financial Statements for the year ended March 31, 2023**
**a) Details of reconciliation of the number of equity shares outstanding:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	(Rs In Crore)	No of shares	(Rs In Crore)
<b>Equity Shares :</b>				
<b>At the beginning of the year</b>	<b>1,27,42,814</b>	<b>12.74</b>	<b>1,27,42,814</b>	<b>12.74</b>
Add: Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>1,27,42,814</b>	<b>12.74</b>	<b>1,27,42,814</b>	<b>12.74</b>

**b) Rights, preference and restriction attached to Equity Shares**

The face value of the Equity shares is Rs 10/- per share . Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. During the year, the company has not declared any dividend.

The shareholders are not entitled to exercise any voting right either personally or proxy at any meeting of the Company in cases of calls or other sums payable have not been paid.

In the event of liquidation of the company, holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Rights, preference and restriction attached to Preference Shares**

- The face value of the Preference shares is Rs 10/- per share . The Preference share holder have voting right in their meeting. During the year, the company has not declared any dividend.
- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.

**d) Rights, preference and restriction attached to Partially Convertible Partially Redeemable Preference Shares (PCPRPS)**

- The face value of the PCPRPS is Rs 10/- per share . The preference share holder have voting right in their meeting. During the year, the company has not declared any dividend.
- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.
- The Equity Shares arising upon conversion of the PCPRPS shall rank pari passu with the existing Equity Shares of the Company in all respects, including dividend.

**e) Details of shareholders holding more than 5% equity shares in the company**

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Edelweiss Asset Reconstruction Company Limited	-	-	700,208	5.49
Castleshine PTE Limited	1,000,000	7.85	1,000,000	7.85
Leadhaven PTE Limited	1,000,000	7.85	1,000,000	7.85
Western India speciality Hospital Limited	975,000	7.65	975,000	7.65
Mr. Shailesh Bhandari	848,275	6.66	848,275	6.66
Mr. Mukesh Bhandari	809,500	6.35	809,500	6.35
Artiben Jagdish Thakkar	614,247	4.82	694,406	5.45

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

## f) Share holding of the Promoters

Sr. No.	Name of Promoters	Category	As on March 31, 2023		As on March 31, 2022		% Change During the year
			No. of Shares	% of Shares	No. of Shares	% of Shares	
1	Shailesh Bhandari	Promoters	848,275	6.66	848,275	6.66	-
2	Mukesh Bhandari	Promoters	809,500	6.35	809,500	6.35	-
3	Ritu Bhandari	Promoters Group	243,025	1.91	243,025	1.91	-
4	Nagesh Bhandari	Promoters Group	233,125	1.83	233,125	1.83	-
5	Suraj Shailesh Bhandari	Promoters Group	81,100	0.64	81,100	0.64	-
6	Anurag Mukesh Bhandari	Promoters Group	76,050	0.60	76,050	0.60	-
7	Siddharth Mukesh Bhandari	Promoters Group	65,100	0.51	65,100	0.51	-
8	Mukesh Bhanwarlal Bhandari (HUF)	Promoters Group	60,000	0.47	60,000	0.47	-
9	Indubala Bhandari	Promoters Group	51,500	0.40	51,500	0.40	-
10	Dalal Narendrakumar Babubhai	Promoters Group	-	-	34,500	0.27	-0.27
11	Jyoti Bhandari	Promoters Group	375	0.00	375	0.00	-
12	Reema Bhandari	Promoters Group	275	0.00	275	0.00	-
13	Western India Speciality Hospital Limited	Promoters Group	975,000	7.65	975,000	7.65	-
14	Bhandari Rakesh	NRI-Promoter Group	512,500	4.02	512,500	4.02	-
	<b>TOTAL</b>		<b>3,955,825</b>	<b>31.04</b>	<b>3,990,325</b>	<b>31.31</b>	<b>-0.27</b>

- g) As per Records of the Company, including its register of Shareholder/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent legal ownership of shares.
- h) The Company has calls in arrears / unpaid calls of Rs. Nil (March 31, 2022: Nil)
- i) Details of Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. ( during 5 years immediately preceding March 31, 2023).  
Nil
- j) As per the terms and conditions of the settlement with Edelweiss Asset Reconstruction Company Limited (EARC), the company has allotted 2,85,90,000 Partially convertible and Partially Redeemable Preference Shares (PCPRPS) of Rs.10 Each of amounting to Rs 28.59 Crore on August 22, 2015 and against the said PCPRPS, 12,66,440/- Equity shares of Rs. 10/- each at the price of Rs. 225.75 per equity share (inclusive of Share premium amount of Rs. 215.75 per equity share) were allotted during F.Y. 2016-17. As equity shares were allotted against such PCPRPS the entire amount of preference Share Capital of Rs. 28.59 Crore has been treated as part of Equity Share Capital as on April 1, 2016

## 14 Other equity

Particulars	(Rs. In Crore)
<b>(a) Capital Reserve</b>	
As at April 1, 2021	158.41
Increase/(decrease) during the Year	-
<b>As at March 31, 2022</b>	<b>158.41</b>
Increase/(decrease) during the Year	-
<b>As at March 31, 2023</b>	<b>158.41</b>
<b>(b) Securities Premium</b>	
As at April 1, 2021	240.01
Increase/(decrease) during the Year	-
<b>As at March 31, 2022</b>	<b>240.01</b>
Increase/(decrease) during the Year	-
<b>As at March 31, 2023</b>	<b>240.01</b>

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

Particulars	(Rs. In Crore)
<b>(c) General Reserves</b>	
As at April 1, 2021	300.46
Increase/(decrease) during the Year	(3.26)
<b>As at March 31, 2022</b>	<b>297.20</b>
Increase/(decrease) during the Year	(3.26)
<b>As at March 31, 2023</b>	<b>293.94</b>
<b>Retained Earnings</b>	
As at April 1, 2021	(1,618.41)
Loss for the year	(54.32)
Other Comprehensive Income (Re-measurement Gain on defined benefit plans)	0.39
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
<b>As at March 31, 2022</b>	<b>(1,669.08)</b>
Loss for the year	(76.66)
Other Comprehensive Income / (Loss) (Re-measurement Loss on defined benefit plans)	(2.03)
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
<b>As at March 31, 2023</b>	<b>(1,744.51)</b>
<b>Total Other Equity</b>	
As at March 31, 2022	(973.46)
<b>As at March 31, 2023</b>	<b>(1,052.15)</b>

**a. Capital Reserve**

Capital reserve includes amount of debt reduction and is not available for distrubution of profits.

**b. Securities Premium**

Securities Premium is used to record the premium on issue of shares and is utilized in accordance with the provisions of the Companies Act, 2013.

**c. General Reserve**

General Reserve is used from time to time to transfer profits to/from Retained Earnings for appropriation purposes including the amount arising due to past revaluation of land and building under previous GAAP. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**d. Retained Earnings**

Retained Earnings are the profits / (loss) of the Company earned till date and net of appropriations.

**15 Borrowings {Refer Note No. 36}**

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Term Loans from Banks {Refer Note No. (a) & (c) below}		
- Rupee Term Loan	380.96	479.20
Loans from Asset Reconstruction Companies {Refer Note No. (a) & (c) below }		
- Rupee Term Loan	1,493.16	1,494.65
Less: Current Maturity of Long Term Borrowing	(1,629.24)	(1,611.60)
<b>Total</b>	<b>244.88</b>	<b>362.25</b>

**Notes to Standalone Financial Statements for the year ended March 31, 2023****(a) Security given**

Rupee term loan are secured by first Charge / sub-servient charge by way of Equitable mortgage of all immovable properties and hypothecation of specified movable assets situated at Vatva, Palodia, Dhank, Samakhiyali – Kutch, and Chhadawada –Bhachau and Juni Jithardi, Karjan, Vadodara and Bank Fixed Deposits & as second charge on all Stock-in-Trade & Receivables. Further the loans are guaranteed by the personal guarantees of some of the Directors of the Company.

**(b) Interest Rate on delayed payment by various lender are as under:**

Name of Lender	Rate of Interest (%)
Union Bank of India (formerly known as Corporation Bank)	9.65% p.a.
Union Bank of India	1 Year MCLR
Edelweiss Asset Reconstruction Company Limited	12% p.a.
Invent Assets Securitization and Reconstruction Private Limited	15% p.a.
Central Bank of India	1 Year MCLR
Rare Asset Reconstruction Limited (Being assignee of Debts of Dena Bank)	18% p.a.

**(c) Company has defaulted in repayment of borrowings from Lenders. Details of the defaults are as follows:**

The company has not paid major of the instalments due from June 30, 2020 to March 31, 2023 and major of the interest due thereon for the period from September 30, 2020 to March 31, 2023 (included in interest accrued in current Other financial liability). The company has requested respective lenders/ARCs to revise repayment schedule and which is yet to be confirmed by the respective lenders/ARCs and is further subject to the outcome of notice issued under SARFAESI Act by the lender ARC.

(Rs In Crore)

Name of Lender	Principal	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	20.15	From March 2021 to March 2023
Union Bank of India	9.69	From December 2021 to March 2023
Edelweiss Asset Reconstruction Company Limited	390.65	From December 2020 to March 2023
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce)	11.00	From June 2020 to March 2023
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank)	40.89	From June 2020 to March 2023
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Allahabad Bank)	62.06	From June 2020 to March 2023
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	189.95	From August 2011 to March 2023
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	9.00	From December 2020 to March 2023
<b>Total</b>	<b>733.39</b>	

(Rs In Crore)

Name of Lender	Interest	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	10.01	From March 2021 to March 2023
Edelweiss Asset Reconstruction Company Limited	35.44	From June 2022 to March 2023
Union Bank of India	0.67	From June 2022 to March 2023
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank (included in Borrowing))	0.01	From August 2011 to March 2023
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce, Punjab National Bank, Allahabad Bank)	23.85	From September 2020 to March 2023
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	4.02	From September 2020 to March 2023
<b>Total</b>	<b>74.00</b>	

The default period and the amount of default has been considered from the date of the default of the Installment due but have not been paid as per the latest sanction restructured agreement.

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

(d) Repayment Schedule as per Sanction is as under: - (Rs In Crore)

Particulars	Due or payable with in 1 Year	1 - 3 Year
<b>Secured</b>		
<b>Term Loans from Banks</b>		
- Rupee Term Loan	136.08	244.88
<b>Loans from Asset Reconstruction Companies</b>		
- Rupee Term Loan	1,493.16	-
<b>Total</b>	<b>1,629.24</b>	<b>244.88</b>

(e) Net Debt Reconciliation (Rs In Crore)

Particulars	Long Term Borrowings	Interest Expenses
<b>As at April 1, 2021</b>	<b>2,121.40</b>	<b>15.84</b>
Interest Expenses	-	40.99
Outflow	(147.55)	(36.60)
<b>As at March 31, 2022</b>	<b>1,973.85</b>	<b>20.23</b>
Interest Expenses	-	64.49
Outflow	(99.73)	-
<b>As at March 31, 2023</b>	<b>1,874.12</b>	<b>84.72</b>

(f) The Company has also defaulted in complying with the terms and conditions of settlement entered with the Banks / ARCs (other than Central Bank of India) and as per the settlement terms, in case of default, the agreement stands withdrawn and all the dues & liabilities as per original terms shall be restored. However, the company is in negotiation with the respective lenders for rescheduling / restructuring of the said loan and the company is hopeful for no further liability on the company and therefore, the final amount of liability to be paid is not ascertainable and which has not been accounted for. With regard to Central Bank of India the impact of Settlement with Banker, will be given on the final compliance of all the terms and conditions of the agreements.

16 Lease Liabilities (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non Current Lease Liability</b>		
Payable to: -		
Key Managerial Personnel	-	0.19
Others	0.18	0.71
<b>Total Non Current Lease Liability</b>	<b>0.18</b>	<b>0.90</b>
<b>Current Lease Liability</b>		
Payable to: -		
Key Managerial Personnel	0.40	0.20
Relative of Key Managerial Personnel	0.05	0.08
Others	0.91	0.85
<b>Total Current Lease Liability</b>	<b>1.36</b>	<b>1.13</b>

Note: Net Debt related to lease liability refer note no 32(b).

17 Provisions (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non Current Provision</b>		
Provision for employee benefits*	21.35	19.67
<b>Total Non Current Provision</b>	<b>21.35</b>	<b>19.67</b>
<b>Current Provision</b>		
Provision for employee benefits*	9.60	8.58
Provision for warranty	7.49	6.68
<b>Total Non Current Provision</b>	<b>17.09</b>	<b>15.26</b>

\* Provision for Employee Benefits includes Provision for Leave Encashment, Gratuity and Bonus.

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

In pursuance of Ind AS 37 - 'Provisions, contingent liabilities and contingent assets, the provisions required have been incorporated in the books of account in the following manner:

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance of warranty	6.68	4.31
Add: Provision recognised during the year	5.16	5.60
Less: Amount utilised during the year	4.35	3.23
<b>Closing balance of warranty</b>	<b>7.49</b>	<b>6.68</b>

The Company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made at the year end represents the amount of expected cost of meeting such obligations of rectification / replacement based on the historical data available. The timing of the outflows is expected to be within a period of one year.

**18 Short Term Borrowings**

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Current Maturities of Long term borrowings {Refer Note No 15}	1,629.24	1,611.60
<b>Unsecured</b>		
Loans repayable on demand from: -		
Key Managerial Personnel	0.24	0.24
Relatives of Key Managerial Personnel	0.17	0.17
Enterprise Owned or significantly influenced by Key Managerial Personnel or Their Relative	1.75	1.75
Other Body Corporates	0.34	0.34
	<b>1,631.74</b>	<b>1,614.10</b>
1,20,00,000 (March 31, 2022: 1,20,00,000 ) 6 % Non-Cumulative Redeemable Preference Shares Of Rs.10/- each Fully Paid Up, Redeemable At Par.	12.00	12.00
<b>Total</b>	<b>1,643.74</b>	<b>1,626.10</b>

**Net Debt Reconciliation of Unsecured Loan**

(Rs In Crore)

Particulars	Short Term Borrowings
<b>As at April 1, 2021</b>	<b>2.50</b>
Interest Expenses	-
Outflow	-
<b>As at March 31, 2022</b>	<b>2.50</b>
Interest Expenses	-
Outflow	-
<b>As at March 31, 2023</b>	<b>2.50</b>

**19 Trade Payables {Refer Note No 38(c) & 40(a)}**

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding dues of Micro and Small Enterprises	50.19	38.69
Total Outstanding dues of creditors other than Micro and Small Enterprises		
Dues to Subsidiaries	0.01	0.04
Dues to Key Managerial Personnel	0.02	0.01
Dues to Enterprise Owned or Significantly Influence by Key Managerial Personnel or Their Relative	0.00	0.01
Others	324.63	345.79
<b>Total</b>	<b>374.85</b>	<b>384.54</b>



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

- (a) Amount due to micro and small enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. Hence, disclosure as per the Micro, Small and Medium Enterprises Act for interest is not required. These facts have been relied upon by the auditors. The disclosures relating to micro and small enterprises is as below:

(Rs In Crore)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	50.19	38.69
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods (Refer Note No 20)	0.09	0.90
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-

- (b) Ageing of Trade Payables

As at March 31, 2023

(Rs. In Crore)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	37.41	11.45	1.17	0.16	-	50.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	143.46	123.62	17.81	11.29	28.48	324.66
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>180.87</b>	<b>135.07</b>	<b>18.98</b>	<b>11.45</b>	<b>28.48</b>	<b>374.85</b>

As at March 31, 2022

(Rs. In Crore)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	13.07	25.42	0.20	-	-	38.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	87.35	217.56	13.17	3.64	24.13	345.85
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>100.42</b>	<b>242.98</b>	<b>13.37</b>	<b>3.64</b>	<b>24.13</b>	<b>384.54</b>

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

## 20 Other Financial Liabilities

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current Other Financial Liabilities</b>		
Creditors for Capital expenditure (Includes amount payable to MSME of Rs. 0.09 Crore (March 31, 2022 Rs 0.90 Crore))	0.79	2.95
Interest accrued and due	73.99	20.23
Interest accrued but not due	10.73	-
Unpaid CSR	1.29	1.49
Others*	2.87	2.26
<b>Total Current Other Financial Liabilities</b>	<b>89.67</b>	<b>26.93</b>

\*Other Includes amount payable as reimbursement of expenses to staff and others.

## 21 Other current liabilities

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current Other Liabilities</b>		
Advance from Customers ( Contract Liabilities)	332.37	279.50
Advance from enterprise owned or significantly influenced by Key Managerial Personnel	0.01	0.01
Other Miscellaneous Liabilities	0.12	0.14
Statutory Dues Payable	22.81	9.78
<b>Total Other Current Liabilities</b>	<b>355.31</b>	<b>289.43</b>

## 22 Revenue From Operations

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue From Contracts With Customers</b>		
Sales of Products (Finished & Traded Goods)	3,051.86	2,807.39
Revenue From Service Contracts	12.06	11.17
<b>Total Revenue from Contracts with Customers</b>	<b>3,063.92</b>	<b>2,818.56</b>
Other Operating Income	10.13	11.72
<b>Total Revenue From Operation</b>	<b>3,074.05</b>	<b>2,830.28</b>
<b>i) Disaggregated revenue Information</b>		
<b>Types of Goods &amp; Services</b>		
(a) Engineering & Technologies Division	995.44	881.73
(b) Special Steel Division	2,034.65	1,893.90
(c) Electric Vehicle Division	39.52	55.68
(d) Revenue From Service Contracts with Customers	12.06	11.17
<b>Gross Revenue Company as a Whole</b>	<b>3,081.67</b>	<b>2,842.48</b>
Less:- Inter Segment Revenue	(7.62)	(12.20)
<b>Total Revenue From Operation</b>	<b>3,074.05</b>	<b>2,830.28</b>
India	2,730.53	2,497.45
Outside India	343.52	332.83
<b>Total Revenue From Contracts with Customers</b>	<b>3,074.05</b>	<b>2,830.28</b>

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

Set Out below is the amount of revenue recognised from:-

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount of Contract Liability (Advance From Customers) at the beginning of the year	279.51	206.89
Performance obligation satisfied during the year	206.38	143.11

**Performance Obligation :-**

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Within one Year	1,027.95	835.04
More than One Year	221.88	198.44

**Contract Balances As At:**

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Contract Balances</b>		
Trade Receivables	197.13	176.17
Contract Liabilities (Advance from Customers)	332.38	279.51

**Reconciliation of the amount of Revenue recognised in the statement of Profit and Loss with the contract price**

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per Contract Price	3,079.90	2,830.02
Adjustments for Discounts & Rebates	15.98	11.46
<b>Revenue From Contracts with Customers</b>	<b>3,063.92</b>	<b>2,818.56</b>

Revenue from sale of products of Rs 3051.86 Crore (March 31, 2022 Rs. 2807.39 Crore) are recorded at a point of time and those from sale of services of Rs. 12.06 Crore (March 31, 2022 Rs. 11.17 Crore) are recognised over a period of time.

**23 Other Income**

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest Income on :</b>		
-Fixed Deposits	1.16	1.85
-Others	1.54	0.96
Net Sundry Balances Written Back	-	0.20
Foreign Exchange Fluctuation (net)	2.77	-
Fair Valuation gain/(loss) on Financial Instruments at the fair value through Profit & Loss	0.00	0.10
Miscellaneous Income	1.22	0.65
<b>Total</b>	<b>6.69</b>	<b>3.76</b>

**24 Cost of Raw Materials and Components Consumed**

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Inventory	168.17	163.93
Add: Purchases & Other Expenses	2,312.49	2,132.09
<b>Total</b>	<b>2,480.66</b>	<b>2,296.02</b>
Less: Closing Inventory	195.40	168.17
<b>Cost of Raw Material Consumed</b>	<b>2,285.26</b>	<b>2,127.85</b>
<b>Purchase of Stock in Trade</b>		
Trading Purchase	-	1.60

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

## 25 Changes in Inventories of Finished Goods, Work in Progress (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Inventory at the beginning of the year</b>		
-Work In Progress	207.85	194.55
-Finished Goods	123.31	88.60
<b>Sub Total</b>	<b>331.16</b>	<b>283.15</b>
<b>Inventory at the end of the Year</b>		
-Work In Progress	236.03	207.85
-Finished Goods	85.32	123.31
<b>Sub Total</b>	<b>321.35</b>	<b>331.16</b>
<b>Total</b>	<b>9.81</b>	<b>(48.01)</b>

## 26 Employee Benefit Expense (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages, Allowances and Bonus	136.11	125.09
Contribution to Provident and other funds (Refer Note No. 33)	7.28	7.00
Staff Welfare and amenities	1.36	1.58
<b>Total</b>	<b>144.75</b>	<b>133.67</b>

## 27 Finance Costs (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other Interest	0.59	3.01
Interest Expenses on Account of Settlement of Loans with Banks and Asset Reconstruction Companies	64.49	40.99
Interest on Statutory Dues	0.10	0.43
Interest on Lease Liability	0.13	0.17
Bank Charges	0.76	0.75
<b>Total</b>	<b>66.07</b>	<b>45.35</b>

## 28 Depreciation and Amortisation Expense (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation and Amortization of tangible assets {Refer note - 3}	45.39	83.82
Right of Use Asset {Refer Note 4(b)}	0.67	0.99
Amortization of intangible assets {Refer note 4(a)}	1.02	0.97
<b>Total</b>	<b>47.08</b>	<b>85.78</b>

## 29 Other Expenses

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power & Fuel	116.60	80.19
Consumption of Stores & Spares	126.31	134.39
Labour & Job Charges	85.84	111.99
Machinery Repairs	1.80	5.30
Building Repairs	0.99	0.65
Other Repairs	3.86	3.85
Water Charges	8.88	7.46
Hire-Lease-Rent Charges	12.12	12.24

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

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rates & Taxes	1.81	3.34
Insurance Premium	6.97	7.26
Postage Telegram & Telephone Expenses	1.23	1.50
Conveyance Expenses	0.84	0.74
Travelling Expenses	8.31	5.10
Printing & Stationery	0.28	0.32
Vehicle Expenses	0.65	0.58
Security Expenses	1.95	1.93
CSR Activity (Refer Note No 46)	0.37	1.66
Subscription & Membership	0.19	0.42
Net Sundry Balances Written Off	0.31	-
Net Provision For Expected credit loss for trade receivable	2.09	1.92
Auditors' Remuneration:		
-Audit Fees	0.20	0.20
-Limited Review	0.03	0.02
-Certificate	0.01	0.01
Legal & Professional Charges	9.74	7.89
Warranty Expenses	5.16	5.60
Guest House Expenses	1.16	0.89
Miscellaneous Expenses	3.04	3.61
Foreign Exchange Fluctuation(net)	-	0.18
Donation	0.19	0.02
Advertisement & Sales Promotion	12.14	6.28
Commission Expenses	8.76	7.22
Freight Outward & other Expenses (Net)	77.74	106.96
Director Sitting fees	0.11	0.07
<b>Total</b>	<b>499.68</b>	<b>519.79</b>

**30 Exceptional Item**

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provision For Expected credit loss for trade receivable & Advances (Refer Note 8(d))	68.29	22.33
Impairment of Investment in subsidiary (Refer Note 8(d))	36.46	-
<b>Total</b>	<b>104.75</b>	<b>22.33</b>

**31 Income Tax**
**a Component of Income tax**

(Rs In Crore)

The Major component of income tax expense for the year ended March 31, 2023 & March 31, 2022 are:	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Current Tax</b>		
Current Income Tax	-	-
<b>Deferred Tax</b>		
Deferred Tax Expenses/(Benefit)	-	-
Tax in Respect of earlier years	-	-
<b>Income tax expense reported in the Statement of Profit &amp; Loss</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (OCI)</b>		
Deferred tax related to items recognized in OCI during the year	-	-
Re-measurement loss on defined benefit Plans	-	-
Deferred Tax credited to OCI	-	-

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

- b Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2023 & March 31, 2022:

(Rs In Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Accounting profit / (Loss) before tax	(76.66)	(54.32)
Enacted income tax rate in India applicable to the company	25.17%	25.17%
Tax using the Company's domestic tax rate	(19.30)	(13.67)
Tax effects of:		
Income Tax allowances	(17.10)	(26.32)
Non-Deductible expenses	58.43	40.93
Unsued Tax Loss	(21.37)	(0.65)
Others	(0.66)	(0.29)
<b>At the effective income tax Nil rate as at March 31, 2023 (Nil Rate as at March 31, 2022)</b>	-	-

- c Details of carry forward losses and unused credit

Unabsorbed depreciation can be carried forward indefinitely. Business loss can be carried forward for a period of 8 years from the year in which losses arose. The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendments) ordinance 2019.

- d Deferred Tax

Movement in deferred tax Assets (net) for the year ended 31<sup>st</sup> March, 2023

(Rs In Crore)

Particulars	Opening Balance As at April 01, 2022	To be Recognized in Statement of Profit & Loss Account	Closing Balance as at March 31, 2023
<b>Tax effect of items constituting deferred tax liabilities :</b>			
Property, plant and equipment	20.16	3.21	23.37
Investment	0.05	-	0.05
<b>Total</b>	<b>20.21</b>	<b>3.21</b>	<b>23.42</b>
<b>Tax effect of items constituting deferred tax assets:</b>			
Asset on expenses allowed in year of payment	12.20	16.91	29.11
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws	203.26	(64.32)	138.94
Lease Loan liability	0.51	(0.13)	0.38
Other adjustments	34.47	17.33	51.80
<b>Total</b>	<b>250.44</b>	<b>(30.21)</b>	<b>220.23</b>
<b>Net Deferred Tax Assets</b>	<b>230.23</b>	<b>(33.42)</b>	<b>196.81</b>

Movement in deferred tax Assets (net) for the year ended 31<sup>st</sup> March, 2022

(Rs In Crore)

Particulars	Opening Balance As at April 01, 2021	To be Recognized in Statement of Profit & Loss Account	Closing Balance as at March 31, 2022
<b>Tax effect of items constituting deferred tax liabilities :</b>			
Property, plant and equipment	19.32	0.84	20.16
Investment	0.02	0.03	0.05
<b>Total</b>	<b>19.34</b>	<b>0.87</b>	<b>20.21</b>
<b>Tax effect of items constituting deferred tax assets:</b>			
Asset on expenses allowed in year of payment	10.04	2.16	12.20
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws	240.07	(36.81)	203.26
Lease Loan liability	0.37	0.14	0.51
Other adjustments	30.14	4.33	34.47
<b>Total</b>	<b>280.62</b>	<b>(30.18)</b>	<b>250.44</b>
<b>Net Deferred Tax Assets</b>	<b>261.28</b>	<b>(31.05)</b>	<b>230.23</b>

Net Deferred tax assets have not been recognized, as it is not probable that sufficient taxable income will be available in the future against which such deferred tax assets can be realized in the normal course of business of the company.



**Notes to Standalone Financial Statements for the year ended March 31, 2023**
**32 Contingent Liabilities and Other Commitments**

(a) Claims against the Company not acknowledged as debts towards: (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
i) VAT & CST	29.15	29.15
ii) Service Tax	1.84	1.84
iii) Custom Duty	8.12	8.12
iv) Excise Duty	342.00	342.00
v) Income Tax	21.37	21.37
vi) Goods and Service Tax	2.13	2.13
vii) Estimated amount of contracts remaining to be executed on capital account (net off advances) and not provided for	11.40	15.48
viii) Guarantees / Counter Guarantees	5.97	12.94

ix) There was proceedings of Inspection & Search by the State Goods and Service tax authorities, at the various places of the company and its subsidiary Company Hans Ispat Limited, during January 18, 2021 to February 3, 2021 and during the course of said proceedings, as determined by the authorities on various points, the company has voluntarily paid total amount of Rs 9.57 Crore towards tax, Interest and Penalty, on February 3, 2021. The company has accounted Rs 6.69 Crore as expenses and Rs 2.88 Crore has been shown as recovery from suppliers. In the opinion of the Company, there will not be any further additional liability with regard to said proceedings. Thereafter, certain other documents as informed by GST authorities, related to the company has been seized and verification of the same is in process by the said authorities.

x) Claims against the Company not acknowledged as debts amounting to Rs.1.11 Crore (As at March 31, 2022: Rs.1.11 Crore), are pending before various courts, authorities, arbitration, Consumer Dispute Redressal Forum etc.

**Note :-**

- Future cash flows in respect of above, if any, is determinable only on receipt of judgment/ decisions pending with relevant authorities.
- The above amounts are without the amount involved in the appeal preferred by the Department, if any, and further applicable interest on the demand

**(b) Lease**

The Company leasing arrangements are for premises, these ranges between 5 months to 5 years and are usually renewable on mutually agreed terms.

(i) **Lease liabilities as at** (Rs In Crore)

Particulars	March 31, 2023	March 31, 2022
Current Lease Liabilities	1.36	1.13
Non-Current Lease Liabilities	0.18	0.90
<b>Total</b>	<b>1.54</b>	<b>2.03</b>

(ii) **The following is the movement in the lease liability for the year ended March 31, 2023** (Rs In Crore)

Particulars	Amount
<b>As at April 01, 2021</b>	<b>1.47</b>
Additions	1.34
Finance Cost Accrued during the year	0.17
Payment of lease Liabilities	0.95
<b>As at March 31, 2022</b>	<b>2.03</b>
Additions	0.08
Finance Cost Accrued during the year	0.13
Payment / Write back of lease Liabilities	0.70
<b>As at March 31, 2023</b>	<b>1.54</b>

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

(iii) The following are the expenses recognised in profit and loss (Rs In Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation expenses of Right of use assets	0.67	0.99
Interest Expenses on Lease Liability	0.13	0.17
<b>Total Expenses</b>	<b>0.80</b>	<b>1.16</b>

(iv) Short Term Lease

(a) The Company has certain operating leases for office premises (short term leases) and low value lease. Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. Rental expenses of Rs 2.60 Crore (March 31, 2022: Rs 1.26 Crore) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

(v) Leases liabilities

(a) The Company has taken premises residential building etc. under various lease agreements and its breakup for future rent payable by the company as under:-

Contractual maturities of lease liabilities on an undiscounted basis	Year ended March 31, 2023	Year ended March 31, 2022
Within one year	0.68	1.36
After one year but not more than five years	0.18	0.85

(b) The Company has taken certain land on lease for factory purposes. Since these are entirely prepaid, the Company does not have any future lease liability towards the same.

## 33 Employee benefit obligations

The Company has classified the various employee benefits provided to employees as under:

## I Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers' Contribution to Provident Fund (including contribution to Employees' Pension Scheme 1995)	7.28	7.00

## II Defined Benefit Plans

The Company operates gratuity plan in the nature of defined benefit plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. Company's Engineering & Technologies and Electric Vehicle Division having a gratuity plan is funded with Life Insurance Corporation of India and HDFC Bank while Special Steel Division is not maintaining such fund in any gratuity scheme.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Gratuity</b>		
Current	3.86	3.39
Non-Current	17.07	15.77
<b>Total</b>	<b>20.93</b>	<b>19.16</b>

## Significant assumptions :

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate & Expected Rate of Return on Plan Assets	refer note*	refer note*
Salary escalation rate	6%	6%

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

Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Attrition rate	refer note**	refer note**

**Note**

\*Discounting rate in Special Steel Division is 7.39% (Previous year 6.90%) and in Engineering & Technologies and Electric Vehicle Division 7.49% (Previous year 7.31%)

\*\* Attrition rate in Special Steel Division is 10% (Previous year 10%) and in Engineering & Technologies and Electric Vehicle Division 2% (Previous year 2%)

**33.1 Gratuity**

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

(a) Funded Plan (Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
<b>April 1, 2021</b>	<b>12.03</b>	<b>(3.91)</b>	<b>8.12</b>
Current service cost	0.99	-	0.99
Interest expense/(income)	0.83	(0.27)	0.56
<b>Total amount recognized in Profit or Loss</b>	<b>1.82</b>	<b>(0.27)</b>	<b>1.55</b>
Return on Plan Assets, Excluding Interest Income	-	(0.01)	(0.01)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.29)	-	(0.29)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.01)	-	(0.01)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.47)	-	(0.47)
<b>Total amount recognized in Other Comprehensive Income</b>	<b>(0.77)</b>	<b>(0.01)</b>	<b>(0.78)</b>
<b>March 31, 2022</b>	<b>13.08</b>	<b>(4.19)</b>	<b>8.89</b>

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
<b>April 1, 2022</b>	<b>13.08</b>	<b>(4.19)</b>	<b>8.89</b>
Current service cost	0.89	-	0.89
Interest expense/(income)	0.90	(0.25)	0.65
<b>Total amount recognized in Profit or Loss</b>	<b>1.79</b>	<b>(0.25)</b>	<b>1.54</b>
Return on Plan Assets, Excluding Interest Income	-	(0.04)	(0.04)
Actuarial (Gains)/Losses on Obligations - Due to Experience	2.27	-	2.27
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.25)	-	(0.25)
<b>Total amount recognized in Other Comprehensive Income</b>	<b>2.02</b>	<b>(0.04)</b>	<b>1.98</b>
<b>Benefit paid directly by the Employer</b>	<b>(2.24)</b>	<b>-</b>	<b>(2.24)</b>
<b>March 31, 2023</b>	<b>14.65</b>	<b>(4.48)</b>	<b>10.17</b>

(Rs In Crore)

Categories of Assets	As at March 31, 2023	As at March 31, 2022
Life Insurance Corporation of India	1.93	1.80
HDFC Bank	2.55	2.39
<b>Total</b>	<b>4.48</b>	<b>4.19</b>

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

## (b) Non-Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
<b>April 1, 2021</b>	<b>8.90</b>	-	<b>8.90</b>
Current service cost	0.95	-	0.95
Interest expense/(income)	0.58	-	0.58
<b>Total amount recognized in Profit or Loss</b>	<b>1.53</b>	-	<b>1.53</b>
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.60	-	0.60
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.00)	-	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.21)	-	(0.21)
<b>Total amount recognized in Other Comprehensive Income</b>	<b>0.39</b>	-	<b>0.39</b>
Liability Transferred In / Acquisitions	0.22	-	0.22
Benefit Paid Directly by the Employer	(0.77)	-	(0.77)
<b>March 31, 2022</b>	<b>10.27</b>	-	<b>10.27</b>

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
<b>April 1, 2022</b>	<b>10.27</b>	-	<b>10.27</b>
Current service cost	1.01	-	1.01
Interest expense/(income)	0.71	-	0.71
<b>Total amount recognized in Profit or Loss</b>	<b>1.72</b>	-	<b>1.72</b>
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.00)	-	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.36	-	0.36
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.31)	-	(0.31)
<b>Total amount recognized in Other Comprehensive Income</b>	<b>0.05</b>	-	<b>0.05</b>
Benefit Paid Directly by the Employer	(1.29)	-	(1.29)
<b>March 31, 2023</b>	<b>10.75</b>	-	<b>10.75</b>

## ii) The net liability disclosed above relates to plans are as follows:

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Funded Plan</b>		
- Present value of funded obligation	14.65	13.08
- Fair value of plan assets	(4.48)	(4.19)
<b>(Surplus) / Shortfall of funded plan</b>	<b>10.17</b>	<b>8.89</b>
<b>Unfunded Plan</b>		
- Present value of funded obligation	10.75	10.27
- Fair value of plan assets	-	-
<b>(Surplus) / Shortfall of unfunded plan</b>	<b>10.75</b>	<b>10.27</b>
Company as a Whole		
- Present value of funded obligation	25.40	23.35
- Fair value of plan assets	(4.48)	(4.19)
<b>(Surplus) / Shortfall of plan</b>	<b>20.92</b>	<b>19.16</b>

**Notes to Standalone Financial Statements for the year ended March 31, 2023**
**iii) Sensitivity analysis**

The sensitivity of defined obligation to changes in the weighted principal assumptions is: (Rs In Crore)

Assumption	Impact on defined benefit obligation	
	March 31, 2023	March 31, 2022
<b>Discount rate</b>		
1.0% increase	(1.82)	(1.68)
1.0% decrease	2.12	1.95
<b>Future Salary</b>		
1.0% increase	1.99	1.86
1.0% decrease	(1.78)	(1.64)
<b>Rate of Employee Turnover</b>		
1.0% increase	0.25	0.18
1.0% decrease	(0.28)	(0.20)

- The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**iv) Maturity Analysis of benefits payable**

Projected benefits payable in future years from the date of reporting: (Rs In Crore)

From the Fund	March 31, 2023	March 31, 2022
1st Following Year	2.26	2.06
2nd Following Year	0.73	0.65
3rd Following Year	0.86	0.93
4th Following Year	0.91	0.72
5th Following Year	1.02	0.81
Sum of Years 6 to 10	5.27	4.64
Sum of Years 11 and above	25.43	21.80

(Rs In Crore)

From the Employer	March 31, 2023	March 31, 2022
1st Following Year	1.51	1.34
2nd Following Year	1.15	1.03
3rd Following Year	1.13	1.06
4th Following Year	1.07	1.06
5th Following Year	1.17	0.95
Sum of Years 6 to 10	4.73	4.56
Sum of Years 11 and above	7.60	7.36

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

**Notes to Standalone Financial Statements for the year ended March 31, 2023****33.2 Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of assets.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality Risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The details related to gratuity is on the basis of the certificate issued by the actuarial valuer.

**34 Segment Reporting**

The segment report is given in consolidated financial statements.

**35 Earnings per Share (EPS)**

Particulars		2022-23	2021-22
Profit / (Loss) for the Year	(Rs. In Crore)	(76.66)	(54.32)
Weighted Average No. of Shares for the Earning Per Share Computation for Basic and Diluted	(Nos. in Crore)	1.27	1.27
Earnings Per Share (Basic & Diluted)	(In Rs.)	(60.17)	(42.64)
Nominal Value of Shares	(In Rs.)	10.00	10.00

**36. Default in repayment & recovery and / or recovery proceedings by the Lenders against the company:**

The information / details as provided in the Financial Statements are for the disclosure purpose only as per the applicable Ind Accounting Standards (Ind AS) without prejudice to the rights of the Company and without any acknowledgement of the debts / liabilities of the Company under the applicable laws.

**(a) Default in repayment of loan, its settlement terms, accounting treatments, Cases before Debts Recovery Tribunal (DRT) / Hon'ble Metropolitan Magistrates, declaring the company and directors as willful defaulter by the bankers****i. Central Bank of India****Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The company has defaulted in repayment of the loan taken from Central Bank of India in March 2012 of Rs. 436.13 Crore (Principal of Rs. 428.94 Crore and Interest of Rs. 7.19 Crore). The company on June 29, 2022 has accepted the compromise / One Time Settlement (OTS) letter of Central Bank of India dated June 28, 2022 for their outstanding loan/credit facility. As per the settlement terms and agreement the company need to pay Rs 22.50 Crore as upfront towards the repayment of loan and Rs 202.50 Crore in thirty instalment from July 2022 to December 2024 along with the interest @ 1 year MCLR on the outstanding settlement amount.

**Accounting Treatment in Books**

- (b) The amount of repayment of debt to Central Bank of India, up to the balance sheet date is Rs. 84.33 Crore (March 31, 2022 is Rs. Nil) which has been adjusted against the total outstanding loan liability.
- (c) If all the terms and conditions of the settlements are fully complied, there would be a reduction in debt by Rs. 211.13 Crore.



**Notes to Standalone Financial Statements for the year ended March 31, 2023****Case before Debts Recovery Tribunal (DRT):**

- (d) Central Bank of India has filed Original Application against the Company & its guarantors (Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari) before the Debts Recovery Tribunal-1, Ahmedabad (“DRT”) under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon’ble DRT vide judgement dated October 9, 2018 allowed the original application filed by the Bank and issued recovery certificate against the Company and guarantors to the tune of Rs. 577.89 Crores and future interest on the amount due @10% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon’ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties and for valuation of the said attached properties. Further action / hearing is pending before the Hon’ble Recovery Officer. As per the terms of settlement with Central Bank of India dated June 28, 2022, the amount of Rs. 10.75 Crores lying in ‘No Lien’ account has been adjusted against the upfront amount and the Bank has agreed to withdraw all the legal cases on payment of entire settlement amount.
- (e) In view of petitions under Section 95 of the Insolvency and Bankruptcy Code, 2016 filed by Central Bank of India against the personal guarantors before Hon’ble National Company Law Tribunal (“NCLT”), the proceedings against personal guarantors before the Hon’ble DRT are stayed. The Hon’ble NCLT has passed an order for appointment of Resolution Professional and filing of report by the Resolution Professional. In view of settlement with Central Bank of India, the Hon’ble NCLT has disposed of the petitions against Mr. Shailesh Bhandari and Mr. Avinash Bhandari as withdrawn, while the petition against Mr. Mukesh Bhandari is pending.

**Willful Defaulter**

- (f) Central Bank of India has declared the Company as a wilful defaulter on May 29, 2014 for outstanding default amount of Rs. 436.13 Crores and reported the name of Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as wilful defaulter.

**Central Bureau of Investigation (CBI)**

- (g) The Central Bureau of Investigation (CBI) has conducted certain proceedings, on the basis of the complaint filed by Central Bank of India with regard to the utilization of the loan disbursed by Central Bank of India. Central Bureau of Investigation has filed a charge sheet and a CBI Special Case Number 27 of 2015 was registered against the Company and its directors i.e. Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari and few officers of Central Bank of India before the Hon’ble CBI Court, Ahmedabad on October 6, 2015 and the matter was pending before the Hon’ble CBI Court for further proceedings. The Directorate of Enforcement, Ahmedabad has filed an application before the Hon’ble CBI Court, Ahmedabad for transfer of CBI Case to the designated court of PMLA. The Hon’ble CBI Court, Ahmedabad by order dated January 24, 2022 allowed the application and by further order dated March 29, 2022 disposed of the case for transfer to PMLA Court. The Principal District Court (PMLA Court) has registered the transferred case as ACB – Special Case No. 15/2022 and the case is now pending for opening of case by prosecution.

**Petition under Insolvency and Bankruptcy Code (IBC)**

- (h) Central Bank of India, a financial creditor has filed a petition under section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against the Company for an amount of Rs. 1059.59 Crores. The Company has filed its affidavit of objection and the Bank has filed rebuttal affidavit. The matter was lastly heard by the Hon’ble NCLT on May 4, 2022 and reserved for order. In view of settlement with Central Bank of India, the Hon’ble NCLT has not pronounced the order and finally on November 16, 2022, the Central Bank of India has withdrawn the petition.

**Other Case**

- (i) The Company had filed a Special Civil Application (“SCA”) against the Central Bank of India and Reserve Bank of India for wrongfully declaring the account of the Company as “fraud” account on November 6, 2013 in breach of principles of natural justice. The said petition was dismissed by the Hon’ble Gujarat High Court. The Company has filed a Letters Patent Appeal (LPA) against the said order. The Hon’ble Gujarat High Court has issued Notice and notice as to interim relief. The said petition is pending for further hearing before the Hon’ble Gujarat High Court.

**ii. Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank)****Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The company has defaulted in repayment of loan of Rs 189.96 Crore (after adjustment of repayment of Rs 10.05 Crore paid in during the year ended as at March 31, 2020) (Principal of Rs. 189.95 Crore and Interest of Rs. 0.01 Crore) in August 2011. Indian Overseas Bank has assigned its debts to Rare Asset Reconstruction Limited on September 28, 2017. The company is in the process of entering into a settlement agreement with Rare Asset Reconstruction Limited.

**Notes to Standalone Financial Statements for the year ended March 31, 2023****Accounting Treatment in Books**

- (b) The company was informed vide letter dated October 12, 2017 of Indian Overseas Bank, that the bank has assigned debts to Rare Asset Reconstruction Limited. However considering pending settlement, the outstanding loan amount is treated as current maturities of long term borrowings.

**Case before Debts Recovery Tribunal (DRT):**

- (c) Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank) ("Rare ARC") had filed Original Application against the Company & its guarantors Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgment dated September 20, 2018 allowed the original application filed by the Bank / Financial Institution and issued recovery certificate against the Company and Guarantors to the tune of Rs. 315.64 Crore and future interest on the amount due @12.75% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. The Hon'ble Recovery Officer has passed order for release of Rs. 10 Crores from the account of company with Standard Chartered Bank to Rare ARC, sale of shares of the guarantors and payment of Rs. 0.05 Crores by Mr. Avinash Bhandari for non-disclosure of assets to be adjusted towards the dues. Further in view of petition under Section 95 of the Insolvency and Bankruptcy Code, 2016 filed by Central Bank of India against the personal guarantors, there was moratorium against personal guarantors. Further action / hearing is pending before Hon'ble Recovery Officer.

**Case under section 138 of the Negotiable Instruments Act, 1881:**

- (d) Indian Overseas Bank had filed two criminal complaints against the Company and its directors / officers under section 138 of Negotiable Instruments Act, 1881 for dishonor of cheques of Rs. 103.00 Crore issued by the Company and the Company is contesting both the said cases and both the matters are pending for further proceedings before the respective Hon'ble Metropolitan Magistrates, Ahmedabad.

**iii. Union Bank of India (Corporation Bank merged with Union Bank of India)****Default in Repayment of Loan and its settlement terms and conditions**

- (a) The company has defaulted in repayment of loan of Rs 116.73 Crore in April 2012. The company has entered into settlement agreement for the repayment of loan on November 13, 2018. As per the settlement agreement the company has agreed to make the repayment of loan by September 2021. However, company has again defaulted in repayment of the instalment of the loan falling due from March 2021 till September 2021 and interest thereupon. The company has submitted revised repayment proposal to Union Bank of India which is pending for consideration.

**Accounting treatment in Books**

- (b) The amount of repayment of debt to Union Bank of India, up to the balance sheet date of Rs. 96.58 Crore (March 31, 2022: Rs. 90.08 Crore) has been adjusted against the total outstanding loan liability.

**Case before Debts Recovery Tribunal (DRT):**

- (c) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Union Bank of India has been disposed on August 25, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT was being adjourned. Thereafter, the Demand Notice dated June 22, 2021 and August 26, 2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.

**iv. Rare Asset Reconstruction Limited (being assignee of Debts of Dena Bank)****Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The company has defaulted in repayment of loan of Rs 51.44 Crore (Principal of Rs 51.44 Crore) in September 2011. The bank has assigned this loan to Rare Asset Reconstruction Limited. The company has entered into settlement agreement with Rare Asset Reconstruction Limited for the repayment of loan on June 28, 2018. As per the settlement agreement the company has agreed to make the repayment of loan by March 15, 2022. However, company has again defaulted in repayment of loan of the instalment falling due from December 2020 till March 15, 2022 and interest thereupon. The company has submitted revised repayment proposal to Rare Asset Reconstruction Limited which is pending for consideration.

**Accounting Treatment in Book**

- (b) The repayment of debt to Rare Asset Reconstruction Limited, up to the balance sheet date of Rs. 19.00 Crore (March 31, 2022 is Rs. 19.00 Crore) has been adjusted against the total outstanding loan liability.

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

### Case before Debts Recovery Tribunal (DRT):

- (c) In view of settlement / consent terms filed with DRT, the Original Application filed by Rare Asset Reconstruction Limited (being assignee of debts of Dena Bank) has been disposed on October 15, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT were being adjourned. Thereafter, the Demand Notice dated August 3, 2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.

### Wilful Defaulter:

- (d) Dena Bank has declared the Company as a wilful defaulter on March 31, 2016 for outstanding amount of Rs. 51.44 Crores and reported the name of the Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as Wilful Defaulter. The Company has challenged the said action before the Hon'ble Gujarat High Court and the said petition was pending for further hearing. However, Dena Bank has assigned the debt associated with the Company to Rare Asset Reconstruction Limited ("Rare ARC") and the Company has entered into settlement with Rare ARC and Rare ARC has agreed for withdrawal of wilful defaulter on receipt of entire settlement amount. Based on the settlement terms, the Hon'ble Gujarat High Court by order dated February 8, 2022 has disposed of the petition as withdrawn.

### v. Union Bank of India

#### Default in Repayment of Loan and its settlement terms and conditions:

- (a) The company has defaulted in repayment of Principal amount of Loan of Rs 49.40 Crore in May 2012. The company has entered into settlement agreement with the bank for the repayment of loan in March 2017. As per the settlement agreement, the company has agreed to make the repayment of loan by March 2023. However, company has again defaulted in repayment of the instalment of the loan falling due from December 2021 till March 2023 and interest thereupon. The company has submitted revised repayment proposal to Union Bank of India which is pending for consideration.

#### Accounting Treatment in Books:

- (b) The repayment of debt to Union Bank of India, up to the balance sheet date of Rs. 40.39 Crore (March 31, 2022: Rs. 32.98 Crore), has been adjusted against the total outstanding loan liability.

### Case before Debts Recovery Tribunal (DRT):

- (c) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Union Bank of India has been disposed on April 27, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT was being adjourned. Thereafter, the Demand Notice dated June 22, 2021 and August 26, 2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.

### vi. Edelweiss Asset Reconstruction Company Limited (being debt assignee of Bank of India, Bank of Baroda, State Bank of India, Canara Bank and State Bank of Travancore)

#### Default in Repayment of Loan and its settlement terms and conditions:

- (a) The company has defaulted in repayment of the loan from Bank of India in December 2012 of Rs. 628.04 Crore (Principal of Rs. 628.04 Crore), Bank of Baroda in September 2012 of Rs. 31.23 Crore (Principal of Rs. 31.23 Crore), Canara Bank in September 2012 of Rs. 232.97 Crore (Principal of Rs. 190.18 Crore and Interest of Rs. 42.79 Crore), State Bank of India in December 2011 of Rs. 323.27 Crore (Principal of Rs. 323.27 Crore) and State Bank of Travancore in September 2011 of Rs. 91.98 Crore (Principal of Rs. 85.04 Crore and Interest of Rs. 6.94 Crore). All these loans were assigned to Edelweiss Asset Reconstruction Company Limited. The company has entered into settlement agreement with Edelweiss Asset Reconstruction Company Limited on March 10, 2015. As per the settlement agreement the company has agreed to make the repayment of loan by March 2023. However, company has again defaulted in repayment of the instalment of the loan falling due from December 2020 till March 2023 and interest thereupon. The company is in process of submitting revised repayment proposal.

#### Accounting treatment in books:

- (b) The Management is of the opinion that Fixed Deposit of Rs. 12.45 Crore held by Bank of Baroda will be adjusted against the outstanding liability payable to Edelweiss Asset Reconstruction Company Limited, at the time of last installment.

The Company has filed a Special Civil Application ("SCA") before the Hon'ble Gujarat High Court to return back Rs. 12.45 crore to the company's bank account which was adjusted against the outstanding loan. The said petition is admitted and is pending for further hearing.

- (c) The amount of repayment of debt to Edelweiss Asset Reconstruction Company Limited, up to the balance sheet date of Rs. 484.34 Crore (March 31, 2022 is Rs. 484.34 Crore) has been adjusted against the total outstanding loan liability.

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

- (d) Further, the company has allotted 2,85,90,000 Partially Convertible and Partially Redeemable Preference Shares (PCPRPS) of Rs. 10 each amounting to Rs 28.59 Crore on August 22, 2015 and against the said PCPRPS, 12,66,440 Equity Shares of Rs. 10/- each at the price of Rs. 225.75 per equity share (inclusive of Share premium amount of Rs. 215.75 per equity share) were allotted during the year ended as at March 31, 2017.

**Central Bureau of Investigation (CBI)**

- (e) Bank of India has filed a complaint under section 154(1) of the Criminal Procedure Code (Cr.P.C) pertaining to fraud perpetrated by the Company, its directors, unknown public servants and other unknown persons with intent to defraud Bank of India to the tune of Rs. 81.97 Crores. The Central Bureau of Investigation, Banking Securities Fraud Branch, Mumbai has registered a FIR on December 31, 2021. Central Bureau of Investigation (CBI) carried out the search on January 4, 2022 and seized various documents and now the matter is under investigation.

**Petition under Insolvency and Bankruptcy Code (IBC)**

- (f) Edelweiss Asset Reconstruction Company Limited ("EARC"), a financial creditor has filed a petition under section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against the Company for an default amount of Rs. 1900.56 Crores in respect of outstanding dues of Bank of India, the original lender only. The Company has filed its affidavit in reply and the EARC has filed its affidavit in rejoinder. The Company has filed two Interlocutory Applications related to company being a going concern & solvent and non-submission of record of default with information utility by EARC. The petition alongwith Interlocutory Applications are pending for further hearing before the Hon'ble NCLT, Ahmedabad.

**Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI")**

- (g) Edelweiss Asset Reconstruction Company Limited has issued statutory demand notice dated July 13, 2022 under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI") read with Security Interest (Enforcement) Rules, 2002 to the Company and personal guarantors to discharge the liabilities within sixty days from the date of notice. The Company is yet to reply/comply, to the said notice and there is no further communication from the Edelweiss Asset Reconstruction Company Limited.

**vii. Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Oriental Bank of Commerce, Punjab National Bank and Allahabad Bank)****Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The company has defaulted in repayment of the loan from Oriental Bank of Commerce in June 2012 of Rs. 55.19 Crore (Principal of Rs. 42.64 Crore and Interest of Rs. 12.55 Crore), Punjab National Bank in October 2011 of Rs. 184.69 Crore (Principal amount of Rs. 184.69 Crore) and Allahabad Bank in July 2012 of Rs. 283.62 Crore (Principal of Rs. 278.22 Crore and interest of Rs. 5.40 Crore). All these loans were assigned to Invent Assets Securitization and Reconstruction Private Limited in August 2015, July 2016 and July 2016 for Oriental Bank of Commerce, Allahabad Bank and Punjab National Bank respectively. As per the original settlement agreement the company has agreed to make the repayment of loan by June 2020 for Oriental Bank of Commerce and March 2021 for Allahabad Bank and Punjab National Bank.

- (b) On June 18, 2019, the company has been allowed following revised schedule of repayment of dues of Invent Assets Securitization and Reconstruction Private Limited:-

Sr No	Bank Name	Rescheduled Amount (Rs. in Crore)	Original Last Date of Payment	Revised Last Date of Payment
1	Oriental Bank of Commerce	15.25	30.06.2020	30.06.2023
2	Punjab National Bank	63.09	15.03.2021	31.12.2023
3	Allahabad Bank	95.51	15.03.2021	31.12.2023

- (c) However, company has again defaulted in repayment of the instalment of the loan falling due from June 2020 till March 2023 and interest thereupon. The company is in process of submitting revised repayment proposal.

**Accounting Treatment in Books**

- (d) The amount of repayment of debt to Invent Assets Securitization and Reconstruction Private Limited, up to the balance sheet date of Rs. 47.30 Crore (March 31, 2022 is Rs. 45.80 Crore) has been adjusted against the total outstanding loan liability.
- (e) If all the terms and conditions of the settlements are fully complied, there would be a reduction in debt by Rs. 325.01 Crore.

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

### Case before Debts Recovery Tribunal (DRT):

- (f) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Allahabad Bank) has been disposed on March 21, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

### 37. Non Provisions of Disputed Advances and Claims/Liability

- (a) During the financial year ended on March 31, 2019, Goods and Service Tax Department of Maharashtra has re-determined Value Added Tax liability (including interest and penalty) of Rs. 6.28 Crore for the financial year 2009-10 (March 31, 2022 Rs. 6.28 Crore) and Rs. 23.93 Crore for the financial year 2010-11 (March 31, 2022 Rs. 23.93 Crore) after adjustment of Rs. 4.00 Crore (March 31, 2022 Rs. 4.00 Crore) paid by the company under protest. The company has paid Rs 1.07 Crore during the year ended as at March 31, 2020 and have filed an appeal before the Deputy Commissioner of State Tax, Mumbai. On account of the said order presently the liability of the company is of Rs. 29.15 Crore (March 31, 2022: Rs. 29.15 Crore). The provision for impugned disputed tax liability has not been accounted for as the company is hopeful of matter being decided in its favor by appellate authority.
- (b) Loan accounts of the company have been classified as Non-Performing Assets by the Central Bank of India and Rare Asset Reconstruction Limited (being debt assignee of Indian Overseas Bank). The Bankers have not charged interest on the said Loans and therefore provision for Interest (other than upfront charges) has not been provided in the books of accounts and to that extent loss has been understated and bankers loan liability has been understated. The extent of exact amount is under determination and reconciliation with the banks. The company has entered into OTS with Central Bank of India on June 28, 2022 and therefore the unprovided interest on the said loan has been reversed. However as per the details available with the company, the amount of unprovided interest, on approximate basis, on the said loans is as under:-

(Rs in Crore)

Particular	Upto March 31, 2022	From April 1, 2022 to March 31, 2023	Reduction in the Interest	Upto March 31, 2023
Interest on Corporate Loan and working Capital Loan	1,435.54	102.27	869.19	668.62

### 38. Additional Disclosure

- (a) The cost of material consumed includes freight, loading and unloading expenses, inspection fees, commission on purchase, taxes & duties (to the extent of credit not available), rate difference and interest cost on purchase of raw material and ancillary expenses thereof (including reversal of any claim).
- (b) Few accounts of "Trade Receivables", "Trade payables", "Advances from Customer", "Advances Recoverable In Cash or Kind", "Advance to Suppliers and Other Parties" including very old balances and some of the Journal entries passed therein, are subject to confirmation/ reconciliation/ supporting documents and includes very old non-moving items therefore are subject to necessary adjustments for accounting or re-grouping / classification.
- (c) Account of Receivables / Payables in respect of Goods and Service Tax, Service Tax, CENVAT, and Vat are subject to reconciliation, submission of its return for its claim and/or its Audit/ Assessment/Settlement/ Payment, if any.
- (d) The classification / grouping of items of the accounts are made by the management, on the basis of the available data with the company.
- (e) The amount of inventory has been taken by the management on the basis of information available with the company and without conducting physical verification of the slow moving inventory. The slow moving inventories have been valued by the management on estimated net realizable values.
- (f) In the Capital Work in Progress of Rs. 26.08 Crore (March 31, 2022 Rs. 32.68 Crore) the management believes that the uncompleted projects of Rs. 1.37 Crore (March 31, 2022: Rs. 1.37 Crore;) requires some further investment to bring them into commercial use and the company desire to complete the project, therefore these are not treated as impaired assets and treated as temporarily suspended.
- (g) On account of technicalities involved the claim of MEIS will be accounted for as and when the claim will be admissible with the respective authority.
- (h) During the previous year the business activity of Transmission Line Tower division (TLT) was temporary suspended in order to evaluate its further business viability. However till March 31 2023 the operation of the TLT division has not commenced. The management is of the opinion that the carrying value of the Inventory, Property Plant and Equipment and Trade receivables represent net realizable value and therefore no provision for impairment/write off is required to be made.



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

- (i) In absences of the confirmation from the lenders, during the year the company has adjusted the repayment of the loan towards the principal loan outstanding. Further, in case of Central Bank of India, there is non-stipulation with regard to the date of payment of interest and therefore the same has been shown as Interest accrued but not due.
- (j) There has been reduction in Depreciation amounts as compared to previous year as the life of the majority of the assets have been completed and are valued at residual value.

**39. DIRECTOR'S REMUNERATION**

Mr. Shailesh Bhandari was re-appointed as a Managing Director for a period of three years w.e.f. February 1, 2020 at a remuneration of Rs. 2,00,000/- per month and Mr. Suraj Bhandari was appointed as a Whole-time Director for a period of three years w.e.f. November 13, 2019 at a remuneration of Rs. 1,50,000/- per month as approved by the shareholders of the Company at 34th Annual General Meeting held on August 17, 2020. The above remuneration to both the Directors are subject to approval from banks and financial institutions as the company has defaulted in repayment of loans.

Further, Mr. Suraj Bhandari was re-appointed as a Whole-time Director for a further period of three years w.e.f. November 13, 2022 to November 12, 2025 at a remuneration of Rs. 1,50,000/- per month as approved by the shareholders of the Company at 36th Annual General Meeting held on August 31, 2022. Mr. Shailesh Bhandari was re-appointed as a Managing Director for a further period of three years w.e.f. February 1, 2023 to January 31, 2026 at a remuneration of Rs. 2,00,000/- per month as approved by the shareholders of the Company through Postal Ballot on March 28, 2023. This remuneration to both the Directors are subject to approval from banks and financial institutions as the company has defaulted in repayment of loans.

**40. OTHER CASES:**

- (a) Some of the creditors have filed cases of recovery against the company before the various Civil Courts / Commercial Courts for Rs 1.30 Crore (Previous Year Rs 1.30 Crore). The said amounts are excluding interest.
- (b) The Ahmedabad Zonal Office of the Directorate of Enforcement ("ED") has recorded a case under the provisions of the Prevention of Money Laundering Act, 2002 and during the course of investigation, the ED has passed an order dated March 28, 2018 under sub-section (1) of section 5 of the Prevention of Money Laundering Act, 2002 for provisional attachment of certain properties comprising Land having total area of 4,90,621 square meter at Chhadavada and Samakhiyali of Steel Plant, Building and Plant & Machinery for a period of 180 days. Thereafter, a complaint under sub-section (5) of section 5 of the Prevention of Money Laundering Act, 2002 was filed by ED before the Adjudicating Authority, New Delhi and the Adjudicating Authority, New Delhi vide order dated September 5, 2018 confirmed the attachment of abovesaid properties. The Company has filed an appeal before the Hon'ble Appellate Tribunal, PMLA, New Delhi and the Hon'ble Appellate Tribunal, PMLA, New Delhi vide order dated December 10, 2018 passed an order for maintaining status quo and no coercive action by ED. The ED has filed its reply and the matter is adjourned for filing of rejoinder. The ED has filed an application for vacation of interim order. Thereafter, the matter was adjourned from time to time for further hearing.
- (c) The Assistant Director, Directorate of Enforcement, Ahmedabad has filed a PMLA – Special Case No. 20/2018 on December 1, 2018 before Principal District Judge, Ahmedabad against the company, Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari under section 3 and 4 of the Prevention of Money Laundering Act, 2002. During the year, the charge has been framed by the Hon'ble Court and now it is pending at the stage of evidence of prosecution.
- (d) The Company has filed recovery case against Victory Rich Trading Limited ("VRTL") & its director for non-payment of amount in the High Court of Hong Kong and the High Court of Hong Kong has passed judgment for payment of recovery amount. Thereafter, VRTL has challenged the said order and the same is pending before the High Court of Hong Kong. Further the Company has filed a winding up petition against VRTL before the High Court of Hong Kong and the High Court of Hong Kong has passed the order for winding up of VRTL.
- (e) The Special Director, Directorate of Enforcement, Mumbai has issued a show cause notice dated September 26, 2018 to the Company and Mr. Shailesh Bhandari based on complaint under section 16(3) of Foreign Exchange Management Act, 1999 and for holding adjudicating proceedings as contemplated under Rule 4(1) of Foreign Exchange Management (Adjudicating Proceedings and Appeal) Rules, 2000. The Company has replied to the said show cause notice. No further communication in this regard has been received till date.
- (f) Mr. Siddharth Bhandari, one of the Promoter group and erstwhile Whole-time Director and Dr. Rakesh Bhandari, one of the Promoter group of the Company ("Petitioners") has filed two separate petitions (CP No. 93 / 2018 and CP No. 94 / 2018) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 149, 150, 152, 159 and 176 of the Companies Act, 2013 inter alia, for declaring the appointment of four independent directors as null and void from their respective dates of appointment being violative of provisions of section 149 and 150 and other related provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014. All the parties have filed their reply / rejoinder. In the Interlocutory Applications filed by Petitioners, the Hon'ble NCLT has inter alia, passed various orders related to certain agenda



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

of Board Meetings, joint signatory in bank accounts, policy decisions affecting smooth running of company as a going concern etc. The Company and Mr. Shailesh Bhandari challenged the order dated May 4, 2021 before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") and the Hon'ble NCLAT has stayed the further Board Meetings of the Company by order dated May 24, 2021 and stayed the joint signatory by order dated June 17, 2021. Thereafter, the Hon'ble NCLAT has upheld the order dated May 4, 2021 and disposed of the appeals with certain directions on January 28, 2022. The Company and Mr. Shailesh Bhandari has challenged the said order dated January 28, 2022 before the Hon'ble Supreme Court of India and the Hon'ble Supreme Court of India by order dated February 25, 2022 continued the stay order on joint signatory dated June 17, 2021 passed by Hon'ble NCLAT. The Hon'ble Supreme Court of India dismissed the appeals by order dated October 11, 2022. Thereafter, the CP No. 93 / 2018 and CP No. 94 / 2018 was heard by the Hon'ble NCLT, Ahmedabad and the said petitions were disposed off on January 11, 2023 as not maintainable and vacated all interim orders. The Petitioners have challenged the order dated January 11, 2023 before the Hon'ble NCLAT and the appeals are pending before the Hon'ble NCLAT for hearing.

- (g) Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director, Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter group and Dr. Rakesh Bhandari, Promoter group of the Company ("Petitioners") have filed petition (CP No. 38 / 2019) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 against the Company, Mr. Shailesh Bhandari & Others inter alia, for removal of Mr. Shailesh Bhandari from the Board and investigation into the ownership of shares by some of the shareholders. The petition was pending before the Hon'ble NCLT for admission as well as on maintainability. Petitioners have filed interim application seeking waiver of the mandatory requirement of section 244(1)(a) of the Companies Act, 2013 and the Hon'ble NCLT vide order dated April 8, 2021, rejected the said interim application of waiver. Some of the Respondents have filed Interlocutory Applications for their discharge and the same were pending for hearing. The Petitioners have filed appeal before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") against the order dated April 8, 2021 passed by Hon'ble NCLT, however the same was withdrawn on September 27, 2021. The financial implication of this petition was not ascertainable at that point of time. Thereafter, the Hon'ble NCLT, Ahmedabad by order dated November 15, 2022 disposed of the CP No. 38 / 2019 alongwith all Interlocutory Applications.
- (h) Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter group, Dr. Rakesh Bhandari, Promoter group and Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director of the Company have filed a petition (CP No. 89 / 2019) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 222 of the Companies Act, 2013 against the Company and three shareholders for suspension of their voting rights and non-participation in voting at the 33<sup>rd</sup> Annual General Meeting of the Company and for maintaining the existing status of Petitioner No. 1 Mr. Siddharth Bhandari. The Hon'ble NCLT vide order dated September 27, 2019 allowed the Company to go ahead with the 33<sup>rd</sup> Annual General Meeting and e-voting process, however, the agenda Item No. 2 of the AGM shall be subject to final outcome of the petition. The petition is pending for further hearing.
- (i) Mr. Siddharth Bhandari, Mr. Mukesh Bhandari and Dr. Rakesh Bhandari ("Petitioners") has filed a petition (CP No. 5/2022) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 and other issues against the Company, Mr. Shailesh Bhandari & Others. The Hon'ble NCLT has issued notice to respondents and directed to file reply on interim relief and maintainability. The Company has filed its reply on interim relief and maintainability. The petition is pending for further hearing.

During the pendency of this petition, the Petitioners have filed an Interlocutory Application No. 55 / 2022 in CP No. 5/ 2022 to restrain the Company from holding Board Meeting dated August 2, 2022 and stay some of the agenda items. The Hon'ble NCLT, Ahmedabad has by order dated August 24, 2022 rejected the application as misconceived and not maintainable. The Petitioners have challenged the order dated August 24, 2022 before the Hon'ble NCLAT and the Hon'ble NCLAT by order dated November 29, 2022 dismissed the appeal. The Petitioners have challenged the order dated November 29, 2022 before the Hon'ble Supreme Court of India and the civil appeal is pending for hearing before the Hon'ble Supreme Court of India.

- (j) Ministry of Corporate Affairs, Office of the Regional Director, North-Western Region, Ahmedabad has in October, 2018 initiated inspection of books of accounts and other records under section 206(5) of the Companies Act, 2013. Thereafter, the Regional Director has issued letter for violations / irregularities of the Companies Act, 1956 / 2013 and the Company has replied to the same. Based on the same, the Registrar of Companies, Gujarat has issued letter for violations of the provisions of the Companies Act, 2013 and initiated prosecution against some of the directors / officers of the Company. Some of the directors / officer have challenged the said prosecution before the Hon'ble Gujarat High Court under section 463 of the Companies Act, 2013 and the said petition is pending for hearing before the Hon'ble Gujarat High Court.

Further the office of Regional Director vide letter / order dated December 24, 2019 informed the Company about investigation into the affairs of the Company under section 210(1)(c) of the Companies Act, 2013. Thereafter, the Company was directed to furnish documents / information and the Company has challenged the said investigation before the Hon'ble Gujarat High Court. As the petition was rejected by the Hon'ble Gujarat High Court, the Company has challenged the same before division bench by filing Letters Patent Appeal and the division bench of the Hon'ble Gujarat High Court has passed order for continuation of investigation and that if the report recommends closure of the proceedings, no further orders may be necessary, however, if

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

the report recommends some coercive measures to be taken, then the Central Government or the competent authority may not take any such decision without leave of the Court. The Letters Patent Appeal is pending awaiting the appropriate report of investigation under Section 210 of the Companies Act, 2013.

- (k) Mr. Babu Devraj Badhiya has filed a Writ Petition in the nature of Public Interest Litigation (PIL) on February 4, 2019 before the Hon'ble Gujarat High Court with prayer for direction for compliance of various approvals / permissions issued by various authorities for the Samakhiali Plant. The Hon'ble Gujarat High Court has passed order for not to carry out any further construction / development and the matter is pending before the Hon'ble Gujarat High Court.

Note: The financial implication of all this case is not ascertainable at this point of time.

**41. OTHER STATUTORY INFORMATION**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The Company does not have any transactions with companies which are struck off.
- (iii) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period,
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) 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:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) 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:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**42 RELATED PARTY DISCLOSURE**

As required by Indian Accounting Standard-24 "RELATED PARTY DISCLOSURE", the disclosure of transaction with related parties are given below: -

**A. List of Related Parties**

Particulars	Principal Place of Business / Country of Incorporation	% of Holding as at March 31, 2023	% of Holding as at March 31, 2022
<b>(I) SUBSIDIARY COMPANIES</b>			
- Jinhua Indus Enterprises Limited	China	100.00	100.00
- Jinhua Jahari Enterprises Limited (Step down subsidiary)#	China	-	-
- ET Elec-Trans Limited	India	80.49	80.49
- Hans Ispat Limited	India	100.00	100.00
- Shree Ram Electro Cast Limited*	India	95.00	95.00
- Electrotherm Services Limited	India	100.00	100.00
<b>(II) JOINT VENTURE COMPANY</b>			
1. Bhaskarpara Coal Company Limited	India	52.63	52.63

# 100% holding by Jinhua Indus Enterprises Limited

\* 5% shares of Shree Ram Electro Cast Limited are held by Electrotherm Services Limited

Method of Accounting: Investment in subsidiary and joint venture is at cost net of impairment

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

### (III) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives

- EIL Software Services Offshore Pvt. Ltd.
- Etain Electric Vehicles Ltd.
- Electrotherm Tech Limited (Earlier Know As Electrotherm Solar Limited)
- ETAIN Renewables Ltd.
- Bhandari Charitable Trust

### (iv) Key Managerial Personnel/Director of Companies

- Mr. Shailesh Bhandari (Managing Director)
- Mr. Suraj Bhandari (Whole time Director)
- Mr. Chirag Shah (Chief Financial Officer) (w.e.f May 24, 2023)
- Mr. Jigar Shah (Company Secretary) (w.e.f August 2, 2022)

### (V) Non-Executive/Independent Directors

- Mr. Mukesh Bhandari (Non-Executive Director)
- Mr. Dinesh Shankarlal Mukati (Independent Director & Non-Executive Chairman)
- Ms. Nivedita Ravindra Sarda (Independent Director)
- Mr. Pratap Mohan (Independent Director)

### (VI) Relatives of Key Managerial Personnel

- Late Mrs. Indubala Bhandari (Mother of Director)
- Mrs. Jyoti Bhandari (Wife of Director)



**Notes to Standalone Financial Statements for the year ended March 31, 2023**
**C: BALANCES AS AT YEAR ENDED** (Rs. In Crore)

Trade Receivable	As at 31.03.2023	As at 31.03.2022
- Electrotherm Tech Limited (Earlier known as Electrotherm Solar Limited)	3.46	3.46
- ETAIN Electric Vehicles Limited	1.76	1.76
- ETAIN Renewables Limited	2.26	2.26
- Bhandari Charitable Trust	2.20	2.20
- Hans Ispat Limited	27.39	27.30
- ET Elec-Trans Limited	0.51	0.51
<b>Total</b>	<b>37.58</b>	<b>37.49</b>

(Rs. In Crore)

Trade Payables	As at 31.03.2023	As at 31.03.2022
- Electrotherm Tech Limited (Earlier known as Electrotherm Solar Limited)	-	0.00
- ETAIN Renewables Limited	0.00	0.01
- Hans Ispat Limited	-	0.00
- Mr. Shailesh Bhandari	0.01	0.01
- Mr. Jigar Shah	0.01	-
- Electrotherm Services Limited	0.01	0.04
<b>Total</b>	<b>0.03</b>	<b>0.06</b>

(Rs. In Crore)

Loan	As at 31.03.2023	As at 31.03.2022
- Electrotherm Services Limited	4.18	4.18
<b>Total</b>	<b>4.18</b>	<b>4.18</b>

(Rs. In Crore)

Other Assets	As at 31.03.2023	As at 31.03.2022
- Etain Electric Vehicles Ltd	0.01	0.01
- Etain Renewables Ltd	0.05	0.06
- Electrotherm Tech Limited (Earlier known as Electrotherm Solar Limited)	0.09	0.09
- Jinhua Indus Enterprise Limited	0.95	0.95
- Shree Ram Electrocast Limited	1.78	1.78
- Hans Ispat Limited	63.25	62.06
<b>Total</b>	<b>66.13</b>	<b>64.95</b>

(Rs. In Crore)

Short Term Borrowings	As at 31.03.2023	As at 31.03.2022
- Mr. Mukesh Bhandari	0.24	0.24
- EIL Software Services Offshore Private Limited	1.75	1.75
- Mrs. Jyoti Bhandari	0.15	0.15
- Mr. Rakesh Bhandari	0.02	0.02
<b>Total</b>	<b>2.16</b>	<b>2.16</b>

(Rs. In Crore)

Lease Liabilities	As at 31.03.2023	As at 31.03.2022
- Mr. Shailesh Bhandari	0.15	0.15
- Mr. Mukesh Bhandari	0.25	0.24
- Mrs. Jyoti Bhandari	0.05	0.08
<b>Total</b>	<b>0.45</b>	<b>0.47</b>

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

(Rs. In Crore)

Other Liabilities	As at 31.03.2023	As at 31.03.2022
- ETAIN Renewables Ltd	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>

(Rs. In Crore)

Impairment / Provision	As at 31.03.2023	As at 31.03.2022
- ET Elec-Trans Limited - (Trade Receivable)	0.51	0.51
- Hans Ispat Limited - (Trade Receivables)	27.39	6.82
- Electrotherm Services Limited - (Loan)	4.18	4.18
- Bhasakar Para Coal Company - (Investment)	2.13	2.13
- ET Elec-Trans Limited - (Investment)	0.72	0.72
- Hans Ispat Limited - (Investment)	36.46	-
- Hans Ispat Limited - (Advances)	63.24	15.51
<b>Total</b>	<b>134.63</b>	<b>29.87</b>

## 43 Financial Instruments, Fair Value Measurements, Financial Risks &amp; Capital Management

## 43.1 Category wise Classification of Financial Instruments

(Rs In Crore)

Particulars	March 31, 2023		
	FVPL	Amortized cost	Carrying Value
<b>Financial assets</b>			
Trade receivables	-	197.13	197.13
Cash and Cash Equivalents	-	65.64	65.64
Other Bank balances	-	6.64	6.64
Investments in mutual fund units	0.52	-	0.52
Investments in Unquoted Equity of Joint Venture & Subsidiary Companies net of Accumulated Impairment & Other Investments	-	9.32	9.32
Other financial assets	-	33.51	33.51
<b>Total financial assets</b>	<b>0.52</b>	<b>312.24</b>	<b>312.76</b>
<b>Financial liabilities</b>			
Trade payables	-	374.85	374.85
Borrowing	-	1,876.62	1,876.62
Preference shares	-	12.00	12.00
Lease Liability	-	1.54	1.54
Other financial liabilities	-	89.67	89.67
<b>Total financial liabilities</b>	<b>-</b>	<b>2,354.68</b>	<b>2,354.68</b>

(Rs In Crore)

Particulars	March 31, 2022		
	FVPL	Amortized cost	Carrying Value
<b>Financial assets</b>			
Trade receivables	-	176.17	176.17
Cash and Cash Equivalents	-	64.01	64.01
Other Bank balances	-	7.25	7.25
Investments in mutual fund units	0.52	-	0.52
Investments in Unquoted Equity of Joint Venture & Subsidiary Companies net of Accumulated Impairment & Other Investments	-	45.78	45.78
Other financial assets	-	45.12	45.12
<b>Total financial assets</b>	<b>0.52</b>	<b>338.33</b>	<b>338.85</b>
<b>Financial liabilities</b>			
Trade payables	-	384.54	384.54
Borrowing	-	1,976.35	1,976.35
Preference Shares	-	12.00	12.00
Lease Liability	-	2.03	2.03
Other financial liabilities	-	26.93	26.93
<b>Total financial liabilities</b>	<b>-</b>	<b>2,401.85</b>	<b>2,401.85</b>



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

### 43.2 Category-wise Classification of Financial Instruments

#### i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements:

(Rs In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Investments in quoted mutual fund</b>					
As at March 31, 2023	5	0.52	-	-	0.52
As at March 31, 2022	5	0.52	-	-	0.52

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

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

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

#### ii) Valuation technique used to determine fair value

Financial instruments are initially recognized and subsequently re-measured at fair value as described below :

- The fair value of investment in quoted Mutual Funds is measured at quoted price or NAV.

#### iii) Valuation process

The Company obtains valuation results from external/internal valuers for level 2 measurements. Inputs to level 2 measurements are verified by the Company's treasury department.

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

The management assessed that cash and cash equivalents, Bank Balance other than cash and cash equivalents, trade receivables, trade payables, investments in unquoted equity of joint venture / subsidiary company and government securities, other financial assets, short term borrowings, non current borrowings and other current financial liabilities approximate their carrying amounts.

## 44 Financial Instrument Risk, Management, Objectives & Policies

### 44.1 Financial risk management

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Company. Risk management reporting is a continuous process and part of regular company reporting.

The Company is exposed to credit, liquidity and market risks (interest rate risk, foreign currency risk and other price risk) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements.

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

**44.2 Credit risk**

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. The balances with banks and security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.

**Trade receivables, Loans and Advances to Suppliers & Others**

Credit risk arises from the possibility that customer / borrowers will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers and the borrowers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

The provision on trade receivables for expected credit loss is recognized on the basis of life-time expected credit losses (simplified approach). Trade receivables are evaluated separately for balances towards progress billings and retention money due from customers. An expected loss rate is calculated at each year-end, based on combination of rate of default and rate of delay. The Company considers the rate of default and delay upon initial recognition of asset, based on the past experience and forward-looking information, wherever available. The provision on loans for expected credit loss is recognized on the basis of 12-month expected credit losses and assessed for significant increase in the credit risk.

**Concentrations of Credit Risk form part of Credit Risk**

During the year ended March 31, 2023, the company did not have sales to a single Customer exceeding 10% of its total Sales and during the year ended March 31, 2022, sales to such customer approximated Rs 306.08 Crore (or 10.81% of net revenue). Accounts receivable from such customer approximated Rs Nil (or 0% of total receivables) at March 31, 2023 and Rs 9.84 Crore (or 5.59% of total receivables) at March 31, 2022. A loss of this customer could adversely affect the operating results or cash flows of the Company.

**Allowance for expected credit loss/doubtful receivables :****i) As at March 31, 2023**

(Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Gross carrying amount	325.81	4.18	199.41	529.40
Credit loss rate	39.50%	100.00%	40.77%	40.45%
Expected Credit Loss / Doubtful Receivable	128.68	4.18	81.29	214.15
<b>Carrying amount</b>	<b>197.13</b>	<b>-</b>	<b>118.12</b>	<b>315.25</b>

**ii) As At March 31, 2022**

(Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Gross carrying amount	282.18	4.18	181.20	467.56
Credit loss rate	37.57%	100.00%	18.52%	30.74%
Expected Credit Loss / Doubtful Receivable	106.01	4.18	33.56	143.75
<b>Carrying amount</b>	<b>176.17</b>	<b>-</b>	<b>147.64</b>	<b>323.81</b>

**iii) Reconciliation of expected credit loss / doubtful receivable**

(Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Loss allowance as on March 31, 2021	(97.27)	(4.18)	(18.05)	(119.50)
Changes in loss allowance	(8.74)	-	(15.51)	(24.25)
<b>Loss allowance as on March 31, 2022</b>	<b>(106.01)</b>	<b>(4.18)</b>	<b>(33.56)</b>	<b>(143.75)</b>
Changes in loss allowance	(22.67)	-	(47.73)	(70.40)
<b>Loss allowance as on March 31, 2023</b>	<b>(128.68)</b>	<b>(4.18)</b>	<b>(81.29)</b>	<b>(214.15)</b>

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

### 44.3 Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. Liquidity crises has led to default in repayment of principal and interest to lenders however the Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is used for the repayment of loan, invested in interest bearing term deposits and mutual funds with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

#### Maturities of financial liabilities

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

##### As at March 31, 2023

(Rs In Crore)

Particulars	Payable Upto 31.03.2024	01.04.2024 to 31.03.2027
Trade Payables	374.85	-
Borrowings	1,631.74	244.88
Lease liability	1.36	0.18
Preference Shares	12.00	-
Other Financial liabilities	89.67	-
<b>Total</b>	<b>2,109.62</b>	<b>245.06</b>

##### As at March 31, 2022

(Rs In Crore)

Particulars	Payable Upto 31.03.2023	01.04.2022 to 31.03.2026
Trade Payables	384.54	-
Borrowings	1,614.10	362.25
Preference Shares	12.00	-
Lease Liability	1.13	0.90
Other Financial liabilities	26.93	-
<b>Total</b>	<b>2,038.70</b>	<b>363.15</b>

### 44.4 Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets. The company is mainly exposed to interest rate risk and foreign currency risk.

#### i) 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 the market rates. Since the borrowing of the company are classified as non performing assets or are transferred to assets reconstruction company or the settlement agreement have been executed and few lenders are charging interest at fix rate of interest, therefore the exposure to risk of changes in market interest rates is minimal. However the Company is liable for the payment of interest to Union Bank of India and Central Bank of India @ 1 Year MCLR on the Outstanding amount & it's sensitivity analysis is as under :-

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

(Rs In Crore)

Particulars	Outstanding Amount as on March 31, 2023	Interest for the period ended as on March 31, 2023	Increase in Interest by 1%	Decrease in Interest by 1%
Union Bank of India	9.00	0.67	0.01	(0.01)
Central Bank of India	351.80	10.73	0.11	(0.11)

(Rs In Crore)

Particular	Outstanding Amount as on March 31, 2022	Interest for the period ended as on March 31, 2022	Increase in Interest by 1%	Decrease in Interest by 1%
Union Bank of India	16.42	1.08	0.01	(0.01)

## ii) Foreign currency risk

The international nature of the Company's business activities generates numerous cash flows in different currencies -especially in USD and EURO. To contain the risks of numerous payment flows in different currencies- in particular in USD and EURO- the Company follows group wise policies for foreign currency management.

The Company's exposure to unhedge foreign currency risk at the end of reporting period are as follows: (In Crore)

Particulars	As at March 31, 2023	
	USD	Euro
<b>Financial assets</b>		
Trade receivables	0.91	-
Net exposure to foreign currency risk (assets)	0.91	-
<b>Financial liabilities</b>		
Trade payables	0.06	0.03
Net exposure to foreign currency risk (liabilities)	0.06	0.03
Net exposure to foreign currency risk	0.85	(0.03)
Net Exposure In Indian Currency (Rs)	69.88	(2.69)

(In Crore)

Particulars	As at March 31, 2022	
	USD	Euro
<b>Financial assets</b>		
Trade receivables	0.68	-
Net exposure to foreign currency risk (assets)	0.68	-
<b>Financial liabilities</b>		
Trade payables	0.06	0.01
Net exposure to foreign currency risk (liabilities)	0.06	0.01
Net exposure to foreign currency risk	0.62	(0.01)
Net Exposure In Indian Currency (Rs)	47.00	(0.43)

The above table represent only total major exposure of the company towards foreign exchange denominated trade receivables and trade payables.

The company is mainly exposed to change in USD and Euro. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and Euro against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

The sensitivity of Profit or loss to changes in USD and Euro exchange rate are as follows: (Rs In Crore)

Particulars	As at March 31, 2023	
	Rupee / USD	Rupee / Euro
<b>Impact on Profit or loss</b>		
Increase by 5%	3.49	(0.13)
Decrease by 5%	(3.49)	0.13

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

(Rs In Crore)

Particulars	As at March 31, 2022	
	Rupee / USD	Rupee / Euro
<b>Impact on Profit or loss</b>		
Increase by 5%	2.35	(0.02)
Decrease by 5%	(2.35)	0.02

**45 Capital 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."

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Capital structure of the Company is as follows:

(Rs In Crore)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Equity share capital	12.74	12.74
Other Equity	(1,052.15)	(973.46)
<b>Total Equity</b>	<b>(1,039.41)</b>	<b>(960.72)</b>

**46 Corporate Social Responsibility (CSR)**

Details of CSR expenditure:

(Rs in Crore)

Particulars	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Company during the year	0.37	1.66
b) Amount approved by the Board to be spent during the year	0.37	1.66

**c) Amount spent during the year ended on March 31, 2023**

(Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	-	-
In Cash	-	0.37
<b>Total</b>	<b>-</b>	<b>0.37</b>

**d) Amount spent during the year ended on March 31, 2022:**

(Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	1.38	0.11
In Cash	-	0.17
<b>Total</b>	<b>1.38</b>	<b>0.28</b>

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

## e) Details related to spent / unspent obligations:

(Rs in Crore)

Particulars	March 31, 2023	March 31, 2022
i) Animal welfare in the form of distribution of grass and towards disaster relief in the form of distribution of food packets in Covid-19 and otherwise.	0.20	0.11
ii) Promoting employment enhancing vocation skills among women	0.00	-
iii) Pavar & curbing work of road and hazardous waste treatment at village Palodia	-	0.06
iv) Contribution to Trust		
- Promoting Education	0.12	-
- Ensuring Environment sustainability & protection of flora and fauna – Plantation of tree through Miyawaki method	0.05	-
v) Unspent amount in relation to:		
- Ongoing project	-	1.38
- Other than ongoing project"	-	0.11
<b>Total</b>	<b>0.37</b>	<b>1.66</b>

## f) Details of ongoing project and other than ongoing project

## (a) In case of S. 135(6) (Ongoing Project)

(Rs in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance</b>		
- With Company	1.38	-
- In Separate CSR Unspent A/c	-	-
<b>Amount required to be spent during the year</b>	-	<b>1.38</b>
<b>Amount Deposit in CSR Unspent A/c.</b>	<b>1.38</b>	-
<b>Amount spent during the year</b>		
- From Company's bank A/c	-	-
- From Separate CSR Unspent A/c	0.09	-
<b>Closing Balance</b>		
- With Company	-	1.38
- In Separate CSR Unspent A/c	1.29	-

\*deposited subsequent to year end.

## (b) In case of S. 135(5) (Other than ongoing project)

(Rs in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	0.11	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	0.37	0.28
Amount spent during the year	0.48	0.17
<b>Closing Balance</b>	<b>-</b>	<b>0.11</b>

## 47 Disclosure required under Sec 186(4) of the Companies Act 2013

(Rs in Crore)

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	As at March 31, 2023	As at March 31, 2022
Electrotherm Services Limited*	0%	Not Specified	Unsecured	4.18	4.18

\* Impairment allowance (Allowance for bad and doubtful debts) of Rs 4.18 Crore has been provided as on March 31, 2023 and March 31, 2022



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

- 48 Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties that are repayable on demand or without specifying any terms or period of repayment.

(Rs in Crore)

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of such loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of such loans
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties*	70.31	100.00	69.13	100.00
Associate	-	-	-	-
<b>Total</b>	<b>70.31</b>	<b>100.00</b>	<b>69.13</b>	<b>100.00</b>

\* Impairment allowance (Allowance for bad and doubtful debts) of Rs 67.42 Crore has been provided as on March 31, 2023 and Rs 19.69 Crore as on March 31, 2022.

- 49 **Financial Ratio**

(Rs in Crore)

Sr No	Ratio	Numerator	Denominator	Current Year	Previous Year	% change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	0.41	0.42	(3.40)	Not Applicable
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	Ratio is not calculated as the equity value is negative
3	Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest Cost	Debt service = Interest & Lease Payments + Principal Repayments	1.40	0.53	165.18	Ratio has increase on account of increase in EBITDA.
4	Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-	-	-	Ratio is not calculated as the equity value is negative
5	Inventory Turnover ratio	Value of Sales and Services - Sales Return - Discounts & Rebates	Average Inventory	5.53	5.43	1.75	Not Applicable
6	Trade Receivable Turnover Ratio	Value of Sales and Services - Sales Return - Discounts & Rebates	Average Trade Receivable	16.42	12.02	36.56	Ratio has increased on account of higher sales and improved realisation.
7	Trade Payable Turnover Ratio	Net Purchase and Services Utilised	Average Trade Payables	7.73	7.16	7.98	Not Applicable
8	Net Capital Turnover Ratio	Value of Sales and Services - Sales Return - Discounts & Rebates	Working capital = Current assets – Current liabilities	-	-	-	Ratio is not calculated as the Net Capital is negative.

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

(Rs in Crore)

Sr No	Ratio	Numerator	Denominator	Current Year	Previous Year	% change	Reason for variance
9	Net Profit ratio	Net Profit after tax	Net sales = Total sales - sales return	(2.50%)	(1.93%)	29.83	Ratio has decline on account of Net Loss after tax in current year as compared to Net Profit in previous year due impairment of investment in subsidiary and Provision for doubtful debts and advances.
10	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(1.36%)	(1.00%)	35.78	Ratio has decline on account of Net Loss after tax in current year as compared to Net Profit in previous year due impairment of investment in subsidiary and Provision for doubtful debts and advances.
11	Return on Investment	Interest (Finance Income) and fair valuation of financial assets	Weighted Average of Investment in subsidiary, Joint venture, Mutual fund and Fixed Deposit	2.35%	2.24%	5.31	Not Applicable

**50 Events occurred after the Balance Sheet Date**

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 27, 2023, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in the financial statements.

- 51** Previous year amount has been regrouped/re-casted/re-arranged/ re-classified/re-determined, wherever necessary, to make the figure of the current year comparable with the previous year.

As per our report of even date  
For **Hitesh Prakash Shah & Co.**  
Chartered Accountants  
Firm Registration No: 127614W

**Hitesh Shah**  
Partner  
Membership No. 124095  
UDIN: 23124095BGXFQZ8003

Place : Ahmedabad  
Date : May 27, 2023

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Shailesh Bhandari**  
Managing Director  
DIN:- 00058866

**Chiragkumar H Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 27, 2023

**Suraj Bhandari**  
Whole Time Director  
DIN:- 07296523

**Jigar H. Shah**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of  
**Electrotherm (India) Limited,**

### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of **Electrotherm (India) Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint venture, comprising of the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated cash flow Statement, the consolidated Statement of Changes in Equity 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").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated 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 the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group and its joint venture as at March 31, 2023, its loss including other comprehensive loss, cash flow and the statement of changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

*We draw attention to Note No. 35 (b) of non-provision of interest on NPA accounts of banks on approximate basis of Rs 122.11 crore, for the year under consideration and the total amount of such unprovided interest till March 31, 2023, is Rs.804.80 Crore. The exact amounts of the said non provision of interest is not determined and accordingly the amount of Net loss for the year is understated by Rs. 122.11 crore and the amount of Banks/Assets Reconstruction Company liability and total retained earnings/(loss) as on March 31, 2023, is under stated by Rs. 804.80 crore. Our audit reports for the previous year ended March 31, 2022 was also qualified in respect of this matter.*

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

#### Material Uncertainty Related to Going Concern of its Subsidiaries and Joint Venture

##### A. Bhaskarpara Coal Company Limited

We draw attention on Note No 40 (a) of the consolidated financial statement, relating to the actions taken by Ministry of Coal, Government of India for de-allocation of the Coal block in Joint venture Bhaskarpara Coal Company Limited, affecting the going concern of the said company.

##### B. Shree Ram Electrocast Limited

We draw attention on Note No 40(b) of the consolidated financial statement, relating to the actions taken by State Bank of India under SARFAESI Act, 2002 and subsequent action of the sale through auction of the assets of the Company by Bank, affecting the going concern of the said company.

##### C. ET Elec-Trans Limited

We draw attention on Note No. 40 (c) of the consolidated financial statement that during the year, ET Elec-Trans Limited has a cash loss of Rs 0.00 Crore and accumulated losses of Rs 1.48 Crore, which has fully eroded the net worth of the said company. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the said Company's ability to continue as a going concern.

##### d. Hans Ispat Limited

We draw attention on Note No. 40 (d) of the consolidated financial statements in respect of pending appeal filed against order of Hon'ble DRT Ahmedabad for sale of property of the wholly owned subsidiary M/s Hans Ispat Limited. The said appeal is pending in Hon'ble DRAT, Mumbai for further hearing. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the said subsidiary company's ability to continue as a going concern

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS*****Emphasis of Matter***

We draw attention to:

- (a) Note No 14(c) to the consolidated financial statements in respect of non-payment of one of the Instalments due for the quarter ended on December 31, 2019 and March 31, 2020 and major of the installments due from June 30, 2020 to March 31, 2023 and major of the Interest due for the period from September 30, 2020 to March 31, 2023 and further the group has requested all lenders to allow this moratorium period for the payments and the lenders are yet to confirm the revised repayment schedule.
- (b) Note 14(f) to the consolidated financial statements related to default in complying with the terms and conditions of settlement entered with the Banks / ARCS (other than Central Bank of India) and the uncertainty about the amount of final liability. The impact of the settlement of Central Bank of India, will be given on the compliance of all the terms and conditions of the agreement.
- (c) Note 34 to the consolidated financial statements in respect of the defaults and the recovery proceedings against the group and for the treatment in the books of accounts of assignment/settlement of the debts of the various banks and financial institute.
- (d) Note No 34 (a) (vi) (f) to the consolidated financial statements in respect of petition filed under section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against the Company by Edelweiss Asset Reconstruction Company Limited.
- (e) Note No 34 (a) (vi) (g) to the consolidated financial statements related to statutory demand notice issued by Edelweiss Asset Reconstruction Company Limited under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI") read with Security Interest (Enforcement) Rules, 2002 to discharge the liabilities.
- (f) Note No 36 (b) & (e) to the consolidated financial statements in respect of confirmation / reconciliation of few accounts of "Trade Receivables", "Trade Payables", "Advance from Customers", "Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties" and the amount of inventories are as taken by the management.
- (g) Note No.31(a)(x) and 38 to the consolidated financial statements in respect of pending enquiries/notices/summons/litigation/recovery proceedings against the company and the Directors of the Company.
- (h) Note No 40 (d) to the consolidated financial statements in respect of pending appeal filed against the order of Hon'ble DRT Ahmedabad filed for sale of property of the wholly owned subsidiary M/s Hans Ispat Limited and provision for impairment in the value of goodwill.

In Our opinion in respect of the above *Emphasis of Matter*, we do not provide any modified opinion, as these are not material or relevant for the accounting purpose, for the year under consideration.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year under audit. We have determined that there are no key audit matters to be communicated in our report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's Annual Report but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained 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.

**Responsibilities of Management for the consolidated financial statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other consolidated comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of Group and its joint venture and for preventing and detecting

## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

frauds and other irregularities; the 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 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.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and 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 company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its Joint venture are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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.

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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity 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.

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.

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.

## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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 for the financial year ended March 31, 2023 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 Matter

1. We did not audit the financial statements and other financial information, in respect of Four subsidiaries, whose financial statements include Group's share of total assets (before consolidation adjustments) of Rs. 44.46 crore as at March 31, 2023, total revenues (before consolidation adjustments) of Rs 0.00 crore, Group's share of total net loss after tax (before consolidation adjustments) of Rs 3.42 crore, Group's share of total comprehensive loss (before consolidation adjustments) of Rs 3.42 crore and Group's share of net cash outflows (before consolidation adjustments) of Rs. 1.32 crore for the year ended March 31, 2023, as considered in the Statement. The consolidated financial statements also include the Group's share of net profit after tax (before consolidation adjustments) of Rs 0.01 crore for the year ended March 31, 2023, as considered in the consolidated financial statements of one joint venture. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of subsections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the report(s) of such other auditors.
2. The accompanying consolidated financial statements include two subsidiaries which are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and are unaudited whose financial statements include Group's share of total assets (before consolidation adjustments) of Rs 4.12 Crores as at March 31, 2023, Group's share of total revenues (before consolidation adjustments) of Rs Nil, Group's share of total net loss after tax (before consolidation adjustments) of Rs (-0.00) crore, Group's share of total comprehensive loss (before consolidation adjustments) of Rs (-0.00) crore and Group's share of net cash outflow (before consolidation adjustments) of Rs. 0.00 crore for the year ended March 31, 2023, as considered in the Statement. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### 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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter'
  - (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 aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account 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, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) The matter described in "Qualified Opinion" and 'Emphasis of Matter' paragraph above, in our opinion, may not have an adverse effect on the functioning of the group;



**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and joint venture incorporated in India, none of the directors of the Group's companies 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;
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
- (h) In our opinion and consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been not been paid by the Company to its Directors and hence the provisions of section 197 read with Schedule V to the Act are not applicable.
- (i) 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 and based on the consideration of reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated Financial position of the Group – Refer Note 31 and 38 to the Consolidated Financial Statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2023 and
  - iv.
    - (a) The management of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group 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, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management of the Holding Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Holding company and subsidiary companies, incorporated in India.

**For, Hitesh Prakash Shah & Co**  
(Firm Regd.no: 127614W)  
Chartered Accountants

**Hitesh Shah**  
Partner

Membership No. 124095  
UDIN:- 23124095BGXFRA3562

Place : Ahmedabad  
Date : May 27, 2023

**ANNEXURE A TO THE CONSOLIDATED AUDITOR'S REPORT**

Annexure A referred to in paragraph 1 of our report of even date on Other Legal and Regulatory Requirements for the year ended March 31, 2023

1. Summary of comments and observations given by the respective auditors in the Companies (Auditors Report) Order of the respective subsidiary companies is given hereunder:

Sr. No	Name	CIN	Holding Company/ subsidiary	Clause number of the CARO report which may have possible adverse impact
1	Electrotherm (India) Limited	L29249GJ1986PLC009126	Holding Company	iii, vii(c), ix(a), xix and xx.
2	ET Elec-Trans Limited	U34102GJ2008PLC055557	Wholly Owned Subsidiary	vii(b), xvii and xix
3	Shree Ram Electrocast Limited	U27109GJ2004PLC066347	Wholly Owned Subsidiary	ii(b), vii(c), ix(a) & (b), xvii and xix
4	Hans Ispat Limited	U51109GJ1991PLC057955	Wholly Owned Subsidiary	ii(b), vii(c), ix(a), ix(b), xiv(b), xvii and xix
5	Electrotherm Services Limited	U74110GJ1995PLC064736	Wholly Owned Subsidiary	xvii, xix

**For, Hitesh Prakash Shah & Co**  
(Firm Regd.no: 127614W)  
Chartered Accountants

**Hitesh Shah**  
Partner  
Membership No. 124095  
UDIN:- 23124095BGXFRA3562

Place : Ahmedabad  
Date : May 27, 2023

## **ANNEXURE B TO THE CONSOLIDATED AUDITOR'S REPORT**

**Annexure B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Electrotherm (India) Limited**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Electrotherm (India) Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Electrotherm (India) Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture company, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 the internal controls 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.

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 internal financial controls over financial reporting with reference to these consolidated financial statements.

### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements are 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 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 Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

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 controls 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

In our opinion, the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For, Hitesh Prakash Shah & Co**  
(Firm Regd.no: 127614W)  
Chartered Accountants

**Hitesh Shah**  
Partner  
Membership No. 124095  
UDIN:- 23124095BGXFRA3562

Place : Ahmedabad  
Date : May 27, 2023

**Consolidated Balance Sheet as at March 31, 2023**

(Rs In Crore)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non Current Assets</b>			
a) Property, Plant and Equipment	3	632.45	654.15
b) Capital Work in Progress	3	26.08	32.69
c) Goodwill	4a	-	36.46
d) Intangible Assets	4b	3.71	4.73
e) Right of Use Assets	4c	1.60	2.19
f) Financial Assets			
i) Investment in Joint Venture	5	6.98	6.97
ii) Investments	5	0.49	0.49
iii) Other Financial Assets	6	39.94	51.37
g) Other Non Current Assets	7	3.00	6.86
<b>Total Non- Current Assets (A)</b>		<b>714.25</b>	<b>795.91</b>
<b>Current assets</b>			
a) Inventories	8	570.63	546.37
b) Financial Assets			
i) Investments	5	0.04	0.04
ii) Trade Receivables	9	208.38	166.97
iii) Cash and Cash Equivalent	10	66.09	64.47
iv) Bank Balance Other than (iii) Above	10	6.64	7.25
v) Other Financial Assets	6	1.68	1.86
c) Current Tax Assets	11	6.90	4.66
d) Other Current Assets	7	177.53	157.31
<b>Total Current Assets (B)</b>		<b>1,037.89</b>	<b>948.93</b>
<b>TOTAL ASSETS (A+B)</b>		<b>1,752.14</b>	<b>1,744.84</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	12	12.74	12.74
b) Other Equity	13	(1,108.95)	(1,095.10)
<b>Total Equity (A)</b>		<b>(1,096.21)</b>	<b>(1,082.36)</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	14	244.92	362.29
ii) Other Financial Liabilities	15	0.02	0.02
iii) Lease Liabilities	16	0.18	0.90
b) Provisions	17	21.35	19.67
<b>Total Non Current Liabilities (B)</b>		<b>266.47</b>	<b>382.88</b>
<b>Current liabilities</b>			
a) Financial Liabilities			
i) Short Term Borrowings	18	1,739.97	1,722.33
ii) Lease Liabilities	16	1.36	1.13
ii) Trade Payables	19		
Total Outstanding Dues Of :			
- Micro Enterprises & Small Enterprises		50.20	38.70
- Other than Micro Enterprises & Small Enterprises		326.29	347.81
iv) Other Financial Liabilities	15	89.68	26.94
b) Other Current Liabilities	20	357.22	291.48
c) Provisions	17	17.16	15.93
<b>Total Current Liabilities (C)</b>		<b>2,581.88</b>	<b>2,444.32</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>1,752.14</b>	<b>1,744.84</b>
Summary of Significant accounting policies	2.1		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date  
**For Hitesh Prakash Shah & Co.**  
 Chartered Accountants  
 Firm Registration No: 127614W

**Hitesh Shah**  
 Partner  
 Membership No. 124095  
 UDIN: 23124095BGXFRA3562

Place : Ahmedabad  
 Date : May 27, 2023

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Shailesh Bhandari**  
 Managing Director  
 DIN:- 00058866

**Suraj Bhandari**  
 Whole Time Director  
 DIN:- 07296523

**Chiragkumar H Shah**  
 Chief Financial Officer

**Jigar H. Shah**  
 Company Secretary

Place : Ahmedabad  
 Date : May 27, 2023

**Consolidated Statement of Profit and Loss for the Year ended March 31, 2023**

(Rs In Crore)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue From Operations	21	3,074.05	2,831.31
Other Income	22	6.69	6.54
<b>Total Income</b>		<b>3,080.74</b>	<b>2,837.85</b>
<b>Expenses</b>			
Cost of Raw Materials and Components Consumed	23	2,285.26	2,127.45
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	9.81	(45.18)
Employee Benefit Expense	25	144.79	137.16
Finance Costs	26	67.17	45.45
Depreciation and Amortisation Expense	27	49.19	87.90
Other Expenses	28	499.88	525.44
<b>Total expenses</b>		<b>3,056.10</b>	<b>2,878.22</b>
<b>Profit / (Loss) Before Exceptional Items And Tax</b>		<b>24.64</b>	<b>(40.37)</b>
Less: Exceptional item	29	36.46	-
<b>Profit/(Loss)Before Tax</b>		<b>(11.82)</b>	<b>(40.37)</b>
<b>Tax expenses:</b>	30		
Income Tax of earlier year		(0.01)	-
<b>Total Tax Expense</b>		<b>(0.01)</b>	<b>-</b>
<b>Profit / (Loss) for the Year</b>		<b>(11.83)</b>	<b>(40.37)</b>
Profit From Joint Venture		0.01	0.01
<b>Profit / (Loss) for the Year</b>		<b>(11.82)</b>	<b>(40.36)</b>
<b>Other comprehensive income / (loss)</b>			
<b>A. Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent period</b>			
Re-measurement gain / (loss) on defined benefit plans		(2.03)	0.39
Income tax effect relating to these items		-	-
<b>Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period</b>		<b>(2.03)</b>	<b>0.39</b>
<b>Total Other comprehensive income/(loss) for the year</b>		<b>(2.03)</b>	<b>0.39</b>
<b>Total comprehensive income / (Loss) for the year</b>		<b>(13.85)</b>	<b>(39.97)</b>
<b>Profit/(Loss) for the year attributable to :</b>			
Equity holders of the parent		(11.82)	(40.36)
Non Controlling interest		-	-
<b>Total comprehensive income/(loss) attributable to :</b>			
Equity holders of the parent		(13.85)	(39.97)
Non Controlling interest		-	-
<b>Earnings per equity share (nominal value of shares Rs 10) (Basic &amp; Diluted)</b>	33	<b>(9.28)</b>	<b>(31.68)</b>
Summary of Significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date  
**For Hitesh Prakash Shah & Co.**  
Chartered Accountants  
Firm Registration No: 127614W

**Hitesh Shah**  
Partner  
Membership No. 124095  
UDIN: 23124095BGXFRA3562

Place : Ahmedabad  
Date : May 27, 2023

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Shailesh Bhandari**  
Managing Director  
DIN:- 00058866

**Chiragkumar H Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 27, 2023

**Suraj Bhandari**  
Whole Time Director  
DIN:- 07296523

**Jigar H. Shah**  
Company Secretary



**Consolidated Cash Flow Statement for the Year Ended March 31, 2023**

(Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	(11.82)	(40.37)
<b>Adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation on property, plant, equipment & Amortization of Assets	49.19	87.90
Finance income (including fair value changes in financial instruments)	(2.70)	(3.24)
Net Sundry Balances Written Off/ (Written Back)	0.31	(0.20)
Exceptional item	36.46	
Provision For Doubtful Trade Receivables & Advances	2.09	1.92
Profit From Joint Venture	0.01	0.01
Finance costs (including fair value changes in financial instruments)	67.17	45.45
Unrealized foreign exchange (gain)/loss	(3.33)	(2.14)
<b>Operating Profit before working capital changes</b>	<b>137.38</b>	<b>89.33</b>
<b>Working capital adjustments:</b>		
Decrease/(Increase) in trade receivables	(39.90)	110.71
Decrease/(Increase) in inventories	(24.26)	(42.94)
Decrease/(Increase) in other current financial assets & others	(0.10)	0.11
Decrease/(Increase) in other current Asset	(20.23)	(9.65)
(Decrease)/Increase in trade payables	(10.60)	(36.29)
(Decrease)/Increase in other current liabilities	65.74	63.67
(Decrease)/Increase in other current financial liabilities	0.41	(0.75)
(Decrease)/Increase in provisions	0.88	7.01
<b>Cash generated from operations</b>	<b>109.32</b>	<b>181.20</b>
Direct taxes Paid (Net)	(2.24)	(1.96)
<b>Net Cash (used in) generated from operating activities</b>	<b>107.08</b>	<b>179.24</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipments & intangible assets (including CWIP and capital advances)	(17.49)	(40.38)
Increase in Investment in Joint Venture	(0.01)	(0.01)
Redemption/maturity of bank deposits (having original maturity of more than three months)	12.25	23.56
Interest income	2.77	2.77
<b>Net Cash (used in) generated from investing activities</b>	<b>(2.48)</b>	<b>(14.06)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings (Net)	(99.73)	(147.55)
Payment of Principal portion of Lease Liabilities	(0.70)	(0.95)
Finance Cost (Net)	(2.25)	(40.89)
<b>Net Cash (used in) generated from financing activities</b>	<b>(102.98)</b>	<b>(189.39)</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	<b>1.62</b>	<b>(24.21)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>64.47</b>	<b>88.68</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>66.09</b>	<b>64.47</b>

**Consolidated Cash Flow Statement for the Year Ended March 31, 2023****Unrealized foreign exchange (gain)/loss**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Trade Receivable	(3.60)	(2.26)
Trade Payable	0.27	0.12
<b>Total</b>	<b>(3.33)</b>	<b>(2.14)</b>

**Notes:-**

- a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Cash Flow Statement".
- b) Disclosure of change in liabilities arising from financing activities, including both arising from cash flows and non-cash changes are as per Note No. 15(e), 16 & 18(c).

As per our report of even date  
**For Hitesh Prakash Shah & Co.**  
 Chartered Accountants  
 Firm Registration No: 127614W

**Hitesh Shah**  
 Partner  
 Membership No. 124095  
 UDIN: 23124095BGXFRA3562

Place : Ahmedabad  
 Date : May 27, 2023

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Shailesh Bhandari**  
 Managing Director  
 DIN:- 00058866

**Chiragkumar H Shah**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : May 27, 2023

**Suraj Bhandari**  
 Whole Time Director  
 DIN:- 07296523

**Jigar H. Shah**  
 Company Secretary

**Consolidated Statement of Change in Equity for the year ended March 31, 2023**
**A. EQUITY SHARE CAPITAL**

Particulars	No. of Shares	(Rs In Crore)
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid</b>		
<b>As at April 1, 2021</b>	<b>1,27,42,814</b>	<b>12.74</b>
Change in Equity Share Capital Due to Prior Period Errors		
<b>Restated balance as at April 1, 2021</b>	<b>1,27,42,814</b>	<b>12.74</b>
Add:- Issue of Equity Share Capital	-	-
<b>As at March 31, 2022</b>	<b>1,27,42,814</b>	<b>12.74</b>
Change in Equity Share Capital Due to Prior Period Errors		
<b>Restated balance as at April 1, 2022</b>	<b>1,27,42,814</b>	<b>12.74</b>
Add:- Issue of Equity Share Capital	-	-
<b>As at March 31, 2023</b>	<b>1,27,42,814</b>	<b>12.74</b>

**B. OTHER EQUITY**

(Rs In Crore)

Particulars	Reserves and Surplus				Total Other Equity
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
<b>As at April 1, 2021</b>	<b>158.57</b>	<b>253.79</b>	<b>342.71</b>	<b>(1,810.20)</b>	<b>(1,055.13)</b>
Loss for the year	-	-	-	(40.36)	(40.36)
Other Comprehensive Income (Re-measurement Gain on defined benefit plans)	-	-	-	0.39	0.39
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39.97)</b>	<b>(39.97)</b>
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
<b>As at March 31, 2022</b>	<b>158.57</b>	<b>253.79</b>	<b>339.45</b>	<b>(1,846.91)</b>	<b>(1,095.10)</b>
Loss for the year	-	-	-	(11.82)	(11.82)
Other Comprehensive Income / (Loss) (Re-measurement loss on defined benefit plans)	-	-	-	(2.03)	(2.03)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13.85)</b>	<b>(13.85)</b>
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
<b>As at March 31, 2023</b>	<b>158.57</b>	<b>253.79</b>	<b>336.19</b>	<b>(1,857.50)</b>	<b>(1,108.95)</b>

As per our report of even date  
**For Hitesh Prakash Shah & Co.**  
 Chartered Accountants  
 Firm Registration No: 127614W

**Hitesh Shah**  
 Partner  
 Membership No. 124095  
 UDIN: 23124095BGXFRA3562

Place : Ahmedabad  
 Date : May 27, 2023

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Shailesh Bhandari**  
 Managing Director  
 DIN:- 00058866

**Chiragkumar H Shah**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : May 27, 2023

**Suraj Bhandari**  
 Whole Time Director  
 DIN:- 07296523

**Jigar H. Shah**  
 Company Secretary

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****1. CORPORATE INFORMATION:**

The consolidated financial statements comprise financial statements of Electrotherm (India) Limited (the “Company”) and its subsidiary and Joint Venture (collectively the “Group”) for the year ended March 31, 2023. The principal business of the Group is the manufacturing of Induction Furnace, Casting Machines, Transformers, Sponge and Pig Iron, Ferrous and Non-Ferrous Billets/ bars/ Ingots, Ductile Iron Pipes, Transmission Line Towers, Battery Operated Vehicles and Services relating to Steel Melting and other Capital Equipments.

The consolidated financial statements were authorised for issue in accordance with a resolution passed in Board Meeting held on May 27, 2023.

**2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT OF FINANCIAL STATEMENTS:****A) Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) including the Companies (Indian Accounting Standards) Amendment Rules, 2019 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements of the Group.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments) and derivative financial instruments.

Certain comparative figures appearing in these consolidated financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

The consolidated financial statements are presented in Indian Rupee and has been rounded off to the nearest Crore. Amounts less than 0.01 Crore have been presented as “0” except where otherwise indicated.

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:****a) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and joint venture, for the year ended March 31, 2023. In the preparation of consolidated financial statements, investment in subsidiary has been accounted for in accordance with Ind AS 110 on ‘Consolidated financial statements. The consolidated financial statements have been prepared on the following basis:-

- i) Subsidiary is fully consolidated from the date of incorporation, being the date on which the Company obtains control and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiary has been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full.
- ii) The financial statements of the subsidiary in India are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company’s standalone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s standalone financial statements. Any deviation in accounting policies is disclosed separately.
- iii) The financial statements of the subsidiary outside India are prepared in accordance with the principles general accepted in their respective countries. On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of transactions. For practical reasons, the Group uses a monthly average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions.
- iv) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

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

- v) The subsidiaries company considered in the consolidated financial statements and disclosure of significant interest in the subsidiaries and joint venture as per para 17 of Ind AS 27 are as under: -

Name of the Group	Country of Incorporation	Relationship	% of Ownership Interest as at March 31, 2023
Jinhua Indus Enterprises Limited	Republic of China	Foreign Subsidiary	100.00%
Jinhua Jahari Enterprise Limited (fellow subsidiary)	Republic of China	Subsidiary of the Foreign subsidiary	100% Jinhua Indus Enterprises Limited
ET Elec-Trans Limited	India	Domestic Subsidiary	80.49%
Hans Ispat Limited	India	Domestic Subsidiary	100.00%
Shree Ram Electro Cast Limited	India	Domestic Subsidiary	95.00%*
Electrotherm Services Limited	India	Domestic Subsidiary	100.00%

\*5% shares of Shree Ram Electro Cast Limited are held by Electrotherm Services Limited, Subsidiary.

**Equity accounted investees**

The Group's interests in equity accounted investees comprise interest in joint venture. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interest in joint venture is accounted for using equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, consolidated financial statements include the Group's share of profit or loss of equity accounted investees until the date on which significant influence or joint control ceases.

**The joint venture considered in the consolidated financial statements is:**

Name of the Group	Country of Incorporation	Relationship	% of Ownership Interest as at March 31, 2023
Bhaskarpara Coal Company Limited	India	Joint Venture Company	52.63%

**b) CURRENT VERSUS NON-CURRENT CLASSIFICATION:**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

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

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****c) FOREIGN CURRENCIES:**

The Group's financial statements are presented in Rupees in Crore, which is also the Group's functional currency. The Group determines the functional currency and items included in the consolidated financial statements are measured using that functional currency

**Transactions and balances**

Transactions in foreign currencies are initially recorded in the Group's functional currency at the exchange rates prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange differences arising on settlement of such transactions and on translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

**d) FAIR VALUE MEASUREMENT:**

The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

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



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

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

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

### e) Revenue from contract with customer

Revenue from contracts with customers is recognized to the extent that is probable that the economic benefits will flow to the Group and revenue can be reliably measurable regardless of when payment is being received. Revenue is measured at transaction value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Group has concluded that it is the principal in all its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

However, the Goods & Service Tax is not received by Group on its own account, rather it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

#### Sale of Goods:

Revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as Goods and Service Tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

#### Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognised on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same

#### Dividends:

Dividend is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### Interest income and expense:

Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****Contract Balances****Contract assets:**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables:**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities (Advance from customers)**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities (advance from customers) are recognised as revenue when the Group performs under the contract.

**Refund liabilities:**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

**f) PROPERTY, PLANT AND EQUIPMENT (PPE):**

Property Plant and Equipment and Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of PPE that are yet not installed and not ready for their intended use at the Balance Sheet date.

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

The Group (except Shree Ram Electro Cast Limited) calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013, except in respect of following property plant and equipment:

- a) Long Term Lease hold land is amortised over a period of 99 years, being the lease term.
- b) Power Plant are depreciated at annual rate of 5% and same is to bring the depreciation rates in line with the useful life of assets as estimated by the Technical Team of the Group.
- c) Shree Ram Electro Cast Limited calculate depreciation on items of property, plant and equipment on the written down basis, using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013,

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

**g) INTANGIBLE ASSETS:**

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less any accumulated amortisation and accumulated impairment losses, if any.

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

Intangible assets in the form of software are amortised over a period of six years and trademarks over a period of five years as per their respective useful life based on a straight-line method. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of profit or loss when the asset is derecognised.

### h) IMPAIRMENT OF NON-FINANCIAL ASSETS:

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

### i) BORROWING COSTS:

Borrowing costs 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### j) LEASES:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Group as a lessee:

##### i Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e the date the underlying asset is available for use), Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

<u>Assets</u>	<u>Estimated Useful Life</u>
Right-of-use of office premises and Leasehold land	Over the balance period of lease agreement

If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in relating to Impairment of non-financial assets.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****ii Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**iii. Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of office equipment that is considered to be low value amounting to Rs. 0.02 crore. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**k) FINANCIAL INSTRUMENTS:**

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

**Financial assets****Initial recognition and measurement**

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through Consolidated Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or which the Group has applied the practical expedient, are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.1(e) Revenue from contracts with customers.

**Subsequent measurement**

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

- Financial assets instruments (debt instruments) - measured at amortised cost
- Financial asset at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)
- Financial asset - measured at fair value through other comprehensive income (FVTOCI)

**Financial asset at amortised cost (debt instruments)**

A 'financial assets' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

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

### Financial Assets at FVTOCI

Financial assets that meet the following conditions are measured initially as well as at the end of each reporting date at fair value, recognised in other comprehensive income (OCI).

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the asset that give rise on specified dates to cash flows that represent solely payment of principal and interest.

### Financial Assets at FVTPL

Financial assets are carried in the balance sheet at fair value and net changes in fair value recognised in the consolidated statement of profit and loss.

This category includes derivative instruments and investments in equity instruments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of Profit and Loss.

### Equity investments

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

The Group considers a financial asset in default when contractual payments are overdue. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Consolidated Statement of Profit and Loss.

**The Balance Sheet presentation for various financial instruments is described below:****Financial assets measured at amortised cost:**

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

**Financial liabilities & Equity Instruments****Classification as debt or equity**

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

**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.

**Initial recognition and measurement**

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at fair value through Profit or Loss.**

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.



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

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through Consolidated Statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / losses are not subsequently transferred to Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Group has not designated any financial liability at FVTPL.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation

### **Derecognition**

A financial liability is derecognised 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 in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **I) INVENTORIES:**

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Scrap is valued at net realisable value. Cost is determined on a Weighted Average method.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them in their respective present location and condition.

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

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****m) RETIREMENT AND OTHER EMPLOYEE BENEFITS:**

Retirement benefits in the form of provident fund are defined contribution plans. The Group has no obligation, other than the contributions payable to provident fund. The Group recognises contribution payable to these funds as an expense, when an employee renders the related service.

For the defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs; and
- Net interest expense or income

The liability in respect of unused leave entitlement of the employees as at the reporting date is determined on the basis of an independent actuarial valuation carried out and the liability is recognized in the Consolidated Statement of Profit and Loss. Actuarial gain and loss are recognised in full in the period in which they occur in the Consolidated Statement of Profit and Loss.

**n) TAXES:**

Tax Expenses comprises of current income tax and deferred tax

**Current income tax:**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the Consolidated Statement of Profit and Loss is recognised outside the Consolidated Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Tax:**

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

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

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

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

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

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

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**o) PROVISIONS:**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

**p) EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit 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 earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**q) CASH AND CASH EQUIVALENT:**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

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

**r) CASH DIVIDEND**

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**s) CONTINGENT LIABILITIES**

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

### 2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Group's financial statements requires management to make judgements, estimates customer will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from contract with customer. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract with the customer. Before adjusting any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the financial statements:

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****Determining the lease term of contracts with renewal and termination options – Group as lessee.**

The Group determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**Estimates and assumptions**

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

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in Note 32.

**Useful Life of Property Plant & Equipment and Intangible assets**

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

**2.3 RECENT ACCOUNTING PRONOUNCEMENTS**

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

- (A) **Ind AS 1** - Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.
- (B) **Ind AS 8** - Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.
- (C) **Ind AS 12** – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.
- (D) **Ind AS 34** – Interim Financial Reporting - modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.
- (E) **Ind AS 107** – Financial Instruments Disclosures – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.
- (F) **Ind AS 109** – Financial Instruments – modification relating to reassessment of embedded derivatives.

The Group is evaluating the amendments and the expected impact, if any, on the Group's financial statements on application of the amendments for annual reporting periods beginning on or after April 1, 2023.



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

(Rs In Crore)

Particulars	Freehold Land	Building	Plant and Machinery	Computer	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost</b>								
As at April 1, 2021	151.96	298.36	903.62	10.49	4.92	5.39	6.35	1,381.09
Addition	-	1.33	41.47	0.66	0.07	0.71	0.93	45.17
<b>As at March 31, 2022</b>	<b>151.96</b>	<b>299.69</b>	<b>945.09</b>	<b>11.15</b>	<b>4.99</b>	<b>6.10</b>	<b>7.28</b>	<b>1,426.26</b>
Addition	-	5.55	19.75	0.15	0.06	0.21	0.08	25.80
<b>As at March 31, 2023</b>	<b>151.96</b>	<b>305.24</b>	<b>964.84</b>	<b>11.30</b>	<b>5.05</b>	<b>6.31</b>	<b>7.36</b>	<b>1,452.06</b>
<b>Depreciation / Amortization and Impairment</b>								
As at April 1, 2021	-	70.34	600.28	7.86	1.96	2.92	2.81	686.17
Depreciation and Impairment for the Year	-	14.33	68.31	1.43	0.39	0.85	0.63	85.94
<b>As at March 31, 2022</b>	<b>-</b>	<b>84.67</b>	<b>668.59</b>	<b>9.29</b>	<b>2.35</b>	<b>3.77</b>	<b>3.44</b>	<b>772.11</b>
Depreciation and Impairment for the Year	-	14.28	30.50	0.82	0.39	0.87	0.64	47.50
<b>As at March 31, 2023</b>	<b>-</b>	<b>98.95</b>	<b>699.09</b>	<b>10.11</b>	<b>2.74</b>	<b>4.64</b>	<b>4.08</b>	<b>819.61</b>
<b>Net Block</b>								
At April 1, 2021	151.96	228.02	303.34	2.63	2.96	2.47	3.54	694.92
At March 31, 2022	151.96	215.02	276.50	1.86	2.64	2.33	3.84	654.15
<b>As at March 31, 2023</b>	<b>151.96</b>	<b>206.29</b>	<b>265.75</b>	<b>1.19</b>	<b>2.31</b>	<b>1.67</b>	<b>3.28</b>	<b>632.45</b>

(a) There is a pari-pasu charge by way of Registered Mortgage on Immovable Property, Plant and Equipments & hypothecation on all Movable Property, Plant & Equipments.

(b) No borrowing costs are capitalized on Property Plant and Equipment during the current and previous years as the group has not borrowed fund for the purpose of acquisition of Property Plant and Equipment.

(c) The title deed of immovable properties are held in the name of group except for the immovable properties situated at Survey No. 9-13, Vill: Budharmora, Bhuj bhachau Road, Tal: Anjar, Dist: Kutch., Gujarat, is subject to appeal pending before DRAT, Mumbai (Refer Note No 40(d)).

(d) **Capital Work in Progress :**

Particulars	(Rs In Crore)
As at March 31, 2022	32.69
<b>As at March 31, 2023</b>	<b>26.08</b>

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

## 3(e) Capital Work In Progress ageing schedule is as below

As At March 31, 2023

## CWIP Ageing Schedule

(Rs In Crore)

Particular	Amount in CWIP for a period of				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects in progress	11.73	6.41	5.99	0.58	24.71
Projects temporarily suspended	-	-	-	1.37	1.37
<b>Total</b>	<b>11.73</b>	<b>6.41</b>	<b>5.99</b>	<b>1.95</b>	<b>26.08</b>

## CWIP which are being temporarily suspended

(Rs In Crore)

Particular	To be completed in				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
<b>Projects temporarily suspended</b>					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.37</b>	<b>1.37</b>

## Capital Work In progress ageing schedule is as below

As At March 31, 2022

## CWIP Ageing Schedule

(Rs In Crore)

Particular	Amount in CWIP for a period of				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects in progress	19.27	11.34	0.26	0.45	31.32
Projects temporarily suspended	-	-	0.12	1.25	1.37
<b>Total</b>	<b>19.27</b>	<b>11.34</b>	<b>0.38</b>	<b>1.70</b>	<b>32.69</b>

## CWIP which are being temporarily suspended

(Rs In Crore)

Particular	To be completed in				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
<b>Projects temporarily suspended</b>					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.37</b>	<b>1.37</b>



**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**4(a) Goodwill (Rs In Crore)**

Particulars	Amounts
<b>As at April 1, 2021</b>	36.46
Changes during the year	-
<b>As at March 31, 2022</b>	36.46
Changes during the year	(36.46)
<b>As at March 31, 2023</b>	-

**Impairment of non financial assets**

Goodwill is not amortized, instead, it is tested for impairment annually or more frequently if indications of impairment exist. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use or fair value less cost to sell calculations which requires the use of certain assumptions. Considering the outlook of the current situation as stated in note no. 40(d), it has been determined that an impairment would be required to be considered in the financial statement. Accordingly, an impairment of Rs 36.46 crores on goodwill has been provided in the financial statements and have been shown as exceptional item.

**Following are the details with respect to carrying amount of Goodwill allocation (Rs In Crore)**

Particular of CGU	Gross Carrying Value	Impairment value	Net Carrying Value
Special Steel - M/s Hans Ispat Limited	36.46	36.46	-

**4(b) Intangible Assets (Rs In Crore)**

Particulars	Software	Trademark	Total
<b>Cost</b>			
<b>As at April 1, 2021</b>	6.65	0.03	6.68
Addition	0.49	-	0.49
<b>As at March 31, 2022</b>	7.14	0.03	7.17
Addition	-	-	-
<b>As at March 31, 2023</b>	7.14	0.03	7.17
<b>Amortization and Impairment</b>			
<b>As at April 1, 2021</b>	1.45	0.02	1.47
Amortization for the Year	0.97	-	0.97
<b>As at March 31, 2022</b>	2.42	0.02	2.44
Amortization for the Year	1.02	-	1.02
<b>As at March 31, 2023</b>	3.44	0.02	3.46
<b>Net Block</b>			
<b>At March 31, 2022</b>	4.72	0.01	4.73
<b>As at March 31, 2023</b>	3.70	0.01	3.71

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

## 4(c) Right of Use Assets

(Rs In Crore)

Particulars	Right of Use Assets		
	Premises	Lease Hold Land	Total
<b>Gross Carrying Vaue</b>			
<b>As at April 1, 2021</b>	<b>4.21</b>	<b>0.96</b>	<b>5.17</b>
Additions	1.34	-	1.34
<b>As at March 31, 2022</b>	<b>5.55</b>	<b>0.96</b>	<b>6.51</b>
Additions	0.08	-	0.08
<b>As at March 31, 2023</b>	<b>5.63</b>	<b>0.96</b>	<b>6.59</b>
<b>Accumulated Amortization</b>			
<b>As at April 1, 2021</b>	<b>3.28</b>	<b>0.05</b>	<b>3.33</b>
Amortization Charged for the Year	0.98	0.01	0.99
<b>As at March 31, 2022</b>	<b>4.26</b>	<b>0.06</b>	<b>4.32</b>
Amortization Charged for the Year	0.66	0.01	0.67
<b>As at March 31, 2023</b>	<b>4.92</b>	<b>0.07</b>	<b>4.99</b>
<b>Net Block</b>			
<b>At March 31, 2022</b>	<b>1.29</b>	<b>0.90</b>	<b>2.19</b>
<b>As at March 31, 2023</b>	<b>0.71</b>	<b>0.89</b>	<b>1.60</b>

## 5 Investments in Joint Ventures

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investment in unquoted Equity Share of Joint Ventures</b>		
- 90,45,127 (March 31, 2022: 90,45,127) Equity Shares of Rs. 10 each of Bhaskarpara Coal Company Limited	9.10	9.09
- Add: Profit for the year	0.01	0.01
	<b>9.11</b>	<b>9.10</b>
Less:- Accumulated Impairment on Bhaskarpara Coal Company Limited	(2.13)	(2.13)
<b>Total</b>	<b>6.98</b>	<b>6.97</b>

The group holds an investment in equity shares of Bhaskarpara Coal Company Limited as a joint venture. This joint venture company is non-operating (Refer Note No 40(a)) and therefore the fate of company is uncertain. Provision for impairment of Rs. 2.13 Crore (March 31, 2022 Rs. 2.13 Crore) in the value of investment in joint ventures namely Bhaskarpara Coal Company Limited has been provided as on April 1, 2016.

## Investments

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current-Investment</b>		
<b>Non Trade Investments-Investment in Mutual Funds (Quoted) - (at fair value through profit and loss)</b>		
- 21,503.949 (March 31, 2022: 21,503.949) Units Of Bandhan Mutual Fund Value Fund (Erstwhile IDFC Sterling Value Fund) - Regular Plan Growth	0.20	0.19
- 13,027.83 (March 31, 2022: 13,027.83) Units Of Canara Robeco Emerging Equities - Regular Plan Growth	0.20	0.21
- 49,990 (March 31, 2022: 49,990) Units Of Union Focused Largecap Fund - Regular Plan-Growth	0.08	0.08
<b>Other unquoted investments in Government Securities (At Amortized Cost)</b>		
- National Saving Certificates	0.01	0.01
<b>Total Non Current Investment</b>	<b>0.49</b>	<b>0.49</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current-Investment</b>		
<b>Non Trade Investments-Investment in Mutual Funds (Quoted) - (at fair value through profit and loss)</b>		
- 389.612 (March 31, 2022: 12,052.424) Units Of HSBC Ultra Short Duration Fund-Regular Growth merger from L&T Ultra Short Term Fund - Regular Plan-Growth	0.04	0.04
<b>Total Current Investment</b>	<b>0.04</b>	<b>0.04</b>
Aggregate book Value of Investments in unquoted equity shares	9.11	9.10
Aggregate Value of Investments in Government Security	0.01	0.01
Aggregate Carrying Value & Book Value of quoted Investments	0.52	0.52
Aggregate amount of impairment in value of investments in unquoted equity shares	2.13	2.13

**6 Other Financial Assets** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non Current Other Financial Assets</b>		
<b>Unsecured, Considered Good</b>		
Sundry Deposits (Includes Bank Fixed Deposit of Rs. 3.29 Crore (March 31, 2022: 7.73 crore) given as EMD)	33.51	38.87
In term deposit accounts (marked as lien against the LC/BG) (remaining maturity more than 12 months)	6.43	12.50
<b>Total Non Current Other Financial Assets</b>	<b>39.94</b>	<b>51.37</b>
<b>Current Other Financial Assets</b>		
<b>Unsecured, Considered Good</b>		
Loan to Employees	0.14	0.04
Interest receivable	1.54	1.82
<b>Total Current Other Financial Assets</b>	<b>1.68</b>	<b>1.86</b>

**7 Other Assets** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Other Non-Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Capital Advance	3.00	6.86
<b>Total Non Current Other Assets</b>	<b>3.00</b>	<b>6.86</b>
<b>Other Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Advances Recoverable In Cash or Kind (Net)	32.94	34.04
Enterprises owned or Significantly influenced by Key Managerial Personnel or their relative	0.15	0.16
Advances to Staff	0.23	0.17
Advance to Suppliers and Other Parties	118.59	102.86
Prepaid Expenses	6.88	4.38
Balance with Revenue Authorities	18.74	15.70
<b>Unsecured, Considered Doubtful</b>		
Advance to Suppliers and Other Parties - Credit Impaired	18.05	18.05
Less : Impairment allowance (allowance for bad and doubtful Advances)	(18.05)	(18.05)
<b>Total</b>	<b>177.53</b>	<b>157.31</b>

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

## Movement in Provision For Doubtful Receivable

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	18.05	18.05
Movement in Provision For Doubtful Receivable on Advance to suppliers and other Parties	-	-
Balance at end of the year	18.05	18.05

## 8 Inventories {Refer Note No.36(e)}

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Raw Material [including goods in transit of Rs.Nil (March 31, 2022 Rs. 2.30 Crore) ]	195.41	168.18
b. Work-In-Progress	236.29	208.11
c. Finished Goods / Stock in Trade [ Including goods in transit of Rs.14.95 Crore (March 31, 2022 Rs.10.42 Crore) ]	85.46	123.45
d. Trading Goods	0.31	0.31
e. Stores and Spares	53.16	46.32
<b>Total</b>	<b>570.63</b>	<b>546.37</b>

## 9 Trade Receivables

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(A) Trade receivables from other parties</b>		
Secured Considered Good	27.42	38.71
Unsecured Considered Good	171.28	118.58
Unsecured Considered Doubtful- Credit Impaired	104.15	102.05
Less: Allowance for Expected Credit Loss / Doubtful Receivable	(104.15)	(102.05)
<b>(B) Due from Related Parties</b>		
(Unsecured, Considered Good)		
- Enterprises owned or Significantly influenced by key management personnel or their relative	9.68	9.68
<b>Total</b>	<b>208.38</b>	<b>166.97</b>

## Movement in expected credit loss allowance

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	102.05	100.13
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	2.10	1.92
Balance at end of the year	104.15	102.05

A formal credit policy has been framed and credit facilities are given to customer within the framework of the credit policy. As per credit risk management mechanism, a policy for doubtful debt has been formulated and risk exposure related to receivables are identified based on criteria mentioned in the policy and provided for credit loss allowance.

For ageing of Trade receivable refer note no. 47(a).

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**10 Cash and Cash Equivalents** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash and Cash Equivalents (At Amortized Cost)</b>		
a. Balances with Bank		
- In Current Account	64.24	63.83
b. Cash on hand	0.56	0.64
c. Unpaid CSR Fund	1.29	-
<b>Total Cash and Cash Equivalents</b>	<b>66.09</b>	<b>64.47</b>
<b>Other bank balances</b>		
- Fixed Deposits with original maturity of more than 3 months but less than 12 months	5.98	6.80
- Interest accrued but not due	0.66	0.45
<b>Total</b>	<b>6.64</b>	<b>7.25</b>

**11 Current Tax assets** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Asset	6.90	4.66
<b>Total</b>	<b>6.90</b>	<b>4.66</b>

**12 Equity share capital** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Authorized:</b>			
2,50,00,000 (March 31, 2022: 2,50,00,000 and April 1, 2021: 2,50,00,000) Equity Shares of Rs.10/- each	25.00	25.00	25.00
2,50,00,000 (March 31, 2022: 2,50,00,000 and April 1, 2021: 2,50,00,000) 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	25.00	25.00	25.00
2,85,90,000 (March 31, 2022: 2,85,90,000 and April 1, 2021: 2,85,90,000) Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- each	28.59	28.59	28.59
	<b>78.59</b>	<b>78.59</b>	<b>78.59</b>
<b>Issued, subscribed and fully paid up:</b>			
<b>(a) Equity Shares</b>			
1,27,42,814 (March 31, 2022 1,27,42,814 and April 1, 2021: 1,27,42,814) Equity Shares of Rs.10/- each Fully paid up	12.74	12.74	12.74
<b>Total</b>	<b>12.74</b>	<b>12.74</b>	<b>12.74</b>

**a) Details of reconciliation of the number of equity shares outstanding:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	(Rs In Crore)	No of shares	(Rs In Crore)
<b>Equity Shares :</b>				
<b>At the beginning of the year</b>	<b>1,27,42,814</b>	<b>12.74</b>	<b>1,27,42,814</b>	<b>12.74</b>
Add: Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>1,27,42,814</b>	<b>12.74</b>	<b>1,27,42,814</b>	<b>12.74</b>

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****b) Rights, preference and restriction attached to Equity Shares**

The face value of the Equity shares is Rs 10/- per share . Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. During the year, the company has not declared any dividend.

The shareholders are not entitled to exercise any voting right either personally or proxy at any meeting of the Company in cases of calls or other sums payable have not been paid.

In the event of liquidation of the company, holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Rights, preference and restriction attached to Preference Shares**

- The face value of the Preference shares is Rs 10/- per share. The Preference share holder have voting right in their meeting. During the year, the company has not declared any dividend.

- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.

**d) Rights, preference and restriction attached to Partially Convertible Partially Redeemable Preference Shares (PCPRPS)**

- The face value of the PCPRPS is Rs 10/- per share . The preference share holder have voting right in their meeting. During the year, the company has not declared any dividend.

- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.

- The Equity Shares arising upon conversion of the PCPRPS shall rank pari passu with the existing Equity Shares of the Company in all respects, including dividend.

**e) Details of share holders holding more than 5% equity shares in the company**

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Edelweiss Asset Reconstruction Company Ltd	-	-	700,208	5.49
Castleshine PTE Limited	1,000,000	7.85	1,000,000	7.85
Leadhaven PTE Limited	1,000,000	7.85	1,000,000	7.85
Western India speciality Hospital Limited	975,000	7.65	975,000	7.65
Mr. Shailesh Bhandari	848,275	6.66	848,275	6.66
Mr. Mukesh Bhandari	809,500	6.35	809,500	6.35
Artiben Jagdish Thakkar	614,247	4.82	694,406	5.45

**f) Share holding of the Promoters**

Sr. No.	Name of Promoters	Category	As on March 31, 2023		As on March 31, 2022		% Change During the year
			No. of Shares	% of Shares	No. of Shares	% of Shares	
1	Shailesh Bhandari	Promoters	848,275	6.66	848,275	6.66	-
2	Mukesh Bhandari	Promoters	809,500	6.35	809,500	6.35	-
3	Ritu Bhandari	Promoters Group	243,025	1.91	243,025	1.91	-
4	Nagesh Bhandari	Promoters Group	233,125	1.83	233,125	1.83	-
5	Suraj Shailesh Bhandari	Promoters Group	81,100	0.64	81,100	0.64	-
6	Anurag Mukesh Bhandari	Promoters Group	76,050	0.60	76,050	0.60	-
7	Siddharth Mukesh Bhandari	Promoters Group	65,100	0.51	65,100	0.51	-
8	Mukesh Bhanwarlal Bhandari (HUF)	Promoters Group	60,000	0.47	60,000	0.47	-
9	Indubala Bhandari	Promoters Group	51,500	0.40	51,500	0.40	-



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

Sr. No.	Name of Promoters	Category	As on March 31, 2023		As on March 31, 2022		% Change During the year
			No. of Shares	% of Shares	No. of Shares	% of Shares	
10	Dalal Narendrakumar Babubhai	Promoters Group	-	-	34,500	0.27	(0.27)
11	Jyoti Bhandari	Promoters Group	375	0.00	375	0.00	-
12	Reema Bhandari	Promoters Group	275	0.00	275	0.00	-
13	Western India Speciality Hospital Limited	Promoters Group	975,000	7.65	975,000	7.65	-
14	Bhandari Rakesh	NRI-Promoter Group	512,500	4.02	512,500	4.02	-
	<b>TOTAL</b>		<b>3,955,825</b>	<b>31.04</b>	<b>3,990,325</b>	<b>31.31</b>	<b>(0.27)</b>

- g) As per Records of the Company, including its register of Shareholder/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent legal ownership of shares.
- h) The Company has calls in arrears / unpaid calls of Rs. Nil (March 31, 2022: Nil)
- i) Details of Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. ( during 5 years immediately preceding March 31, 2023).  
Nil
- j) As per the terms and conditions of the settlement with Edelweiss Asset Reconstruction Company Limited (EARC), the company has allotted 2,85,90,000 Partially convertible and Partially Redeemable Preference Shares (PCPRPS) of Rs.10 Each of amounting to Rs 28.59 Crore on August 22, 2015 and against the said PCPRPS, 12,66,440/- Equity shares of Rs. 10/- each at the price of Rs. 225.75 per equity share (inclusive of Share premium amount of Rs. 215.75 per equity share) were allotted during F.Y. 2016-17. As equity shares were allotted against such PCPRPS the entire amount of preference Share Capital of Rs. 28.59 Crore has been treated as part of Equity Share Capital as on April 1, 2016

**13 Other equity**

Particulars	(Rs In Crore)
<b>(a) Capital Reserve</b>	
As at April 1, 2021	158.57
Increase/(decrease) during the Year	-
<b>As at March 31, 2022</b>	<b>158.57</b>
Increase/(decrease) during the Year	-
<b>As at March 31, 2023</b>	<b>158.57</b>
<b>(b) Securities premium</b>	
As at April 1, 2021	253.79
Increase/(decrease) during the Year	-
<b>As at March 31, 2022</b>	<b>253.79</b>
Increase/(decrease) during the Year	-
<b>As at March 31, 2023</b>	<b>253.79</b>
<b>(c) General Reserves</b>	
As at April 1, 2021	342.71
Increase/(decrease) during the Year	(3.26)
<b>As at March 31, 2022</b>	<b>339.45</b>
Increase/(decrease) during the Year	(3.26)
<b>As at March 31, 2023</b>	<b>336.19</b>

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

Particulars	(Rs In Crore)
<b>Retained earnings</b>	
As at April 1, 2021	(1,810.20)
Loss for the year	(40.36)
Other Comprehensive Income (Re-measurement Gain on defined benefit plans)	0.39
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
<b>As at March 31, 2022</b>	<b>(1,846.91)</b>
Loss for the year	(11.82)
Other Comprehensive Income / (Loss) (Re-measurement Loss on defined benefit plans)	(2.03)
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
<b>As at March 31, 2023</b>	<b>(1,857.50)</b>
<b>Total Other Equity</b>	
As at April 1, 2021	(1,055.13)
As at March 31, 2022	(1,095.10)
<b>As at March 31, 2023</b>	<b>(1,108.95)</b>

**a. Capital Reserve**

Capital Reserve includes amount of debt reduction and is not available for distribution of profits.

**b. Securities Premium**

Securities Premium is used to record the premium on issue of shares and is utilized in accordance with the provisions of the Companies Act, 2013.

**c. General Reserve**

General Reserve is used from time to time to transfer profits to/from Retained Earnings for appropriation purposes including the amount arising due to past revaluation of land and building under previous GAAP. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**d. Retained Earnings**

Retained Earnings are the profits/(loss) of the Group earned till date and net of appropriations.

**14 Borrowings {Refer Note No. 34}**

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Term Loans from Banks {Refer Note No. (a), (b) & (c) below}		
- Rupee Term Loan	417.37	515.61
Loans from Asset Reconstruction Companies {Refer Note No. (a) & (d) below }		
- Rupee Term Loan	1,534.61	1,536.10
<b>Unsecured</b>		
Loan from:		
- Relative of Key Managerial Personnel	0.04	0.04
Less: Current Maturity on Long Term Borrowing	(1,707.10)	(1,689.46)
<b>Total</b>	<b>244.92</b>	<b>362.29</b>

**(a) Security given for the loans of the group.**

- (i) Rupee Term Loan are secured by first charge by way of Equitable Mortgage of all immovable properties and hypothecation of specified movable assets situated at Vatva, Palodia, Dhank, Samakhiyali – Kutch, Chhadawada – Bhachau, Juni Jithardi - Vadodara, Village : Budharmora - Kutch and Fixed Deposits & as second charge on all Stock-in-Trade & Receivables.
- (ii) On July 31, 2014 the debt due to Bank of Baroda are declared as NPA by the Bank and the account has been transferred to Bank of Baroda, Asset Recovery Branch, New Delhi and the said loan Secured by First charge on the entire currents assets of the Group, both present and future

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**(b) Interest Rate on delayed payment by various lender are as under:-**

Name of Lender	Rate of Interest
Union Bank of India (Corporation Bank merged with Union Bank of India)	9.65% p.a.
Union Bank of India	1 Year MCLR
Edelweiss Asset Reconstruction Company Limited	12% p.a.
Invent Assets Securitization and Reconstruction Private Limited	15% p.a.
Central Bank of India	1 Year MCLR
Rare Asset Reconstruction Limited (Being assignee of Debts of Dena Bank)	18% p.a.

**(c) Company has defaulted in repayment of borrowings from Lenders. Details of the default are as follows:**

The Reserve Bank of India (RBI) has notified the Covid-19 Regulatory Packages permitting lenders to grant moratorium period for all instalments falling due between March 1, 2020 to August 31, 2020. The group has not paid one of the instalment each due for the quarter ended on December 31, 2019 and March 31, 2020. The group has not paid major of the instalments due from June 30, 2020 to March 31, 2023 and major of the interest due thereon for the period from September 30, 2020 to March 31, 2023 (included in interest accrued in current Other financial liability). The group has requested respective lenders/ARCs to allow this moratorium period for the payments and / or the revised repayment schedule and which is yet to be confirmed by the respective lenders/ARCs and is subject to the outcome of notice issued under SARFAESI Act by the lender ARC.

(Rs. In Crore)

Name of Lender	Principal	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	20.15	From March 2021 to March 2023
Union Bank of India	9.69	From December 2021 to March 2023
Edelweiss Asset Reconstruction Company Limited	390.65	From December 2020 to March 2023
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce)	11.00	From June 2020 to March 2023
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank)	40.89	From June 2020 to March 2023
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Allahabad Bank)	62.06	From June 2020 to March 2023
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of State Bank of India)	20.62	From December 2019 to March 2023
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	189.95	From August 2011 to March 2023
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	9.00	From December 2020 to March 2023
Bank of Baroda	20.42	From April 2014 to March 2023
State Bank of India	15.99	From December 2011 to March 2023
<b>Total</b>	<b>790.42</b>	

(Rs. In Crore)

Name of Lender	Interest	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	10.01	From March 2021 to March 2023
Edelweiss Asset Reconstruction Company Limited	35.44	From June 2022 to March 2023
Union Bank of India	0.67	From June 2022 to March 2023
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank (included in Borrowing))	0.01	From August 2011 to March 2023
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce, Punjab National Bank, Allahabad Bank)	23.85	From September 2020 to March 2023
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	4.02	From September 2020 to March 2023
<b>Total</b>	<b>74.00</b>	

The default period and the amount of default has been considered from the date of the default of the Installment due but have not been paid as per the latest sanction restructured agreement.

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

## (d) Repayment Schedule Sanction is as under: -

(Rs. In Crore)

Particulars	Due or Payable within 1 Year	1 - 3 Year	More than 3 Years
<b>Secured</b>			
<b>Term Loans from Banks</b>			
- Rupee Term Loan	172.49	244.88	-
<b>Loans from Asset Reconstruction Companies</b>			
- Rupee Term Loan	1,534.61	-	-
<b>Unsecured</b>			
<b>Loan from:</b>			
- Relative of Key Managerial Personnel	-	-	0.04
<b>Total</b>	<b>1,707.10</b>	<b>244.88</b>	<b>0.04</b>

## (e) Net Debt Reconciliation

(Rs In Crore)

Particulars	Long Term Borrowings	Short Term Borrowings	Interest Expenses
<b>As at April 1, 2021</b>	2,199.30	18.37	15.84
Interest Expenses	-	-	40.99
Outflow	(147.55)	-	(36.60)
<b>As at March 31, 2022</b>	<b>2,051.75</b>	<b>18.37</b>	<b>20.23</b>
Interest Expenses	-	-	64.49
Outflow	(99.73)	-	-
<b>As at March 31, 2023</b>	<b>1,952.02</b>	<b>18.37</b>	<b>84.72</b>

For Lease liability refer Note No 31(b)

- (f) The group has defaulted in complying with the terms and conditions of settlement entered with the Banks / ARCs (other than Central Bank of India) and as per the settlement terms, in case of default, the agreement stands withdrawn and all the dues & liabilities as per original terms shall be restored. However, the group is in negotiation with the respective lenders for rescheduling / restructuring of the said loan and the group is hopeful for no further liability on the group and therefore, the final amount of liability to be paid is not ascertainable and which has not been accounted for. With regard to Central Bank of India the impact of Settlement with Banker, will be given on the final compliance of all the terms and conditions of the agreements.

## 15 Other Financial Liabilities

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current Other Financial Liabilities		
Others*	0.02	0.02
<b>Total Non Current Other Financial Liabilities</b>	<b>0.02</b>	<b>0.02</b>
<b>Current Other Financial Liabilities</b>		
Creditors for Capital expenditure (Includes amount payable to MSME of Rs.0.09 Crore (March 31, 2022 Rs 0.90 Crore))	0.79	2.95
Interest accrued and due	73.99	20.23
Interest accrued but not due	10.73	-
Unpaid CSR	1.29	1.49
Others*	2.88	2.27
<b>Total Current Other Financial Liabilities</b>	<b>89.68</b>	<b>26.94</b>

\*Other Includes amount payable as reimbursement of expenses to staff and others.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**16 Lease Liabilities** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non Current Lease Liability</b>		
Payable to: -		
Key Managerial Personnel	-	0.19
Others	0.18	0.71
<b>Total Non Current Lease Liability</b>	<b>0.18</b>	<b>0.90</b>
<b>Non Current Lease Liability</b>		
Payable to: -		
Key Managerial Personnel	0.40	0.20
Relative of Key Managerial Personnel	0.05	0.08
Others	0.91	0.85
<b>Total Current Lease Liability</b>	<b>1.36</b>	<b>1.13</b>

**17 Provisions** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non Current Provisions</b>		
Provision for employee benefits*	21.35	19.67
<b>Total Non Current Provisions</b>	<b>21.35</b>	<b>19.67</b>
<b>Current Provisions</b>		
Provision for employee benefits*	9.67	9.25
Provision for Other	7.49	6.68
<b>Total Current Provisions</b>	<b>17.16</b>	<b>15.93</b>

\* Provision for Employee Benefits includes Provision for Leave Encashment, Gratuity and Bonus.

In pursuance of Ind AS 37 - 'Provisions, contingent liabilities and contingent assets, the provisions required have been incorporated in the books of account in the following manner:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance of warranty	6.68	4.31
Add: Provision recognised during the year	5.16	5.60
Less: Amount utilised during the year	4.35	3.23
<b>Closing balance</b>	<b>7.49</b>	<b>6.68</b>

The group gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made at the year end represents the amount of expected cost of meeting such obligations of rectification / replacement based on the historical data available. The timing of the outflows is expected to be within a period of one year.

**18 Short Term Borrowings** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loan from Banks {Refer Note No. 34}</b>		
Working Capital Facilities (Refer Note No (a) for security purpose)	18.37	18.37
Current Maturities of Long term borrowings {Refer Note No 14}	1,707.10	1,689.46
<b>Unsecured</b>		
<b>Loans repayable on demand from: -</b>		
Enterprises owned or Significantly influenced by key management personnel or their relative	1.75	1.75
Relative of key management personnel	0.17	0.17
Other Body Corporates	0.34	0.34
Key Managerial Personnel	0.24	0.24
<b>Total</b>	<b>1,727.97</b>	<b>1,710.33</b>
1,20,00,000 (March 31, 2021: 1,20,00,000) 6 % Non-Cumulative Redeemable Preference Shares Of Rs.10/- each Fully Paid Up, Redeemable At Par.	12.00	12.00
<b>Total</b>	<b>1,739.97</b>	<b>1,722.33</b>

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

- (a) Secured by First Pari-passu charge on the entire Property, Plant and Equipment of the group situated at Village : Budharmora - Kutch and personal guarantee of some of the directors of the Group. On July 31, 2014 the debt due to Bank of Baroda are declared as NPA by the Bank and the account has been transferred to Bank of Baroda, Asset Recovery Branch, New Delhi.  
First charge on the entire current assets of the group, both present and future.

- (b) Group has defaulted in repayment of borrowing from the Lenders. Details of default are as follows: - (Rs. In Crore)

Name of Lenders	Principal	Default From
Bank Of Baroda	6.50	April 2014 to March 2023
State Bank of India	11.87	December 2011 to March 2023
<b>Total</b>	<b>18.37</b>	

- (c) **Net Debt Reconciliation of Unsecured Loan** (Rs In Crore)

Particulars	Short Term Borrowings
<b>As at April 1, 2021</b>	<b>2.50</b>
Interest Expense Outflow	-
<b>As at March 31, 2022</b>	<b>2.50</b>
Interest Expense Outflow	-
<b>As at March 31, 2023</b>	<b>2.50</b>

- 19 **Trade Payables** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding dues of Micro and Small Enterprises	50.20	38.70
Total Outstanding dues of creditors other than Micro and Small Enterprises		
Others	326.27	347.79
Dues to Enterprise Owned or Significantly Influence by Key Managerial Personnel or Their Relative	-	0.01
Dues to Key Managerial Personnel	0.02	0.01
<b>Total</b>	<b>376.49</b>	<b>386.51</b>

**For ageing of Trade Payable refer note no. 47(b).**

Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the group. The group has not received any claim for interest from any supplier as at the balance sheet date. Hence, disclosure as per MSME Act for interest is not required. These facts have been relied upon by the auditors. The disclosures relating to micro and small enterprises is as below:

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	50.20	38.70
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods (Refer Note No 15)	0.09	0.90
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**20 Other Current Liabilities** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Other Current Liabilities</b>		
Advance from Customers (Contract Liabilities)	333.88	281.01
Advance from enterprise owned or significantly influenced by Key Managerial Personnel	0.01	0.01
Other Miscellaneous Liabilities	0.49	0.51
Statutory Dues Payable	22.84	9.95
<b>Total Other Current Liabilities</b>	<b>357.22</b>	<b>291.48</b>

**21 Revenue From Operations** (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue From Contracts With Customers</b>		
Sales of Products (Finished & Traded Goods)	3,051.86	2,808.42
Revenue From Service Contracts	12.06	11.17
<b>Total Revenue from Contracts with Customers</b>	<b>3,063.92</b>	<b>2,819.59</b>
Other Operating Income	10.13	11.72
<b>Total Revenue From Operation</b>	<b>3,074.05</b>	<b>2,831.31</b>
<b>i) Disaggregated revenue Information</b>		
Types of Goods & Services		
(a) Engineering & Technologies Division	995.44	881.73
(b) Special Steel Division	2,034.65	1,894.93
(c) Electric Vehicle Division	39.52	55.68
(d) Other	0.02	0.32
(e) Revenue From Service Contracts with Customers	12.06	11.17
<b>Gross Revenue</b>	<b>3,081.69</b>	<b>2,843.83</b>
Less:- Inter segment Revenue	(7.64)	(12.52)
<b>Total Revenue From Operation</b>	<b>3,074.05</b>	<b>2,831.31</b>
India	2,730.53	2,498.48
Outside India	343.52	332.83
<b>Total Revenue From Contracts with Customers</b>	<b>3,074.05</b>	<b>2,831.31</b>

**Set Out below is the amount of revenue recognised from:-** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2021
Contract Liability (Advance From Customers) at the beginning of the year	281.02	208.62
Performance obligation satisfied during the Previous year	206.38	143.11

**Performance Obligation :-** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Within one Year	1,027.95	835.04
More than One Year	221.88	198.44

**Contract Balances As At:** (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Contract Balances</b>		
Trade Receivables	208.38	166.97
Contract Liabilities (Advance from Customers)	333.89	281.02



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

Reconciliation of the amount of Revenue recognized in the statement of Profit and Loss with the contract price (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per Contract Price	3,079.90	2,831.05
Adjustments for Discounts & Rebates	15.98	11.46
<b>Revenue From Contracts with Customers</b>	<b>3,063.92</b>	<b>2,819.59</b>

Revenue from sale of products of Rs 3051.86 Crore (March 31, 2022 Rs. 2808.42 Crore) are recorded at a point of time and those from sale of services of Rs. 12.06 Crore (March 31, 2022 Rs. 11.17 Crore) are recognized over a period of time.

22 Other Income (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest Income on :</b>		
-Fixed Deposits	1.16	1.85
-Others	1.54	1.29
Foreign Exchange Gain (Net)	2.77	-
Net Sundry Balances Written Back	-	0.20
Fair Valuation gain/(loss) on Financial Instruments at the fair value through Profit & Loss	0.00	0.10
Miscellaneous Income	1.22	3.10
<b>Total</b>	<b>6.69</b>	<b>6.54</b>

23 Cost of Raw Materials and Components Consumed (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Inventory	168.18	163.94
Add: Purchases & Other Expenses	2,312.49	2,131.69
<b>Total</b>	<b>2,480.67</b>	<b>2,295.63</b>
Less: Closing Inventory	195.41	168.18
<b>Cost of Raw Material Consumed</b>	<b>2,285.26</b>	<b>2,127.45</b>

24 Changes in Inventories of Finished Goods, Work in Process and Stock in Trade (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Inventory at the beginning of the year</b>		
-Work In Progress	208.11	195.57
-Stock In Trade	0.31	0.29
-Finished Goods	123.45	90.83
<b>Sub Total</b>	<b>331.87</b>	<b>286.69</b>
<b>Inventory at the end of the Year</b>		
-Work In Progress	236.29	208.11
-Stock In Trade	0.31	0.31
-Finished Goods	85.46	123.45
<b>Sub Total</b>	<b>322.06</b>	<b>331.87</b>
<b>Total</b>	<b>9.81</b>	<b>(45.18)</b>

25 Employee Benefit Expense (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages, Allowances and Bonus	136.15	128.14
Contribution to Provident and other funds (Refer Note No. 32)	7.28	7.42
Staff Welfare and amenities	1.36	1.60
<b>Total</b>	<b>144.79</b>	<b>137.16</b>

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**26 Finance Costs** (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other Interest	1.68	3.01
Interest Expenses on Account of Settlement of Loans with Banks and Asset Reconstruction Companies	64.49	40.99
Interest on Statutory Dues	0.10	0.47
Interest on Lease Liability	0.13	0.17
Other Borrowing Cost & Charges	0.77	0.81
<b>Total</b>	<b>67.17</b>	<b>45.45</b>

**27 Depreciation and Amortisation Expense** (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation and Impairment of tangible assets (Refer note - 3)	47.50	85.94
Right of Use Asset {Refer Note 4(c)}	0.67	0.99
Amortization of intangible assets {Refer note - 4(b)}	1.02	0.97
<b>Total</b>	<b>49.19</b>	<b>87.90</b>

**28 Other Expenses** (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and Fuel	116.60	102.33
Consumption of Stores & Spares	126.31	135.37
Labour & Job Charges	85.96	93.80
Machinery Repairs	1.80	5.30
Building Repairs	0.99	0.65
Other Repairs	3.86	3.88
Water Charges	8.88	7.55
Hire-Lease-Rent Charges	12.12	12.24
Rates & Taxes	1.81	3.48
Insurance Premium	6.97	7.51
Postage Telegram & Telephone Expenses	1.23	1.51
Conveyance Expenses	0.84	0.75
Travelling Expenses	8.33	5.10
Printing and Stationery	0.28	0.32
Vehicle Expenses	0.65	0.59
Security Expenses	1.95	1.93
CSR Activity (Refer Note No 44)	0.37	1.66
Subscription & Membership	0.19	0.42
Net Sundry Balances Written Off	0.31	-
Net Provision For Expected credit loss for trade receivable	2.09	1.92
Auditors' Remuneration:		
-Audit Fees	0.20	0.20
-Limited Review	0.03	0.02
-Certificate	0.01	0.01
Legal and Professional Charges	9.75	7.92
Warranty Expenses	5.16	5.60
Guest House Expenses	1.16	0.89
Miscellaneous Expenses	3.09	3.64
Foreign Exchange Fluctuation (Net)	-	0.30
Donation	0.19	0.02
Advertisement & Sales Promotion	12.14	6.28
Commission	8.76	7.22
Freight Outward and other Expenses	77.74	106.96
Director Sitting fees	0.11	0.07
<b>Total</b>	<b>499.88</b>	<b>525.44</b>

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

## 29 Exceptional Item (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Impairment in value of Goodwill (Refer Note No 4(a) and 40(d))	36.46	-
<b>Total</b>	<b>36.46</b>	<b>-</b>

## 30 Income Tax

## a Component of Income tax (Rs In Crore)

The Major component of income tax expense for the year ended March 31, 2023 & March 31, 2022 are:	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current Tax</b>		
Current Income Tax	-	-
<b>Deferred Tax</b>		
Deferred Tax Expenses/(Benefit)	-	-
Tax in Respect of earlier years	(0.01)	-
<b>Income tax expense reported in the Statement of Profit &amp; Loss</b>	<b>(0.01)</b>	<b>-</b>
<b>Other Comprehensive Income (OCI)</b>		
Deferred tax related to items recognized in OCI during the year	-	-
Re-measurement loss on defined benefit Plans	-	-
Deferred Tax credited to OCI	-	-

## b Reconciliation of current tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2023 &amp; March 31, 2022: (Rs In Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit/(loss) before tax	(11.82)	(40.37)
Enacted income tax rate in India applicable to the Group	25.17%	25.17%
Tax using the Group's domestic tax rate	(2.98)	(10.16)
Tax effects of:		
Income Tax allowances	(17.56)	(26.81)
Non-Deductible expenses	41.25	35.92
Unsued Tax Loss allowance	(21.37)	(0.65)
Loss and Unabsorbed Depreciation of the Current Year to be Carried forward	0.79	1.99
Others	(0.13)	(0.29)
At the effective income tax rate of March 31, 2023 is Nil% (March 31, 2022 is Nil%)	-	-

## c Details of carry forward losses and unused credit

Unabsorbed depreciation can be carried forward indefinitely. Business loss can be carried forward for a period of 8 years from the year in which losses arose. The group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendments) ordinance 2019.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**d. Deferred Tax**
**Movement in deferred tax Assets (net) for the year ended 31<sup>st</sup> March, 2023**

(Rs In Crore)

Particulars	Opening Balance As at April 1, 2022	To be Recognized in Statement of Profit & Loss	Closing Balance As at March 31, 2023
<b>Tax effect of items constituting deferred tax liabilities :</b>			
Property, plant and equipment	22.07	3.06	25.13
Other adjustments	-	0.05	0.05
<b>Total</b>	<b>22.07</b>	<b>3.11</b>	<b>25.18</b>
<b>Tax effect of items constituting deferred tax assets</b>			
Asset on expenses allowed in year of payment	12.35	16.78	29.13
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws	233.72	(69.06)	164.66
Lease Loan Liability	0.51	(0.13)	0.38
Other adjustments	35.32	17.33	52.65
<b>Total</b>	<b>281.90</b>	<b>(35.08)</b>	<b>246.82</b>
<b>Net Deferred Tax Assets</b>	<b>259.83</b>	<b>(38.19)</b>	<b>221.64</b>

**Movement in deferred tax Assets (net) for the year ended 31<sup>st</sup> March, 2022**

(Rs In Crore)

Particulars	Opening Balance As at April 1, 2021	To be Recognized in Statement of Profit & Loss	Closing Balance As at March 31, 2022
<b>Tax effect of items constituting deferred tax liabilities :</b>			
Property, plant and equipment	21.32	0.75	22.07
Other adjustments	0.02	(0.02)	-
<b>Total</b>	<b>21.34</b>	<b>0.73</b>	<b>22.07</b>
<b>Tax effect of items constituting deferred tax assets</b>			
Asset on expenses allowed in year of payment	10.07	2.28	12.35
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws	273.11	(39.39)	233.72
Lease Loan Liability	0.37	0.14	0.51
Other adjustments	30.99	4.33	35.32
<b>Total</b>	<b>314.54</b>	<b>(32.64)</b>	<b>281.90</b>
<b>Net Deferred Tax Assets</b>	<b>293.20</b>	<b>(33.37)</b>	<b>259.83</b>

\* Net Deferred tax assets have not been recognized, as it is not probable that sufficient taxable income will be available in the future against which such deferred tax assets can be realized in the normal course of business of the Group.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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

## 31 Contingent Liabilities and Other Commitments

## (a) Claims against the Group not acknowledged as debts towards:

(Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
i) VAT & CST	29.15	29.15
ii) Service Tax	1.84	1.84
iii) Custom Duty	8.12	8.12
iv) Excise Duty	342.00	342.00
v) Income Tax	22.62	22.62
vi) Goods and Service Tax	2.13	2.13
vii) Estimated amount of contracts remaining to be executed on capital account (net off advances) and not provided for	11.40	15.48
viii) Guarantees / Counter Guarantees	5.97	12.94
ix) Amount Payable to supplier of Creditors (Refer Note (iii) Below)	1.03	1.03

- x) There was proceedings of Inspection & Search by the State Goods and Service tax authorities, at the various places of the company and its subsidiary Company Hans Ispat Limited, during January 18, 2021 to February 3, 2021 and during the course of said proceedings, as determined by the authorities on various points, the group has voluntarily paid total amount of Rs 10.74 Crore towards tax, Interest and Penalty, on February 3, 2021. The group has accounted Rs 7.86 Crore as expenses and Rs 2.88 Crore has been shown as recovery from suppliers. In the opinion of the Group, there will not be any further additional liability with regard to said proceedings. Thereafter, certain other documents as informed by GST authorities, related to the holding company has been seized and verification of the same is in process by the said authorities.
- xi) Claims against the Group not acknowledged as debts amounting to Rs. 1.11 Crore (As at March 31, 2022: Rs.1.11 Crore), are pending before various courts, authorities, arbitration, Consumer Dispute Redressal Forum etc.
- xii) In subsidiary company Shree Ram Electro Cast Limited, Claim against the company of Rs Nil Crore (March 31, 2022 Rs 0.11 Crore) not acknowledge as debts which pertain to litigation filed against the company and pending before various courts, authorities, arbitration, tribunal, Consumer Dispute Redressal Forum etc.

Note: As these being very old notices of recovery litigations of the year 2012 / 2013 and no further communications from the respective parties, the claim against the Company is barred by limitation and hence in the current financial year, the same is now treated as Rs. NIL

**Note:-**

- Future cash flows in respect of above, if any, is determinable only on receipt of judgment/ decisions pending with relevant authorities.
- The above amounts are without the amount involved in the appeal preferred by the Department, if any, and further applicable interest on the demand.
- In Case of Subsidiary Company Hans Ispat Limited- M/s Krishna Fuels, a supplier of scrap has filed a Civil Suit in the year 2009 before the Court of Principal Senior Civil Judge, Gandhidham against the Company for recovery of Rs. 1.03 Crore ( Principal outstanding amount of Rs. 0.84 Crore and Interest thereon). Thereafter, the matter was transferred to the Hon'ble Commercial Court, Rajkot and the Hon'ble Commercial Court, Rajkot has ex-parte passed an order dated December 23, 2017 for decree amount of Rs. 0.84 Crore and interest at the rate of 8% per annum and costs. The company came to know about the abovesaid facts when the company was served with Commercial Execution Petition No. 2/2018 before the Commercial Court at Rajkot in March, 2018. The company has filed appeal before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court vide order dated July 30, 2018 quashed and set aside the order of Hon'ble Commercial Court and remitted the matter to Hon'ble Commercial Court, Rajkot for fresh decision. Thereafter, the matter was pending before Hon'ble Commercial Court, Rajkot. Subsequently, in June, 2019, the matter was transferred to Civil Court, Gandhidham and it is pending for further hearing.
- It is learnt that the Hon'ble ITAT has passed the order and "Order giving effect of the ITAT order" has not been received by the group and therefore the exact amount is subject to the said order and its accounting in the books of accounts.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**(b) Lease**

The Group leasing arrangements are for premises, these ranges between 5 months to 5 years and are usually renewable on mutually agreed terms.

**(i) Lease liabilities as at March 31, 2023** (Rs In Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current Lease Liabilities	1.36	1.13
Non-Current Lease Liabilities	0.18	0.90
<b>Total</b>	<b>1.54</b>	<b>2.03</b>

**(ii) The following is the movement in the lease liability for the year ended March 31, 2023** (Rs In Crore)

Particulars	Amount
<b>As at April 01, 2021</b>	<b>1.47</b>
Additions	1.34
Finance Cost Accrued during the year	0.17
Payment of lease Liabilities	0.95
<b>As at March 31, 2022</b>	<b>2.03</b>
Additions	0.08
Finance Cost Accrued during the year	0.13
Payment / Write back of lease Liabilities	0.70
<b>As at March 31, 2023</b>	<b>1.54</b>

**(iii) The following are the expenses recognised in statement of profit and loss** (Rs In Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation expenses of Right of use assets	0.67	0.99
Interest Expenses on Lease Liability	0.13	0.17
<b>Total Expenses</b>	<b>0.80</b>	<b>1.16</b>

**(iv) Short Term Lease**

- (a) The Group has certain operating leases for office premises (short term leases) and low value lease. Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. Rental expenses of Rs 2.60 Crore (March 31, 2022: Rs 1.26 Crore) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

**(v) Leases liabilities**

- (a) The group has taken industrial premises, residential building, etc. under various lease agreements and its breakup for future rent payable by the group is under:-

(Rs In Crore)

Contractual maturities of lease liabilities on an undiscounted basis	Year ended March 31, 2023	Year ended March 31, 2022
Within one year	0.68	1.36
After one year but not more than five years	0.18	0.85

- (b) The Group has taken certain land on lease for factory purposes. Since these are entirely prepaid, the Group does not have any future lease liability towards the same.

**32 Employee benefit obligations**

The group has classified the various employee benefits provided to employees as under:

**I Defined Contribution Plans**

During the year, the Group has recognized the following amounts in the Statement of Profit and Loss–

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

(Rs In Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers' Contribution to Provident Fund (including contribution to Employees' Pension Scheme 1995)	7.28	7.16

## II Defined Benefit Plans

The Group operates gratuity plan in the nature of defined benefit plan wherein every employee is entitled to the benefit as per scheme of the Group, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. Group's Engineering & Technologies and Electric Vehicle Division having a gratuity plan is funded with Life Insurance Corporation of India and HDFC Bank while Special Steel Division is not maintaining such fund in any gratuity scheme. The subsidiaries companies, are either not having any employees or are having very less employee where provision is done on the basis of estimation by the management and therefore, they are not included here.

(Rs In Crore)

Defined Benefit Plans	As at March 31, 2023	As at March 31, 2022
<b>Gratuity</b>		
Current	3.91	3.39
Non-Current	17.07	15.77
<b>Total</b>	<b>20.98</b>	<b>19.16</b>

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate & Expected Rate of Return on Plan Assets	Refer Note@	Refer Note@
Salary escalation rate	6% p.a.	6% p.a.
<b>Mortality rate</b>	<b>Indian Assured Lives Mortality (2012-14) Urban</b>	<b>Indian Assured Lives Mortality (2012-14) Urban</b>
Attrition rate	refer note**	refer note**

**Note**

@Discounting rate in Special Steel Division is 7.39% (Previous year 6.90%) and in Engineering & Technologies and Electric Vehicle Division 7.49% (Previous year 7.31%)

\*\*Attrition rate in Special Steel Division is 10% (Previous year 10%) and in Engineering & Technologies and Electric Vehicle Division 2% (Previous year 2%)

## 32.1 Gratuity

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

## (a) Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
<b>April 1, 2021</b>	<b>12.03</b>	<b>(3.91)</b>	<b>8.12</b>
Current service cost	0.99	-	0.99
Interest expense/(income)	0.83	(0.27)	0.56
<b>Total amount recognized in Profit or Loss</b>	<b>1.82</b>	<b>(0.27)</b>	<b>1.55</b>
Return on Plan Assets, Excluding Interest Income	-	(0.01)	(0.01)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.29)	-	(0.29)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.01)	-	(0.01)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.47)	-	(0.47)
<b>Total amount recognized in Other Comprehensive Income</b>	<b>(0.77)</b>	<b>(0.01)</b>	<b>(0.78)</b>
<b>March 31, 2022</b>	<b>13.08</b>	<b>(4.19)</b>	<b>8.89</b>



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

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
<b>April 1, 2022</b>	<b>13.08</b>	<b>(4.19)</b>	<b>8.89</b>
Current service cost	0.89	-	0.89
Interest expense/(income)	0.90	(0.25)	0.65
<b>Total amount recognized in Profit or Loss</b>	<b>1.79</b>	<b>(0.25)</b>	<b>1.54</b>
Return on Plan Assets, Excluding Interest Income	-	(0.04)	(0.04)
Actuarial (Gains)/Losses on Obligations - Due to Experience	2.27	-	2.27
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.25)	-	(0.25)
<b>Total amount recognized in Other Comprehensive Income</b>	<b>2.02</b>	<b>(0.04)</b>	<b>1.98</b>
<b>Benefit paid directly by the Employer</b>	<b>(2.24)</b>	<b>-</b>	<b>(2.24)</b>
<b>March 31, 2023</b>	<b>14.65</b>	<b>(4.48)</b>	<b>10.17</b>

(Rs In Crore)

Categories of Assets	As at March 31, 2023	As at March 31, 2022
Life Insurance Corporation of India	1.93	1.80
HDFC Bank	2.55	2.39
<b>Total</b>	<b>4.48</b>	<b>4.19</b>

**(b) Non-Funded Plan**

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
<b>April 1, 2021</b>	<b>9.38</b>	<b>-</b>	<b>9.38</b>
Less: Share of Subsidiary : Hans Ispat Limited (Refer Note 32(II))	(0.48)	-	-
Current service cost	0.95	-	0.95
Interest expense/(income)	0.58	-	0.58
<b>Total amount recognized in Profit or Loss</b>	<b>1.05</b>	<b>-</b>	<b>1.05</b>
Actuarial (Gain)/losses on Obligations- Due to Change in Demographic Assumptions.	(0.00)	-	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.60	-	0.60
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.21)	-	(0.21)
<b>Total amount recognized in Other Comprehensive Income</b>	<b>0.39</b>	<b>-</b>	<b>0.39</b>
Liability Transferred In/Acquisitions	0.22	-	0.22
Employer's contribution	(0.77)	-	(0.77)
<b>March 31, 2022</b>	<b>10.27</b>	<b>-</b>	<b>10.27</b>

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
<b>April 1, 2022</b>	<b>10.27</b>	<b>-</b>	<b>10.27</b>
Current service cost	1.01	-	1.01
Interest expense/(income)	0.71	-	0.71
<b>Total amount recognized in Profit or Loss</b>	<b>1.72</b>	<b>-</b>	<b>1.72</b>
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.00)	-	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.36	-	0.36
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.31)	-	(0.31)
<b>Total amount recognized in Other Comprehensive Income</b>	<b>0.05</b>	<b>-</b>	<b>0.05</b>
Benefit Paid Directly by the Employer	(1.29)	-	(1.29)
<b>March 31, 2023</b>	<b>10.75</b>	<b>-</b>	<b>10.75</b>

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

ii) The net liability disclosed above relates to plans are as follows: (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Funded Plan</b>		
-Present value of funded obligation	14.65	13.08
-Fair value of plan assets	(4.48)	(4.19)
<b>(Surplus) / Shortfall of funded plan</b>	<b>10.17</b>	<b>8.89</b>
<b>Unfunded Plan</b>		
-Present value of funded obligation	10.75	10.27
-Fair value of plan assets	-	-
<b>(Surplus) / Shortfall of unfunded plan</b>	<b>10.75</b>	<b>10.27</b>
<b>Group Company as a Whole</b>		
-Present value of funded and unfunded obligation	25.40	23.35
-Fair value of plan assets	(4.48)	(4.19)
<b>(Surplus) / Shortfall of plan</b>	<b>20.92</b>	<b>19.16</b>

iii) Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is: (Rs In Crore)

Assumption	Impact on defined benefit obligation	
	March 31, 2023	March 31, 2022
<b>Discount rate</b>		
1.0% increase	(1.82)	(1.68)
1.0% decrease	2.12	1.95
<b>Future salary increase</b>		
1.0% increase	1.99	1.86
1.0% decrease	(1.78)	(1.64)
<b>Rate of Employee Turnover</b>		
1.0% increase	0.25	0.18
1.0% decrease	(0.28)	(0.20)

- The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

iv) Maturity Analysis of benefits payable

Projected benefits payable in future years from the date of reporting: (Rs In Crore)

From the Fund	March 31, 2023	March 31, 2022
1st Following Year	2.26	2.06
2nd Following Year	0.73	0.65
3rd Following Year	0.86	0.93
4th Following Year	0.91	0.72
5th Following Year	1.02	0.81
Sum of Years 6 to 10	5.27	4.64
Sum of Years 11 and above	25.43	21.80

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

From the Employer	March 31, 2023	March 31, 2022
1st Following Year	1.51	1.34
2nd Following Year	1.15	1.03
3rd Following Year	1.13	1.06
4th Following Year	1.07	1.06
5th Following Year	1.17	0.95
Sum of Years 6 to 10	4.73	4.56
Sum of Years 11 and above	7.60	7.36

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

**32.2 Risks associated with defined benefit plan.**

Gratuity is a defined benefit plan and group is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of assets.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality Risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The details related to gratuity is on the basis of the certificate issued by the actuarial valuer.

**33 EARNINGS PER SHARES (EPS):**

The basic Earnings per Share is calculated by dividing the Profit attributable to the existing Equity Shares outstanding:-

Particulars		2022-23	2021-2022
Profit/(Loss) for the year	(Rs. In Crore)	(11.82)	(40.36)
Weighted Average No. of Shares for the Earning Per Share Computation for Basic and Diluted	(Nos. in Crore)	1.27	1.27
Earnings Per Share (Basic & Diluted)	(In Rs.)	(9.28)	(31.68)
Nominal Value of Shares	(In Rs.)	10.00	10.00

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****34. Default in repayment & recovery and / or recovery proceedings by the Lenders against the Group:**

The information / details as provided in the Consolidated Financial Statements are for the disclosure purpose only as per the applicable Ind Accounting Standards (Ind AS) without prejudice to the rights of the Group and without any acknowledgement of the debts / liabilities of the group under the applicable laws.

**In Holding Company: Electrotherm (India) Limited****(a) Default in repayment of loan, its settlement terms, accounting treatments, Cases before Debts Recovery Tribunal (DRT) / Hon'ble Metropolitan Magistrates, declaring the group and directors as willful defaulter by the bankers****i. Central Bank of India****Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The holding company has defaulted in repayment of the loan taken from Central Bank of India in March 2012 of Rs. 436.13 Crore (Principal of Rs. 428.94 Crore and Interest of Rs. 7.19 Crore). The holding company on June 29, 2022 has accepted the compromise / One Time Settlement (OTS) letter of Central Bank of India dated June 28, 2022 for their outstanding loan/ credit facility. As per the settlement terms and agreement the holding company need to pay Rs 22.50 Crore as upfront towards the repayment of loan and Rs 202.50 Crore in thirty instalment from July 2022 to December 2024 along with the interest @ 1 year MCLR on the outstanding settlement amount.

**Accounting Treatment in Books**

- (b) The amount of repayment of debt to Central Bank of India, up to the balance sheet date is Rs. 84.33 Crore (March 31, 2022 is Rs. Nil) which has been adjusted against the total outstanding loan liability.
- (c) If all the terms and conditions of the settlements are fully complied, there would be a reduction in debt by Rs. 211.13 Crore.

**Case before Debts Recovery Tribunal (DRT):**

- (d) Central Bank of India has filed Original Application against the holding Company & its guarantors (Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari) before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgement dated October 9, 2018 allowed the original application filed by the Bank and issued recovery certificate against the holding Company and guarantors to the tune of Rs. 577.89 Crores and future interest on the amount due @10% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties and for valuation of the said attached properties. Further action / hearing is pending before the Hon'ble Recovery Officer. As per the terms of settlement with Central Bank of India dated June 28, 2022, the amount of Rs. 10.75 Crores lying in 'No Lien' account has been adjusted against the upfront amount and the Bank has agreed to withdraw all the legal cases on payment of entire settlement amount.
- (e) In view of petitions under Section 95 of the Insolvency and Bankruptcy Code, 2016 filed by Central Bank of India against the personal guarantors before Hon'ble National Company Law Tribunal ("NCLT"), the proceedings against personal guarantors before the Hon'ble DRT are stayed. The Hon'ble NCLT has passed an order for appointment of Resolution Professional and filing of report by the Resolution Professional. In view of settlement with Central Bank of India, the Hon'ble NCLT has disposed of the petitions against Mr. Shailesh Bhandari and Mr. Avinash Bhandari as withdrawn, while the petition against Mr. Mukesh Bhandari is pending.

**Willful Defaulter**

- (f) Central Bank of India has declared the holding Company as a wilful defaulter on May 29, 2014 for outstanding default amount of Rs. 436.13 Crores and reported the name of holding Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as wilful defaulter.

**Central Bureau of Investigation (CBI)**

- (g) The Central Bureau of Investigation (CBI) has conducted certain proceedings, on the basis of the complaint filed by Central Bank of India with regard to the utilization of the loan disbursed by Central Bank of India. Central Bureau of Investigation has filed a charge sheet and a CBI Special Case Number 27 of 2015 was registered against the holding Company and its directors i.e. Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari and few officers of Central Bank of India before the Hon'ble CBI Court, Ahmedabad on October 6, 2015 and the matter was pending before the Hon'ble CBI Court for further proceedings. The Directorate of Enforcement, Ahmedabad has filed an application before the Hon'ble CBI Court, Ahmedabad for transfer of CBI Case to the designated court of PMLA. The Hon'ble CBI Court, Ahmedabad by order dated

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

January 24, 2022 allowed the application and by further order dated March 29, 2022 disposed of the case for transfer to PMLA Court. The Principal District Court (PMLA Court) has registered the transferred case as ACB – Special Case No. 15/2022 and the case is now pending for opening of case by prosecution.

### Petition under Insolvency and Bankruptcy Code (IBC)

- (h) Central Bank of India, a financial creditor has filed a petition under section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against the holding Company for an amount of Rs. 1059.59 Crores. The holding Company has filed its affidavit of objection and the Bank has filed rebuttal affidavit. The matter was lastly heard by the Hon'ble NCLT on May 4, 2022 and reserved for order. In view of settlement with Central Bank of India, the Hon'ble NCLT has not pronounced the order and finally on November 16, 2022, the Central Bank of India has withdrawn the petition.

### Other Case

- (i) The holding Company had filed a Special Civil Application ("SCA") against the Central Bank of India and Reserve Bank of India for wrongfully declaring the account of the holding Company as "fraud" account on November 6, 2013 in breach of principles of natural justice. The said petition was dismissed by the Hon'ble Gujarat High Court. The holding Company has filed a Letters Patent Appeal (LPA) against the said order. The Hon'ble Gujarat High Court has issued Notice and notice as to interim relief. The said petition is pending for further hearing before the Hon'ble Gujarat High Court.

### ii. Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank)

#### Default in Repayment of Loan and its settlement terms and conditions:

- (a) The holding company has defaulted in repayment of loan of Rs 189.96 Crore (after adjustment of repayment of Rs 10.05 Crore paid in during the year ended as at March 31, 2020) (Principal of Rs. 189.95 Crore and Interest of Rs. 0.01 Crore) in August 2011. Indian Overseas Bank has assigned its debts to Rare Asset Reconstruction Limited on September 28, 2017. The holding company is in the process of entering into a settlement agreement with Rare Asset Reconstruction Limited.

#### Accounting Treatment in Books

- (b) The holding company was informed vide letter dated October 12, 2017 of Indian Overseas Bank, that the bank has assigned debts to Rare Asset Reconstruction Limited. However considering pending settlement, the outstanding loan amount is treated as current maturities of long term borrowings.

#### Case before Debts Recovery Tribunal (DRT):

- (c) Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank) ("Rare ARC") had filed Original Application against the holding Company & its guarantors Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgment dated September 20, 2018 allowed the original application filed by the Bank / Financial Institution and issued recovery certificate against the holding Company and Guarantors to the tune of Rs. 315.64 Crore and future interest on the amount due @12.75% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. The Hon'ble Recovery Officer has passed order for release of Rs. 10 Crores from the account of holding company with Standard Chartered Bank to Rare ARC, sale of shares of the guarantors and payment of Rs. 0.05 Crores by Mr. Avinash Bhandari for non-disclosure of assets to be adjusted towards the dues. Further in view of petition under Section 95 of the Insolvency and Bankruptcy Code, 2016 filed by Central Bank of India against the personal guarantors, there was moratorium against personal guarantors. Further action / hearing is pending before Hon'ble Recovery Officer.

#### Case under section 138 of the Negotiable Instruments Act, 1881:

- (d) Indian Overseas Bank had filed two criminal complaints against the holding Company and its directors / officers under section 138 of Negotiable Instruments Act, 1881 for dishonor of cheques of Rs. 103.00 Crore issued by the holding Company and the holding Company is contesting both the said cases and both the matters are pending for further proceedings before the respective Hon'ble Metropolitan Magistrates, Ahmedabad.

### iii. Union Bank of India (Corporation Bank merged with Union Bank of India)

#### Default in Repayment of Loan and its settlement terms and conditions

- (a) The holding company has defaulted in repayment of loan of Rs 116.73 Crore in April 2012. The holding company has entered into settlement agreement for the repayment of loan on November 13, 2018. As per the settlement agreement the holding

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

company has agreed to make the repayment of loan by September 2021. However, holding company has again defaulted in repayment of the instalment of the loan falling due from March 2021 till September 2021 and interest thereupon. The holding company has submitted revised repayment proposal to Union Bank of India which is pending for consideration.

**Accounting treatment in Books**

- (b) The amount of repayment of debt to Union Bank of India, up to the balance sheet date of Rs. 96.58 Crore (March 31, 2022: Rs. 90.08 Crore) has been adjusted against the total outstanding loan liability.

**Case before Debts Recovery Tribunal (DRT):**

- (c) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Union Bank of India has been disposed on August 25, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT was being adjourned. Thereafter, the Demand Notice dated June 22, 2021 and August 26, 2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.

**iv. Rare Asset Reconstruction Limited (being assignee of Debts of Dena Bank)****Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The holding company has defaulted in repayment of loan of Rs 51.44 Crore (Principal of Rs 51.44 Crore) in September 2011. The bank has assigned this loan to Rare Asset Reconstruction Limited. The holding company has entered into settlement agreement with Rare Asset Reconstruction Limited for the repayment of loan on June 28, 2018. As per the settlement agreement the holding company has agreed to make the repayment of loan by March 15, 2022. However, holding company has again defaulted in repayment of loan of the instalment falling due from December 2020 till March 15, 2022 and interest thereupon. The holding company has submitted revised repayment proposal to Rare Asset Reconstruction Limited which is pending for consideration.

**Accounting Treatment in Book**

- (b) The repayment of debt to Rare Asset Reconstruction Limited, up to the balance sheet date of Rs. 19.00 Crore (March 31, 2022 is Rs. 19.00 Crore) has been adjusted against the total outstanding loan liability.

**Case before Debts Recovery Tribunal (DRT):**

- (c) In view of settlement / consent terms filed with DRT, the Original Application filed by Rare Asset Reconstruction Limited (being assignee of debts of Dena Bank) has been disposed on October 15, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT were being adjourned. Thereafter, the Demand Notice dated August 3, 2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.

**Wilful Defaulter:**

- (d) Dena Bank has declared the holding Company as a wilful defaulter on March 31, 2016 for outstanding amount of Rs. 51.44 Crores and reported the name of the holding Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as Wilful Defaulter. The holding Company has challenged the said action before the Hon'ble Gujarat High Court and the said petition was pending for further hearing. However, Dena Bank has assigned the debt associated with the holding Company to Rare Asset Reconstruction Limited ("Rare ARC") and the holding Company has entered into settlement with Rare ARC and Rare ARC has agreed for withdrawal of wilful defaulter on receipt of entire settlement amount. Based on the settlement terms, the Hon'ble Gujarat High Court by order dated February 8, 2022 has disposed of the petition as withdrawn.

**v. Union Bank of India****Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The holding company has defaulted in repayment of Principal amount of Loan of Rs 49.40 Crore in May 2012. The holding company has entered into settlement agreement with the bank for the repayment of loan in March 2017. As per the settlement agreement, the holding company has agreed to make the repayment of loan by March 2023. However, holding company has again defaulted in repayment of the instalment of the loan falling due from December 2021 till March 2023 and interest thereupon. The holding company has submitted revised repayment proposal to Union Bank of India which is pending for consideration.

**Accounting Treatment in Books:**

- (b) The repayment of debt to Union Bank of India, up to the balance sheet date of Rs. 40.39 Crore (March 31, 2022: Rs. 32.98 Crore), has been adjusted against the total outstanding loan liability.



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

### Case before Debts Recovery Tribunal (DRT):

- (c) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Union Bank of India has been disposed on April 27, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT was being adjourned. Thereafter, the Demand Notice dated June 22, 2021 and August 26, 2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.

### vi. Edelweiss Asset Reconstruction Company Limited (being debt assignee of Bank of India, Bank of Baroda, State Bank of India, Canara Bank and State Bank of Travancore)

#### Default in Repayment of Loan and its settlement terms and conditions:

- (a) The holding company has defaulted in repayment of the loan from Bank of India in December 2012 of Rs. 628.04 Crore (Principal of Rs. 628.04 Crore), Bank of Baroda in September 2012 of Rs. 31.23 Crore (Principal of Rs. 31.23 Crore), Canara Bank in September 2012 of Rs. 232.97 Crore (Principal of Rs. 190.18 Crore and Interest of Rs. 42.79 Crore), State Bank of India in December 2011 of Rs. 323.27 Crore (Principal of Rs. 323.27 Crore) and State Bank of Travancore in September 2011 of Rs. 91.98 Crore (Principal of Rs. 85.04 Crore and Interest of Rs. 6.94 Crore). All these loans were assigned to Edelweiss Asset Reconstruction Company Limited. The holding company has entered into settlement agreement with Edelweiss Asset Reconstruction Company Limited on March 10, 2015. As per the settlement agreement the holding company has agreed to make the repayment of loan by March 2023. However, holding company has again defaulted in repayment of the instalment of the loan falling due from December 2020 till March 2023 and interest thereupon. The holding company is in process of submitting revised repayment proposal.

#### Accounting treatment in books:

- (b) The Management is of the opinion that Fixed Deposit of Rs. 12.45 Crore held by Bank of Baroda will be adjusted against the outstanding liability payable to Edelweiss Asset Reconstruction Company Limited, at the time of last installment.

The holding Company has filed a Special Civil Application ("SCA") before the Hon'ble Gujarat High Court to return back Rs. 12.45 crore to the holding company's bank account which was adjusted against the outstanding loan. The said petition is admitted and is pending for further hearing.

- (c) The amount of repayment of debt to Edelweiss Asset Reconstruction Company Limited, up to the balance sheet date of Rs. 484.34 Crore (March 31, 2022 is Rs. 484.34 Crore) has been adjusted against the total outstanding loan liability.
- (d) Further, the holding company has allotted 2,85,90,000 Partially Convertible and Partially Redeemable Preference Shares (PCPRPS) of Rs. 10 each amounting to Rs 28.59 Crore on August 22, 2015 and against the said PCPRPS, 12,66,440 Equity Shares of Rs. 10/- each at the price of Rs. 225.75 per equity share (inclusive of Share premium amount of Rs. 215.75 per equity share) were allotted during the year ended as at March 31, 2017.

#### Central Bureau of Investigation (CBI)

- (e) Bank of India has filed a complaint under section 154(1) of the Criminal Procedure Code (Cr.P.C) pertaining to fraud perpetrated by the holding Company, its directors, unknown public servants and other unknown persons with intent to defraud Bank of India to the tune of Rs. 81.97 Crores. The Central Bureau of Investigation, Banking Securities Fraud Branch, Mumbai has registered a FIR on December 31, 2021. Central Bureau of Investigation (CBI) carried out the search on January 4, 2022 and seized various documents and now the matter is under investigation.

#### Petition under Insolvency and Bankruptcy Code (IBC)

- (f) Edelweiss Asset Reconstruction Company Limited ("EARC"), a financial creditor has filed a petition under section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against the holding Company for an default amount of Rs. 1900.56 Crores in respect of outstanding dues of Bank of India, the original lender only. The holding Company has filed its affidavit in reply and the EARC has filed its affidavit in rejoinder. The holding Company has filed two Interlocutory Applications related to holding company being a going concern & solvent and non-submission of record of default with information utility by EARC. The petition alongwith Interlocutory Applications are pending for further hearing before the Hon'ble NCLT, Ahmedabad.

#### Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI")

- (g) Edelweiss Asset Reconstruction Company Limited has issued statutory demand notice dated July 13, 2022 under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI") read with Security Interest (Enforcement) Rules, 2002 to the holding Company and personal guarantors to discharge the liabilities within sixty days from the date of notice. The holding Company is yet to reply/comply, to the said notice and there is no further communication from the Edelweiss Asset Reconstruction Company Limited.



**Notes to Consolidated Financial Statements for the year ended March 31, 2023****vii. Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Oriental Bank of Commerce, Punjab National Bank and Allahabad Bank)****Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The holding company has defaulted in repayment of the loan from Oriental Bank of Commerce in June 2012 of Rs. 55.19 Crore (Principal of Rs. 42.64 Crore and Interest of Rs. 12.55 Crore), Punjab National Bank in October 2011 of Rs. 184.69 Crore (Principal amount of Rs. 184.69 Crore) and Allahabad Bank in July 2012 of Rs. 283.62 Crore (Principal of Rs. 278.22 Crore and interest of Rs. 5.40 Crore). All these loans were assigned to Invent Assets Securitization and Reconstruction Private Limited in August 2015, July 2016 and July 2016 for Oriental Bank of Commerce, Allahabad Bank and Punjab National Bank respectively. As per the original settlement agreement the holding company has agreed to make the repayment of loan by June 2020 for Oriental Bank of Commerce and March 2021 for Allahabad Bank and Punjab National Bank.
- (b) On June 18, 2019, the holding company has been allowed following revised schedule of repayment of dues of Invent Assets Securitization and Reconstruction Private Limited:-

Sr No	Bank Name	Rescheduled Amount (Rs. in Crore)	Original Last Date of Payment	Revised Last Date of Payment
1	Oriental Bank of Commerce	15.25	30.06.2020	30.06.2023
2	Punjab National Bank	63.09	15.03.2021	31.12.2023
3	Allahabad Bank	95.51	15.03.2021	31.12.2023

- (c) However, holding company has again defaulted in repayment of the instalment of the loan falling due from June 2020 till March 2023 and interest thereupon. The holding company is in process of submitting revised repayment proposal.

**Accounting Treatment in Books**

- (d) The amount of repayment of debt to Invent Assets Securitization and Reconstruction Private Limited, up to the balance sheet date of Rs. 47.30 Crore (March 31, 2022 is Rs. 45.80 Crore) has been adjusted against the total outstanding loan liability.
- (e) If all the terms and conditions of the settlements are fully complied, there would be a reduction in debt by Rs. 325.01 Crore.

**Case before Debts Recovery Tribunal (DRT):**

- (f) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Allahabad Bank) has been disposed on March 21, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

**In Subsidiary Company: Shree Ram Electro Cast Limited****viii. State Bank of India:-****Default in Repayment of Loan and its settlement terms and conditions**

- (a) The Subsidiary Company has defaulted in repayment of Corporate loan from January 2012, Working Capital Term Loan from April 2012 and Cash Credit from December 2011 aggregating to Rs 27.86 Crore (as at March 31, 2022 Rs 27.86 Crore).

**Case before the Debt Recovery Tribunal (DRT):**

- (b) State Bank of India has filed Original Application against the Subsidiary Company & Guarantors before the Debt Recovery Tribunal, Bangalore ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Hon'ble DRT vide order dated January 20, 2016 allowed the original application and has issued the recovery certificate against the Subsidiary Company and the Guarantors. The Subsidiary Company and Guarantors have filed review application before DRT and the said review application was disposed of on November 6, 2017 with some observations / remarks. The recovery proceedings are now pending before the Recovery Officer, DRT, Bangalore.

**Willful Defaulters**

- (c) State Bank of India has issued a show cause notice on October 25, 2016 to the the subsidiary company & its guarantors / directors for declaring them as willful defaulter. The subsidiary company has filed its reply to the said show cause notice. After personal hearing before the Identification Committee, State Bank of India vide letter dated October 25, 2018 declared the subsidiary company & its guarantors / directors as willful defaulter for the outstanding loan amount of Rs. 27.86 Crore.

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

### In Subsidiary Company: Hans Ispat Limited

#### ix. Invent Assets Securitization and Reconstruction Private Limited (being debt assignee of State Bank of India)

##### Default in repayment of loan and its settlement terms and conditions:

During December 2014, State Bank of India has assigned its entire debts along with all its securities and rights to Invent Assets Securitization & Reconstruction Private Limited (Hereinafter referred as "IASRPL") and as per the terms and conditions of the Settlement Agreement dated March 5, 2015 which was further revised vide sanction letter dated March 15, 2019, and if all the terms and conditions are fully complied with by the Subsidiary company Upto December 31, 2022, there will be reduction in debts of IASRPL by Rs 8.83 Crore. However the subsidiary company has failed in complying the terms and conditions upto stipulation period of December 31, 2022

#### x. Bank of Baorda

##### Default in repayment of Loan and its settlement terms and conditions:

(a) The subsidiary company has defaulted in repayment of loan from April 2014 aggregating to Rs 26.92 Crore (as at March 31, 2022 Rs 26.92 Crore).

##### Case before Debt Recovery Tribunal (DRT):

(b) Bank of Baroda had filed Original Application against subsidiary company & guarantors (i.e. Mr. Shailesh Bhandari and Mr. Mukesh Bhandari) before Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act 1993. The Hon'ble DRT vide judgement dated April 15, 2019 allowed the original application filed by the Bank of Baroda and for issue of recovery certificate against the subsidiary company and guarantors to the tune of Rs. 50.74 Crores and future interest on the amount due @12.00% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. Thereafter, the Hon'ble Recovery Officer has put the properties for e-auction on November 22, 2019, April 29, 2020, September 24, 2021 and November 18, 2021. On November 18, 2021 the bid offer of Rs. 33.03 Crores from Kemo Steel Industries Private Ltd was successful. The Ld. Recovery Officer, DRT-I Ahmedabad confirmed the sale and handed over the possession on April 6, 2022 to the auction purchaser. Sale Certificate was issued on April 7, 2022 in favour of the auction purchaser.

However, Invent Assets Securitizations & Reconstruction Private Limited (assignee of debts of State Bank of India for Subsidiary Company) has filed an appeal in DRAT, Mumbai. The Hon'ble DRAT has passed an order on April 19, 2022 that further proceeding consequent to the sale which has already been confirmed and possession handed-over be stalled and stayed further proceedings and status-quo to be maintained. Thereafter, by order dated August 10, 2022, the Hon'ble DRAT by way of an interim arrangement, permitted the auction purchaser to run the factory, subject to the certain condition and to the ultimate decision to be taken in the Appeal. Invent Assets Securitizations & Reconstruction Private Limited has filed a Writ Petition before the Bombay High Court challenging this order of the DRAT. Hans Ispat Limited has also filed an appeal in the DRAT against the order of the Recovery officer, DRT Ahmedabad finalising the sale of the mortgaged property. The said appeals are pending for further hearing.

##### Willful Defaulters

(c) Bank of Baroda has issued a show cause notice to the subsidiary company & guarantors / directors for declaring them as willful defaulter. The subsidiary company has replied to the said show cause notice. Thereafter, the subsidiary company has requested for some other suitable date for hearing before committee and there is no communication in respect of the same. When the subsidiary company came to know that the Bank of Baroda has declared the subsidiary company and its Directors as willful defaulter and reported the same to Reserve Bank of India / CIBIL, the subsidiary company has challenged the said action before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court vide order dated August 1, 2017 granted stay on the identification as willful defaulter till the hearing and final disposal of the petition. As per the reply of the Bank, the Bank has declared the subsidiary company & guarantors / directors as willful defaulter on February 27, 2017 for the outstanding amount of Rs. 26.92 Crore. The Hon'ble Gujarat High Court by judgement dated December 07, 2022 quashed and set aside the action of bank for identifying the account as willful defaulter and subsequent reporting to the RBI / CIBIL and the matter is remanded back to the Identification Committee of the Bank to follow the procedure as prescribed in Master Circular dated July 1, 2015 and to complete the exercise with a period of six months.

##### Notice under SARFAESI Act, 2002: -

(d) Bank of Baroda had issued notice under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") on January 15, 2015. The subsidiary company has filed its reply to the said notice and Bank of Baroda has issued a rejoinder letter. Thereafter, Bank of Baroda vide letter dated April 16, 2016 issued notice demanding possession of secured assets and the subsidiary company has replied to the said possession notice.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023****35. Non Provisions of Disputed Advances and Claims/Liability**

- (a) During the financial year ended on March 31, 2019, Goods and Service Tax Department of Maharashtra has re-determined Value Added Tax liability (including interest and penalty) of Rs. 6.28 Crore for the financial year 2009-10 (March 31, 2022 Rs. 6.28 Crore) and Rs. 23.93 Crore for the financial year 2010-11 (March 31, 2022 Rs. 23.93 Crore) after adjustment of Rs. 4.00 Crore (March 31, 2022 Rs. 4.00 Crore) paid by the group under protest. The group has paid Rs 1.07 Crore during the year ended as at March 31, 2020 and have filed an appeal before the Deputy Commissioner of State Tax, Mumbai. On account of the said order presently the liability of the group is of Rs. 29.15 Crore (March 31, 2022: Rs. 29.15 Crore). The provision for impugned disputed tax liability has not been accounted for as the group is hopeful of matter being decided in its favor by appellate authority.
- (b) Loan accounts of the group have been classified as Non-Performing Assets by the Central Bank of India, State Bank of India, Rare Asset Reconstruction Limited (being debt assignee of Indian Overseas Bank) and Bank of Baroda. The Bankers / ARC have not charged interest on the said Loans and therefore provision for Interest (other than upfront charges) has not been provided in the books of accounts and to that extent loss has been understated and bankers loan liability has been understated. The extent of exact amount is under determination and reconciliation with the banks. The group has entered into OTS with Central Bank of India on June 28, 2022 and therefore the unprovided interest on the said loan has been reversed. However as per the details available with the group, the amount of unprovided interest, on approximate basis, on the said loans is as under:-

(Rs in Crore)

Particular	Upto March 31 2022	From April 1, 2022 to March 31, 2023	Reduction in the Interest	Upto March 31, 2023
Interest on Corporate Loan and working Capital Loan	1551.88	122.11	869.19	804.80

**36. Additional Disclosure**

- (a) The cost of material consumed includes freight, loading and unloading expenses, inspection fees, commission on purchase, taxes & duties (to the extent of credit not available), rate difference and interest cost on purchase of raw material and ancillary expenses thereof (including reversal of any claim).
- (b) Few accounts of "Trade Receivables", "Trade payables", "Advances from Customer", "Advances Recoverable In Cash or Kind", "Advance to Suppliers and Other Parties" including very old balances and some of the Journal entries passed therein, are subject to confirmation/ reconciliation/ supporting documents and includes very old non-moving items therefore are subject to necessary adjustments for accounting or re-grouping / classification.
- (c) Account of Receivables / Payables in respect of Goods and Service Tax, Service Tax, CENVAT, and Vat are subject to reconciliation, submission of its return for its claim and/or its Audit/ Assessment/Settlement/ Payment, if any.
- (d) The classification / grouping of items of the accounts are made by the management, on the basis of the available data with the group.
- (e) The amount of inventory has been taken by the management on the basis of information available with the group and without conducting physical verification of the slow moving inventory. The slow moving inventories have been valued by the management on estimated net realizable values.
- (f) In the Capital Work in Progress of Rs. 26.08 Crore (March 31, 2022 Rs. 32.69 Crore) the management believes that the uncompleted projects of Rs. 1.37 Crore (March 31, 2022: Rs. 1.37 Crore;) requires some further investment to bring them into commercial use and the group desire to complete the project, therefore these are not treated as impaired assets and treated as temporarily suspended.
- (g) On account of technicalities involved the claim of MEIS will be accounted for as and when the claim will be admissible with the respective authority.
- (h) During the previous year the business activity of Transmission Line Tower division (TLT) was temporary suspended in order to evaluate its further business viability. However till March 31 2023 the operation of the TLT division has not commenced. The management is of the opinion that the carrying value of the Inventory, Property Plant and Equipment and Trade receivables represent net realizable value and therefore no provision for impairment/write off is required to be made.
- (i) In absences of the confirmation from the lenders, during the year the group has adjusted the repayment of the loan towards the principal loan outstanding. Further, in case of Central Bank of India, there is non-stipulation with regard to the date of payment of interest and therefore the same has been shown as Interest accrued but not due.
- (j) There has been reduction in Depreciation amount as compared to previous year as the life of the majority of the Property, Plant and Equipment have been completed and are valued at residual value.

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

- (k) The subsidiary Company (Shree Ram Electro Cast Limited) has acquired Land at Halekote-25 Village, Siruguppa Hobli or Firka, Siruguppa Taluka, District Bellary and Honnarahalli Village, Hactholli Hobali, Siruguppa Taluka, Bellary District and its Legal Document for transfer of the property in the name of the Subsidiary Company is in process.

### (l) Joint Venture

#### (i) Summarized Financial Information of Individually immaterial Joint Venture

The Group's interest in below joint venture is accounted for using the equity method in the consolidated financial statements. The summarized financial information below represents amounts shown in the joint venture financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes:

#### Bhaskarpara Coal Company Limited (Joint Venture)

(Rs In Crore)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Profit or Loss from continuing Operations after tax	0.01	0.01
Post-tax Profit or Loss from discontinued Operations	0.00	0.00
Other Comprehensive Income	0.00	0.00
Total Comprehensive Income	0.01	0.01

- (ii) Reconciliation of the financial information presented to the carrying amount of its interest in the joint venture is as under: -

#### Bhaskarpara Coal Company Limited (Joint Venture)

(Rs In Crore)

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Face value of Rs 10 each fully paid		
Opening Balance as at April 1	9.10	9.09
Add: Share in Profit of Joint Venture	0.01	0.01
<b>Total</b>	<b>9.11</b>	<b>9.10</b>
Less: Accumulated Impairment	2.13	2.13
<b>Closing Balance as at March 31</b>	<b>6.98</b>	<b>6.97</b>

### 37. DIRECTOR'S REMUNERATION

Mr. Shailesh Bhandari was re-appointed as a Managing Director for a period of three years w.e.f. February 1, 2020 at a remuneration of Rs. 2,00,000/- per month and Mr. Suraj Bhandari was appointed as a Whole-time Director for a period of three years w.e.f. November 13, 2019 at a remuneration of Rs. 1,50,000/- per month as approved by the shareholders of the Holding Company at 34th Annual General Meeting held on August 17, 2020. The above remuneration to both the Directors are subject to approval from banks and financial institutions as the Holding company has defaulted in repayment of loans.

Further, Mr. Suraj Bhandari was re-appointed as a Whole-time Director for a further period of three years w.e.f. November 13, 2022 to November 12, 2025 at a remuneration of Rs. 1,50,000/- per month as approved by the shareholders of the Holding Company at 36th Annual General Meeting held on August 31, 2022. Mr. Shailesh Bhandari was re-appointed as a Managing Director for a further period of three years w.e.f. February 1, 2023 to January 31, 2026 at a remuneration of Rs. 2,00,000/- per month as approved by the shareholders of the Holding Company through Postal Ballot on March 28, 2023. This remuneration to both the Directors are subject to approval from banks and financial institutions as the Holding company has defaulted in repayment of loans.

### 38. OTHER CASES:

#### In Holding Company: Electrotherm (India) Limited

- (a) Some of the creditors have filed cases of recovery against the company before the various Civil Courts / Commercial Courts for Rs 1.30 Crore (Previous Year Rs 1.30 Crore). The said amounts are excluding interest.
- (b) The Ahmedabad Zonal Office of the Directorate of Enforcement ("ED") has recorded a case under the provisions of the Prevention of Money Laundering Act, 2002 and during the course of investigation, the ED has passed an order dated March 28, 2018 under sub-section (1) of section 5 of the Prevention of Money Laundering Act, 2002 for provisional attachment of certain properties

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

comprising Land having total area of 4,90,621 square meter at Chhadavada and Samakhivadi of Steel Plant, Building and Plant & Machinery for a period of 180 days. Thereafter, a complaint under sub-section (5) of section 5 of the Prevention of Money Laundering Act, 2002 was filed by ED before the Adjudicating Authority, New Delhi and the Adjudicating Authority, New Delhi vide order dated September 5, 2018 confirmed the attachment of abovesaid properties. The Company has filed an appeal before the Hon'ble Appellate Tribunal, PMLA, New Delhi and the Hon'ble Appellate Tribunal, PMLA, New Delhi vide order dated December 10, 2018 passed an order for maintaining status quo and no coercive action by ED. The ED has filed its reply and the matter is adjourned for filing of rejoinder. The ED has filed an application for vacation of interim order. Thereafter, the matter was adjourned from time to time for further hearing.

- (c) The Assistant Director, Directorate of Enforcement, Ahmedabad has filed a PMLA – Special Case No. 20/2018 on December 1, 2018 before Principal District Judge, Ahmedabad against the company, Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari under section 3 and 4 of the Prevention of Money Laundering Act, 2002. During the year, the charge has been framed by the Hon'ble Court and now it is pending at the stage of evidence of prosecution.
- (d) The Company has filed recovery case against Victory Rich Trading Limited (“VRTL”) & its director for non-payment of amount in the High Court of Hong Kong and the High Court of Hong Kong has passed judgment for payment of recovery amount. Thereafter, VRTL has challenged the said order and the same is pending before the High Court of Hong Kong. Further the Company has filed a winding up petition against VRTL before the High Court of Hong Kong and the High Court of Hong Kong has passed the order for winding up of VRTL.
- (e) The Special Director, Directorate of Enforcement, Mumbai has issued a show cause notice dated September 26, 2018 to the Company and Mr. Shailesh Bhandari based on complaint under section 16(3) of Foreign Exchange Management Act, 1999 and for holding adjudicating proceedings as contemplated under Rule 4(1) of Foreign Exchange Management (Adjudicating Proceedings and Appeal) Rules, 2000. The Company has replied to the said show cause notice. No further communication in this regard has been received till date.
- (f) Mr. Siddharth Bhandari, one of the Promoter group and erstwhile Whole-time Director and Dr. Rakesh Bhandari, one of the Promoter group of the Company (“Petitioners”) has filed two separate petitions (CP No. 93 / 2018 and CP No. 94 / 2018) before the Hon'ble National Company Law Tribunal, Ahmedabad (“NCLT”) under section 149, 150, 152, 159 and 176 of the Companies Act, 2013 inter alia, for declaring the appointment of four independent directors as null and void from their respective dates of appointment being violative of provisions of section 149 and 150 and other related provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014. All the parties have filed their reply / rejoinder. In the Interlocutory Applications filed by Petitioners, the Hon'ble NCLT has inter alia, passed various orders related to certain agenda of Board Meetings, joint signatory in bank accounts, policy decisions affecting smooth running of company as a going concern etc. The Company and Mr. Shailesh Bhandari challenged the order dated May 4, 2021 before the Hon'ble National Company Law Appellate Tribunal (“NCLAT”) and the Hon'ble NCLAT has stayed the further Board Meetings of the Company by order dated May 24, 2021 and stayed the joint signatory by order dated June 17, 2021. Thereafter, the Hon'ble NCLAT has upheld the order dated May 4, 2021 and disposed of the appeals with certain directions on January 28, 2022. The Company and Mr. Shailesh Bhandari has challenged the said order dated January 28, 2022 before the Hon'ble Supreme Court of India and the Hon'ble Supreme Court of India by order dated February 25, 2022 continued the stay order on joint signatory dated June 17, 2021 passed by Hon'ble NCLAT. The Hon'ble Supreme Court of India dismissed the appeals by order dated October 11, 2022. Thereafter, the CP No. 93 / 2018 and CP No. 94 / 2018 was heard by the Hon'ble NCLT, Ahmedabad and the said petitions were disposed off on January 11, 2023 as not maintainable and vacated all interim orders. The Petitioners have challenged the order dated January 11, 2023 before the Hon'ble NCLAT and the appeals are pending before the Hon'ble NCLAT for hearing.
- (g) Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director, Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter group and Dr. Rakesh Bhandari, Promoter group of the Company (“Petitioners”) have filed petition (CP No. 38 / 2019) before the Hon'ble National Company Law Tribunal, Ahmedabad (“NCLT”) under section 241-242 of the Companies Act, 2013 against the Company, Mr. Shailesh Bhandari & Others inter alia, for removal of Mr. Shailesh Bhandari from the Board and investigation into the ownership of shares by some of the shareholders. The petition was pending before the Hon'ble NCLT for admission as well as on maintainability. Petitioners have filed interim application seeking waiver of the mandatory requirement of section 244(1)(a) of the Companies Act, 2013 and the Hon'ble NCLT vide order dated April 8, 2021, rejected the said interim application of waiver. Some of the Respondents have filed Interlocutory Applications for their discharge and the same were pending for hearing. The Petitioners have filed appeal before the Hon'ble National Company Law Appellate Tribunal (“NCLAT”) against the order dated April 8, 2021 passed by Hon'ble NCLT, however the same was withdrawn on September 27, 2021. The financial implication of this petition was not ascertainable at that point of time. Thereafter, the Hon'ble NCLT, Ahmedabad by order dated November 15, 2022 disposed of the CP No. 38 / 2019 alongwith all Interlocutory Applications.
- (h) Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter group, Dr. Rakesh Bhandari, Promoter group and Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director of the Company have filed a petition (CP No. 89 / 2019) before the Hon'ble National Company Law Tribunal, Ahmedabad (“NCLT”) under section 222 of the Companies



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

Act, 2013 against the Company and three shareholders for suspension of their voting rights and non-participation in voting at the 33rd Annual General Meeting of the Company and for maintaining the existing status of Petitioner No. 1 Mr. Siddharth Bhandari. The Hon'ble NCLT vide order dated September 27, 2019 allowed the Company to go ahead with the 33rd Annual General Meeting and e-voting process, however, the agenda Item No. 2 of the AGM shall be subject to final outcome of the petition. The petition is pending for further hearing.

- (i) Mr. Siddharth Bhandari, Mr. Mukesh Bhandari and Dr. Rakesh Bhandari ("Petitioners") has filed a petition (CP No. 5/2022) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 and other issues against the Company, Mr. Shailesh Bhandari & Others. The Hon'ble NCLT has issued notice to respondents and directed to file reply on interim relief and maintainability. The Company has filed its reply on interim relief and maintainability. The petition is pending for further hearing.

During the pendency of this petition, the Petitioners have filed an Interlocutory Application No. 55 / 2022 in CP No. 5/ 2022 to restrain the Company from holding Board Meeting dated August 2, 2022 and stay some of the agenda items. The Hon'ble NCLT, Ahmedabad has by order dated August 24, 2022 rejected the application as misconceived and not maintainable. The Petitioners have challenged the order dated August 24, 2022 before the Hon'ble NCLAT and the Hon'ble NCLAT by order dated November 29, 2022 dismissed the appeal. The Petitioners have challenged the order dated November 29, 2022 before the Hon'ble Supreme Court of India and the civil appeal is pending for hearing before the Hon'ble Supreme Court of India.

- (j) Ministry of Corporate Affairs, Office of the Regional Director, North-Western Region, Ahmedabad has in October, 2018 initiated inspection of books of accounts and other records under section 206(5) of the Companies Act, 2013. Thereafter, the Regional Director has issued letter for violations / irregularities of the Companies Act, 1956 / 2013 and the Company has replied to the same. Based on the same, the Registrar of Companies, Gujarat has issued letter for violations of the provisions of the Companies Act, 2013 and initiated prosecution against some of the directors / officers of the Company. Some of the directors / officer have challenged the said prosecution before the Hon'ble Gujarat High Court under section 463 of the Companies Act, 2013 and the said petition is pending for hearing before the Hon'ble Gujarat High Court.

Further the office of Regional Director vide letter / order dated December 24, 2019 informed the Company about investigation into the affairs of the Company under section 210(1)(c) of the Companies Act, 2013. Thereafter, the Company was directed to furnish documents / information and the Company has challenged the said investigation before the Hon'ble Gujarat High Court. As the petition was rejected by the Hon'ble Gujarat High Court, the Company has challenged the same before division bench by filing Letters Patent Appeal and the division bench of the Hon'ble Gujarat High Court has passed order for continuation of investigation and that if the report recommends closure of the proceedings, no further orders may be necessary, however, if the report recommends some coercive measures to be taken, then the Central Government or the competent authority may not take any such decision without leave of the Court. The Letters Patent Appeal is pending awaiting the appropriate report of investigation under Section 210 of the Companies Act, 2013.

- (k) Mr. Babu Devraj Badhiya has filed a Writ Petition in the nature of Public Interest Litigation (PIL) on February 4, 2019 before the Hon'ble Gujarat High Court with prayer for direction for compliance of various approvals / permissions issued by various authorities for the Samakhiali Plant. The Hon'ble Gujarat High Court has passed order for not to carry out any further construction / development and the matter is pending before the Hon'ble Gujarat High Court.

Note: The financial implication of all this case is not ascertainable at this point of time.

### **Subsidiary Company-Hans Ispat Limited**

- (l) Criminal complain u/s 138 read with Section 142 of the Negotiable instrument Act, 1881 has been filed before the Hon'ble Judicial Magistrate First Class Ahmedabad for dishonor of cheque and are shown as doubtful and the provision for the doubtful debt of Rs. 2.70 Crore (as at March 31, 2022 Rs. 2.70 Crore) has been provided in the books.

## **39. OTHER STATUTORY INFORMATION**

- (i) The group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
- (ii) The group does not have any transactions with companies which are struck off.
- (iii) The group does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period,
- (iv) The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) 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:

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

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The group does not have 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**40. GOING CONCERN OF THE SUBSIDIARY & JOINT VENTURE AND IMPAIRMENT****(a) Bhaskarpara Coal Company Limited**

- i. In the Joint venture Bhaskarpara Coal Company Limited, Ministry of Coal, Government of India vide their letter No: 13016/54/2008-CA-I Vol.III dated 15/11/2012 has ordered de-allocation of Bhaskarpara Coal block and invocation of partial amount of Bank Guarantee of Rs. 1.65 Crores in respect thereof. However, M/s UltraTech Cement Limited one of the promoters of the joint venture company has filed writ petition under Article 226 of the Constitution of India in Chhattisgarh High Court. The High Court has granted stay against further proceedings. Subsequently Supreme Court of India vide its order dated September 24, 2014 ordered the cancellation of coal block allotted to the joint venture Company. In view of this de-allocation matter before Chhattisgarh High Court has become infructuous.
- ii. The Hon'ble High Court of Chhattisgarh has passed final order on November 15, 2017 and upheld MoC demand to invoke the bank guarantee to the extent of the amount of Rs. 1.65 Crores with accruals as may be due thereon. The joint venture company has filed SLP 35575/2017 in Hon'ble Supreme Court and stay granted on invocation of the bank guarantee.
- iii. The Government of India has promulgated the Coal mines (Special provisions) ordinance, 2014. As per clause 16 of the ordinance, being a prior allottee, the Joint Venture Company is entitled to reimbursement of cost of land and mine infrastructure expenses. Consequently, out of project expenses of Rs. 11.36 Crore, the Joint Venture company made impairment of Rs. 3.48 Crore in respect of non-recoverable expenditure in year ended as at March 31, 2015. Further all other assets are stated at realizable value and liabilities at which are actually payable.
- iv. In view of the order of the Hon'ble Supreme Court of India for cancellation of coal block allotted to the Joint Venture Company, the Joint Venture Company does not have any business to carry on. Hence these accounts are prepared on the basis that the Company is not a going concern.

**(b) Shree Ram Electro Cast Limited**

Subsidiary Company has discontinued its operation since April 2011 because of the non-availability of Iron Ores due to limited banned by the Hon'ble Supreme Court's order in the state of the Karnataka and further the State Bank of India has taken action under SARFAESI Act, 2002 and subsequent action of the sale through auction of the hypothecated / mortgaged assets of the subsidiary company situated at Honnarhalli Village, Hatchali Post, Siruguppa Taluk, Bellari District, Karnataka was taken place for Rs. 11.97 Crore and its formalities have been completed upto April 16, 2019. Further, the Subsidiary Company has accumulated losses and its net worth has been fully eroded, the Subsidiary Company has incurred a net loss/net cash loss during the current and previous year(s) and, the Subsidiary Company's current liabilities exceeded its current assets as at the balance sheet date & 100% of its charged Assets have been sold through auction by the bankers. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

**(c) ET Elec-Trans Limited**

Subsidiary Company has not carried out any business or commercial activity. During the year the subsidiary company has a cash loss of Rs 0.00 Crore and accumulated losses of Rs 1.48 Crore, which has fully eroded the net worth of the subsidiary company. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary Company's ability to continue as a going concern.

**(d) Hans Ispat Limited**

Bank of Baroda had filed Original Application against Hans Ispat Limited (Subsidiary Company) & its guarantors (i.e. Mr. Shailesh Bhandari and Mr. Mukesh Bhandari) before Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of



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

Debts due to Banks and Financial Institutions Act 1993. The Hon'ble DRT vide judgement dated April 15, 2019 allowed the original application filed by the Bank of Baroda and for issue of recovery certificate against the Subsidiary Company and guarantors to the tune of Rs. 50.74 Crores and future interest on the amount due @12.00% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. Thereafter, the Hon'ble Recovery Officer has put the properties for e-auction on November 22, 2019, April 29, 2020, September 24, 2021 and November 18, 2021. On November 18, 2021 the bid offer of Rs. 33.03 Crores from Kemo Steel Industries Private Ltd was successful. The Ld Recovery Officer, DRT-I Ahmedabad confirmed the sale and handed over the possession on April 6, 2022 to the auction purchaser. Sale Certificate was issued on April 7, 2022 in favour of the auction purchaser.

However, Invent Assets Securitisations & Reconstruction Private Limited (assignee of debts of State Bank of India for Subsidiary Company) has filed an appeal in DRAT, Mumbai. The Hon'ble DRAT has passed an order on April 19, 2022 that further proceeding consequent to the sale which has already been confirmed and possession handed-over be stalled and stayed further proceedings and status-quo to be maintained. Thereafter, by order dated August 10, 2022, the Hon'ble DRAT by way of an interim arrangement, permitted the auction purchaser to run the factory, subject to the certain condition and to the ultimate decision to be taken in the Appeal. Invent Assets Securitisations & Reconstruction Private Limited has filed a Writ Petition before the Bombay High Court challenging this order of the DRAT. Hans Ispat Limited has also filed an appeal in the DRAT against the order of the Recovery officer, DRT Ahmedabad finalising the sale of the mortgaged property. The said appeals are pending for further hearing.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the said Wholly Owned Subsidiary Company's ability to continue as a going concern.

### 41 Financial Instruments, Fair Value Measurements, Financial Risks & Capital Management

#### 41.1 Category wise Classification of Financial Instruments

(Rs In Crore)

Particulars	March 31, 2023		
	FVPL	Amortized cost	Carrying Value
<b>Financial assets</b>			
Trade receivables	-	208.38	208.38
Cash and Cash Equivalents	-	66.09	66.09
Other Bank balances	-	6.64	6.64
Investments in mutual fund units	0.52	-	0.52
Investments in Joint Venture net of Accumulated Impairment	-	6.98	6.98
Investments in Unquoted Government Securities	-	0.01	0.01
Other financial assets	-	41.62	41.62
<b>Total financial assets</b>	<b>0.52</b>	<b>329.72</b>	<b>330.24</b>
<b>Financial liabilities</b>			
Trade payables	-	376.49	376.49
Borrowing	-	1,972.89	1,972.89
Preference shares	-	12.00	12.00
Lease Liability	-	1.54	1.54
Other financial liabilities	-	89.70	89.70
<b>Total financial liabilities</b>	<b>-</b>	<b>2,452.62</b>	<b>2,452.62</b>

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

(Rs In Crore)

Particulars	March 31, 2022		
	FVPL	Amortized cost	Carrying Value
<b>Financial assets</b>			
Trade receivables	-	166.97	166.97
Cash and Cash Equivalents	-	64.47	64.47
Other Bank balances	-	7.25	7.25
Investments in mutual fund units	0.52	-	0.52
Investments in Joint Venture net of Accumulated Impairment	-	6.97	6.97
Investments in Unquoted Government Securities	-	0.01	0.01
Other financial assets	-	53.23	53.23
<b>Total financial assets</b>	<b>0.52</b>	<b>298.90</b>	<b>299.42</b>
<b>Financial liabilities</b>			
Trade payables	-	386.51	386.51
Borrowing	-	2,072.62	2,072.62
Preference shares	-	12.00	12.00
Lease Liability	-	2.03	2.03
Other financial liabilities	-	26.96	26.96
<b>Total financial liabilities</b>	<b>-</b>	<b>2,500.12</b>	<b>2,500.12</b>

## 41.2 Category-wise Classification of Financial Instruments

## i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table

Financial assets and liabilities measured at fair value - recurring fair value measurements:

(Rs In Crore)

Particulars	Note	Level 1	Level 2	Level 3	Total
<b>Investments in quoted mutual fund</b>					
As at March 31, 2023	5	0.52	-	-	0.52
As at March 31, 2022	5	0.52	-	-	0.52

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

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

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

## ii) Valuation technique used to determine fair value

Financial instruments are initially recognized and subsequently re-measured at fair value as described below :

- The fair value of investment in quoted Mutual Funds is measured at quoted price or NAV.

## iii) Valuation process

The Group company obtains valuation results from external valuers for level 2 measurements. Inputs to level 2 measurements are verified by the Company's treasury department.

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

The management assessed that cash and cash equivalents, Bank Balance other than cash and cash equivalents, trade receivables, trade payables and government securities, other financial assets, short term borrowings, non current borrowings and other current financial liabilities approximate their carrying amounts.

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

### 42 Financial Instrument Risk, Management, Objectives & Policies

#### 42.1 Financial risk management

The management of the Group has implemented a risk management system that is monitored by the Board of Directors. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Group are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Group. Risk management reporting is a continuous process and part of regular Group reporting.

The group is exposed to credit, liquidity and market risks (interest rate risk, foreign currency risk and other price risk) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements..

#### 42.2 Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The balances with banks and security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.

##### Trade receivables and Advances to Suppliers & Others

Credit risk arises from the possibility that customer/borrowers will not be able to settle their obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers and the borrowers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

The provision on trade receivables for expected credit loss is recognized on the basis of life-time expected credit losses (simplified approach). Trade receivables are evaluated separately for balances towards progress billings and retention money due from customers. An expected loss rate is calculated at each year-end, based on combination of rate of default and rate of delay. The Group considers the rate of default and delay upon initial recognition of asset, based on the past experience and forward-looking information, wherever available.

##### Concentrations of Credit Risk form part of Credit Risk

During the year ended March 31, 2023, the group did not have sales to a single Customer exceeding 10% of its total Sales and during the year ended March 31, 2022, sales to such customer approximated Rs 306.08 Crore (or 10.81% of net revenue). Accounts receivable from such customer approximated Rs Nil (or 0 % of total receivables) at March 31, 2023 and Rs 9.84 Crore (or 5.89% of total receivables) at March 31, 2022. A loss of this customer could adversely affect the operating results or cash flows of the group.

##### Allowance for Expected Credit Loss / Doubtful Receivable:

#### i) As at March 31, 2023 (Rs In Crore)

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Gross carrying amount	312.53	136.64	449.17
Credit loss rate	33.32%	13.21%	27.21%
Expected Credit Loss / Doubtful Receivable	104.15	18.05	122.20
<b>Carrying amount</b>	<b>208.38</b>	<b>118.59</b>	<b>326.97</b>

#### ii) As at March 31, 2022 (Rs In Crore)

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Gross carrying amount	269.02	120.91	389.93
Credit loss rate	37.93%	14.93%	30.80%
Expected Credit Loss / Doubtful Receivable	102.05	18.05	120.10
<b>Carrying amount</b>	<b>166.97</b>	<b>102.86</b>	<b>269.83</b>

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

Reconciliation of expected credit loss / loss allowance provision			(Rs In Crore)
Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Loss allowance as on April 1, 2021	100.13	18.05	118.18
Changes in loss allowance	1.92	-	1.92
Loss allowance as on March 31, 2022	102.05	18.05	120.10
Changes in loss allowance	2.10	-	2.10
Loss allowance as on March 31, 2023	104.15	18.05	122.20

## 42.3 Liquidity risk

Liquidity risk is the risk that the group will face in meeting its obligations associated with its financial liabilities. The group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. Liquidity crises has led to default in repayment of principle and interest to lenders however the group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is used for the repayment of loan, invested in interest bearing term deposits and mutual funds with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

## Maturities of financial liabilities

The table below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

(Rs In Crore)			
As at March 31, 2023	Payable Upto 31.03.2024	01.04.2024 to 31.03.2027	After 31.03.2027
Trade Payables	376.49	-	-
Borrowings	1,727.97	244.88	0.04
Lease liability	1.36	0.18	-
Preference Shares	12.00	-	-
Other Financial liabilities	89.68	0.02	-
<b>Total</b>	<b>2,207.50</b>	<b>245.08</b>	<b>0.04</b>

(Rs In Crore)			
As at March 31, 2022	Payable Upto 31.03.2023	01.04.2023 to 31.03.2026	After 31.03.2026
Trade Payables	386.51	-	-
Borrowings	1,710.33	362.25	0.04
Lease liability	1.13	0.90	-
Preference Shares	12.00	-	-
Other Financial liabilities	26.94	0.02	-
<b>Total</b>	<b>2,136.91</b>	<b>363.17</b>	<b>0.04</b>

## 42.4 Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets. The Group is mainly exposed to interest rate risk and foreign currency risk.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**i) 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 the market rates. Since the borrowing of the company are classified as non performing assets or are transferred to assets reconstruction company or the settlement agreement have been executed and few lenders are charging interest at fix rate of interest, therefore the exposure to risk of changes in market interest rates is minimal. However the Company is liable for the payment of interest to Union Bank of India and Central Bank of India @ 1 Year MCLR on the Outstanding amount & it's sensitivity analysis is as under :-

(Rs In Crore)

Particular	Outstanding Amount as on March 31, 2023	Interest for the period ended as on March 31, 2023	Increase in Interest by 1%	Decrease in Interest by 1%
Union Bank of India	9.00	0.67	0.01	(0.01)
Central Bank of India	351.80	10.73	0.11	(0.11)

(Rs In Crore)

Particular	Outstanding Amount as on March 31, 2022	Interest for the period ended as on March 31, 2022	Increase in Interest by 1%	Decrease in Interest by 1%
Union Bank of India	16.42	1.08	0.01	(0.01)

**ii) Foreign currency risk**

The international nature of the Group's business activities generates numerous cash flows in different currencies -especially in USD and EURO. To contain the risks of numerous payment flows in different currencies- in particular in USD and EURO- the Group follows group wise policies for foreign currency management

The Group's exposure to foreign currency risk at the end of reporting period are as follows:

(In Crore)

Particulars	As at March 31, 2023	
	USD	Euro
<b>Financial assets</b>		
Trade receivables	0.91	-
Net exposure to foreign currency risk (assets)	0.91	-
<b>Financial liabilities</b>		
Trade payables	0.06	0.03
Net exposure to foreign currency risk (liabilities)	0.06	0.03
Net exposure to foreign currency risk	0.85	(0.03)
Net Exposure In Indian Currency	69.88	(2.69)

(In Crore)

Particulars	As at March 31, 2022	
	USD	Euro
<b>Financial assets</b>		
Trade receivables	0.68	-
Net exposure to foreign currency risk (assets)	0.68	-
<b>Financial liabilities</b>		
Trade payables	0.06	0.01
Net exposure to foreign currency risk (liabilities)	0.06	0.01
Net exposure to foreign currency risk	0.62	(0.01)
Net Exposure In Indian Currency	47.00	(0.43)

The above table represent only total major exposure of the Group towards foreign exchange denominated trade receivables and trade payables only.

The Group is mainly exposed to change in USD and Euro. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and Euro against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

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

The sensitivity of Profit or loss to changes in USD and Euro exchange rate are as follows: (Rs In Crore)

Particulars	As at March 31, 2023	
	Rupee / USD	Rupee / Euro
<b>Impact on Profit / (Loss)</b>		
Increase by 5%	3.49	(0.13)
Decrease by 5%	(3.49)	0.13

(Rs In Crore)

Particulars	As at March 31, 2022	
	Rupee / USD	Rupee / Euro
<b>Impact on Profit / (Loss)</b>		
Increase by 5%	2.35	(0.02)
Decrease by 5%	(2.35)	0.02

## 43 Capital 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.

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholders value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders.

The Capital structure of the Group is as follows: (Rs In Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity share capital	12.74	12.74
Other Equity	(1,108.95)	(1,095.10)
<b>Total Equity</b>	<b>(1,096.21)</b>	<b>(1,082.36)</b>

## 44 Corporate Social Responsibility (CSR)

Details of CSR expenditure: (Rs in Crore)

Particulars	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Group during the year	0.37	1.66
b) Amount approved by the Board to be spent during the year	0.37	1.66

c) Amount spent during the year ended on March 31, 2023 (Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	-	-
In Cash	-	0.37
<b>Total</b>	<b>-</b>	<b>0.37</b>

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

d) Amount spent during the year ended on March 31, 2022: (Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	1.38	0.11
In Cash	-	0.17
<b>Total</b>	<b>1.38</b>	<b>0.28</b>

e) Details related to spent / unspent obligations: (Rs in Crore)

Particulars	March 31, 2023	March 31, 2022
i) Animal welfare in the form of distribution of grass and towards disaster relief in the form of distribution of food packets in Covid-19 and otherwise.	0.20	0.11
ii) Promoting employment enhancing vocations skills among women	0.00	-
iii) Paver & curbing work of road and hazardous waste treatment at village Palodia	-	0.06
iv) Contribution to Trust		
- Promoting Education	0.12	-
- Ensuring Environment sustainability & protection of flora and fauna-Plantation of tree through Miyawaki method.	0.05	-
v) Unspent amount in relation to:		
- Ongoing project	-	1.38
- Other than ongoing project	-	0.11
<b>Total</b>	<b>0.37</b>	<b>1.66</b>

f) Details of ongoing project and other than ongoing project

(a) In case of S. 135(6) (Ongoing Project) (Rs in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance</b>		
- With Group	1.38	-
- In Separate CSR Unspent A/c	-	-
<b>Amount required to be spent during the year</b>	-	1.38
<b>Amount spent during the year</b>	-	-
- From Group's bank A/c	-	-
- From Separate CSR Unspent A/c	0.09	-
<b>Closing Balance</b>	-	-
- With Group *	-	1.38
- In Separate CSR Unspent A/c	1.29	-

\*deposited subsequent to year end.

(b) In case of S. 135(5) (Other than ongoing project)

(Rs in Crore)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	0.11	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	0.37	0.28
Amount spent during the year	0.48	0.17
<b>Closing Balance</b>	<b>-</b>	<b>0.11</b>



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

45. Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties that are repayable on demand or without specifying any terms or period of repayment.

(Rs in Crore)

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of such loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of such loans
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties Associate	0.15	100.00	0.16	100.00
<b>Total</b>	<b>0.15</b>	<b>100.00</b>	<b>0.16</b>	<b>100.00</b>

## 46 SEGMENT WISE REVENUE, RESULTS ASSETS &amp; LIABILITIES

## Operating Segments:

The Group is engaged in the business of Engineering & Technologies, Special Steel, Electric Vehicle and Others. In accordance with the requirements of Ind AS 108 "Operating Segments" Group has identified these four segments as reportable segments.

## Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

## Primary Reportable Segment (Business Segment)

(Rs. In Crore)

Particulars	Current Year	Previous Year
<b>SEGMENT REVENUE</b>		
Engineering & Technologies Division	1,007.50	892.90
Special Steel Division	2,034.65	1,894.93
Electric Vehicle Division	39.52	55.68
Others	0.02	0.32
<b>Total Sales</b>	<b>3,081.69</b>	<b>2,843.83</b>
Less : Inter segment Revenue	7.64	12.52
<b>Net Sale</b>	<b>3,074.05</b>	<b>2,831.31</b>
<b>SEGMENT PROFIT BEFORE TAX AND INTEREST</b>		
Engineering & Technologies Division	143.82	62.88
Special Steel Division	(86.25)	(56.84)
Electric Vehicle Division	(2.15)	(1.18)
Others	(0.06)	0.22
<b>Profit Before Interest, Tax &amp; Prior Period Adjustment</b>	<b>55.35</b>	<b>5.08</b>
Less: Financial Expenses	67.17	45.45
<b>Net Profit before Tax</b>	<b>(11.82)</b>	<b>(40.37)</b>

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

Particulars	Current Year	Previous Year
<b>OTHER INFORMATION</b>		
<b>Segment Assets</b>		
Engineering & Technologies Division	657.82	541.50
Special Steel Division	1,055.48	1,162.51
Electric Vehicle Division	31.06	33.05
Others	7.78	7.78
<b>Total Segment Assets</b>	<b>1,752.14</b>	<b>1,744.84</b>
<b>Segment Liabilities</b>		
Engineering & Technologies Division	768.77	781.05
Special Steel Division	2,041.20	2,006.84
Electric Vehicle Division	9.59	10.49
Others	28.79	28.82
<b>Total Segment Liabilities</b>	<b>2,848.35</b>	<b>2,827.20</b>
<b>Segment Depreciation</b>		
Engineering & Technologies Division	6.94	8.03
Special Steel Division	40.83	78.30
Electric Vehicle Division	1.42	1.57
<b>Total Depreciation</b>	<b>49.19</b>	<b>87.90</b>
<b>Other Non Cash Expenses/ (Income)</b>		
Engineering & Technologies Division	0.75	0.36
Special Steel Division	36.77	-
Electric Vehicle Division	1.34	1.36
Others	-	-
<b>Total</b>	<b>38.86</b>	<b>1.72</b>
<b>Segment Capital Expenditure</b>		
Engineering & Technologies Division	6.11	8.22
Special Steel Division	11.39	32.16
Electric Vehicle Division	-	-
Others	-	-
<b>Total Capital Expenditure (Net)</b>	<b>17.50</b>	<b>40.38</b>

**Secondary Reportable Segment (Geographically Segment)**

(Rs. In Crore)

Particulars	Current Year	Previous Year
<b>Segment Revenue</b>		
- Within India	2,730.53	2,498.48
- Outside India	343.52	332.83
<b>Total Revenue</b>	<b>3,074.05</b>	<b>2,831.31</b>
<b>Segment Assets</b>		
- Within India	1,677.43	1,692.96
- Outside India	74.71	51.88
<b>Total Assets</b>	<b>1,752.14</b>	<b>1,744.84</b>

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

## 47 Ageing of Trade Receivable and Trade Payable

## (a) Trade Receivable

As at March 31, 2023

(Rs. In Crore)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	68.52	99.98	7.30	8.06	4.43	20.09	208.38
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	0.06	0.03	0.01	28.14	71.88	100.12
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	4.03	4.03
<b>Total</b>	<b>68.52</b>	<b>100.04</b>	<b>7.33</b>	<b>8.07</b>	<b>32.57</b>	<b>96.00</b>	<b>312.53</b>
<b>Less: Provision for Expected Credit Loss / Doubtful Receivable</b>							
- on Other Parties							(104.15)
<b>Total Trade Receivables</b>							<b>208.38</b>

As at March 31, 2022

(Rs. In Crore)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	71.48	37.54	13.20	20.17	13.68	10.90	166.97
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	0.06	-	0.75	97.14	97.95
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	4.10	4.10
<b>Total</b>	<b>71.48</b>	<b>37.54</b>	<b>13.26</b>	<b>20.17</b>	<b>14.43</b>	<b>112.14</b>	<b>269.02</b>
<b>Less: Provision for Expected Credit Loss / Doubtful Receivable</b>							
- on Other Parties							(102.05)
<b>Total Trade Receivables</b>							<b>166.97</b>

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**(b) Trade Payables**
**As at March 31, 2023**

(Rs. In Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	37.41	11.45	1.17	0.17	-	50.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	143.46	124.90	19.00	9.96	28.99	326.29
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>180.87</b>	<b>136.35</b>	<b>20.17</b>	<b>10.13</b>	<b>28.99</b>	<b>376.49</b>

**As at March 31, 2022**

(Rs. In Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	13.07	25.42	0.21	-	-	38.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	86.26	218.40	13.72	4.76	24.67	347.81
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>99.33</b>	<b>243.82</b>	<b>13.93</b>	<b>4.76</b>	<b>24.67</b>	<b>386.51</b>

**48. RELATED PARTY DISCLOSURE**

As required by Indian Accounting Standard-24 "RELATED PARTY DISCLOSURE", the disclosure of transaction with related parties are given below:-

**A. List of Related Parties**
**(i) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives**

- EIL Software Services Offshore Pvt. Ltd.
- Etain Electric Vehicles Ltd.
- Electrotherm Tech Limited (Earlier Known as Electrotherm Solar Limited)
- ETAIN Renewables Ltd.
- Bhandari Charitable Trust

**(ii) Key Managerial Personnel/Director of Companies**

- Mr. Shailesh Bhandari (Managing Director)
- Mr. Suraj Bhandari (Whole time Director)
- Mr. Jigar Shah (Company Secretary) (w.e.f 02.08.2022)
- Mr. Chirag Shah (Chief Financial Officer) (w.e.f 24.05.2023)

**(iii) Non-Executive/Independent Directors**

- Mr. Mukesh Bhandari (Non-Executive Director)
- Mr. Dinesh Shankarlal Mukat (Independent Director & Non-Executive Chairman)
- Ms. Nivedita Ravindra Sarda (Independent Director)
- Mr. Pratap Mohan (Independent Director)

**(iv) Relatives of Key Managerial Personnel**

- Late Mrs. Indubala Bhandari (Mother of Director)
- Mrs. Jyoti Bhandari (Wife of Director)
- Mr. Siddharth Bhandari (Son of Director)

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

(Rs. in Crores)

B. Related Parties Transaction as Identified by the Company from its records

SR. NO.	NAME	INTEREST EXPENSES ON LEASE LIABILITY		RENT EXPENSE		REDUCTION IN LEASE LIABILITY		SITTING FEE		SALARY	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(i)	<b>KEY MANAGEMENT PERSONNEL :</b>										
1	Mr. Shailesh Bhandari	0.01	0.01	-	-	-	-	-	-	-	-
2	Mr. Fageshkumr R. Soni	-	-	-	-	-	-	-	-	-	0.08
3	Mr. Jigar Shah	-	-	-	-	-	-	-	-	0.08	-
(ii)	<b>NON-EXECUTIVE/INDEPENDENT DIRECTORS :</b>										
1	Mr. Mukesh Bhandari	0.01	0.02	-	-	0.01	-	-	-	-	-
2	Mr. Dinesh Shankar Mukati	-	-	-	-	-	-	0.04	0.03	-	-
3	Ms. Nivedita Ravindra Sarda	-	-	-	-	-	-	0.03	0.01	-	-
4	Mr. Pratap Mohan	-	-	-	-	-	-	0.04	0.03	-	-
(iii)	<b>RELETIVES OF KEY MANAGEMENT PERSONNEL :</b>										
	(With whom Transaction has been taken Place during the year)										
1	Late Mrs. Indubala Bhandari	-	-	-	0.01	-	-	-	-	-	-
2	Mrs. Jyoti Bhandari	-	0.00	-	-	0.03	-	-	-	-	-

**Note :**

The Remuneration to the key managerial personnel does not include the Provision made for gratuity and leave encashment, as it is determined on an accrual basis for the group as a whole.

**Terms and conditions of transactions with related parties**

Outstanding balance at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related party receivables or payables. The Group has recorded impairment of receivable relating to amount owned by related parties of Rs. 2.13 Crore (March 31, 2022 of Rs. 2.13 Crore). The assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

**Notes to Consolidated Financial Statements for the year ended March 31, 2023**
**C: BALANCES AS AT YEAR ENDED** (Rs. In Crore)

Trade Receivable	As at 31.03.2023	As at 31.03.2022
- Electrotherm Tech Limited (Earlier Known as Electrotherm Solar Limited)	3.46	3.46
- ETAIN Electric Vehicles Limited	1.76	1.76
- ETAIN Renewables Limited	2.26	2.26
- Bhandari Charitable Trust	2.20	2.20
<b>Total</b>	<b>9.68</b>	<b>9.68</b>

(Rs. In Crore)

Trade Payables	As at 31.03.2023	As at 31.03.2022
- Electrotherm Tech Limited (Earlier Known as Electrotherm Solar Limited)	-	0.00
- ETAIN Renewables Limited	0.00	0.01
- Mr. Shailesh Bhandari	0.01	0.01
- Mr. Jigar Shah	0.01	-
<b>Total</b>	<b>0.02</b>	<b>0.02</b>

(Rs. In Crore)

Other Assets	As at 31.03.2023	As at 31.03.2022
- ETAIN Electric Vehicles Limited	0.01	0.01
- ETAIN Renewables Limited	0.05	0.06
- Electrotherm Tech Limited (Earlier Known as Electrotherm Solar Limited)	0.09	0.09
<b>Total</b>	<b>0.15</b>	<b>0.16</b>

(Rs. In Crore)

Borrowings	As at 31.03.2023	As at 31.03.2022
- Mr. Siddharth Bhandari	0.04	0.04
<b>Total</b>	<b>0.04</b>	<b>0.04</b>

(Rs. In Crore)

Short Term Borrowings	As at 31.03.2023	As at 31.03.2022
- Mr. Mukesh Bhandari	0.24	0.24
- EIL Software Services Offshore Private Limited	1.75	1.75
- Mrs. Jyoti Bhandari	0.15	0.15
- Mr. Rakesh Bhandari	0.02	0.02
<b>Total</b>	<b>2.16</b>	<b>2.16</b>

(Rs. In Crore)

Lease Liabilities	As at 31.03.2023	As at 31.03.2022
- Mr. Shailesh Bhandari	0.15	0.15
- Mr. Mukesh Bhandari	0.25	0.24
- Mrs. Jyoti Bhandari	0.05	0.08
<b>Total</b>	<b>0.45</b>	<b>0.47</b>

(Rs. In Crore)

Other Liabilities	As at 31.03.2023	As at 31.03.2022
- ETAIN Renewables Ltd	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>

(Rs. In Crore)

Impairment / Provision	As at 31.03.2023	As at 31.03.2022
- Bhaskarpara Coal Company Limited - (Investment)	2.13	2.13
<b>Total</b>	<b>2.13</b>	<b>2.13</b>

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

## 49 Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013 (Rs In Crore)

Particulars	Year	Net Assets i.e, Total Assets-Total Liabilities		Share in Profit or Loss for the Year		Share in other comprehensive Income / (Loss)		Share in Total Comprehensive Income	
		Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
<b>Parent</b>									
Electrotherm (India) Limited	Current Year	94.82%	(1,039.41)	648.65%	(76.66)	100.00%	(2.03)	568.23%	(78.69)
	Previous Year	88.76%	(960.72)	134.59%	(54.32)	100.00%	0.39	134.93%	(53.93)
<b>Subsidiaries</b>									
- <b>Indian</b>									
Hans Ispat Limited	Current Year	14.18%	(155.42)	28.60%	(3.38)	-	-	24.41%	(3.38)
	Previous Year	14.05%	(152.03)	20.99%	(8.47)	-	-	21.19%	(8.47)
Electrotherm Services Limited	Current Year	0.39%	(4.23)	0.17%	(0.02)	-	-	0.14%	(0.02)
	Previous Year	0.39%	(4.20)	(0.07%)	0.03	-	-	(0.08%)	0.03
Shree Ram Electro cast Limited	Current Year	3.33%	(36.48)	0.08%	(0.01)	-	-	0.07%	(0.01)
	Previous Year	3.37%	(36.47)	0.02%	(0.01)	-	-	0.03%	(0.01)
ET Elec-Trans Limited	Current Year	0.14%	(1.49)	0.02%	(0.00)	-	-	0.01%	0.00
	Previous Year	0.14%	(1.48)	0.02%	(0.01)	-	-	0.02%	(0.01)
- <b>Foreign</b>									
Jinhua Indus Enterprises Limited	Current Year	0.26%	(2.87)	0.00%	0.00	-	-	0.00%	0.00
	Previous Year	0.27%	(2.87)	0.20%	(0.08)	-	-	0.20%	(0.08)
Jinhua Jahari Enterprises Limited	Current Year	(0.14%)	1.58	0.03%	0.00	-	-	0.02%	0.00
	Previous Year	(0.15%)	1.58	(0.27%)	0.11	-	-	(0.28%)	0.11
<b>Joint Venture</b>									
Bhaskarpara Coal Company Limited	Current Year	(0.64%)	6.98	(0.08%)	0.01	-	-	(0.07%)	0.01
	Previous Year	(0.64%)	6.97	(0.02%)	0.01	-	-	(0.03%)	0.01
Elimination	Current Year	(12.33%)	135.13	(577.47%)	68.25	-	-	(492.82%)	68.25
	Previous Year	(6.18%)	66.86	(55.44%)	22.38	-	-	(55.98%)	22.38
Group as a Whole	Current Year	100.00%	(1,096.21)	100.00%	(11.82)	100.00%	(2.03)	100.00%	(13.85)
	Previous Year	100.00%	(1,082.36)	100.00%	(40.36)	100.00%	0.39	100.00%	(39.97)

## 50 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 27, 2023, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in the consolidated financial statements.

50 Previous year amount has been regrouped/re-casted/re-arranged/ re-classified/re-determined, wherever necessary, to make the figure of the current year comparable with the previous year.

As per our report of even date  
For **Hitesh Prakash Shah & Co.**  
Chartered Accountants  
Firm Registration No: 127614W

**Hitesh Shah**  
Partner  
Membership No. 124095  
UDIN: 23124095BGXFRA3562

Place : Ahmedabad  
Date : May 27, 2023

For and on behalf of the Board of Directors of  
**Electrotherm (India) Limited**

**Shailesh Bhandari**  
Managing Director  
DIN:- 00058866

**Chiragkumar H Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : May 27, 2023

**Suraj Bhandari**  
Whole Time Director  
DIN:- 07296523

**Jigar H. Shah**  
Company Secretary













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