



36th ANNUAL REPORT 2021-22

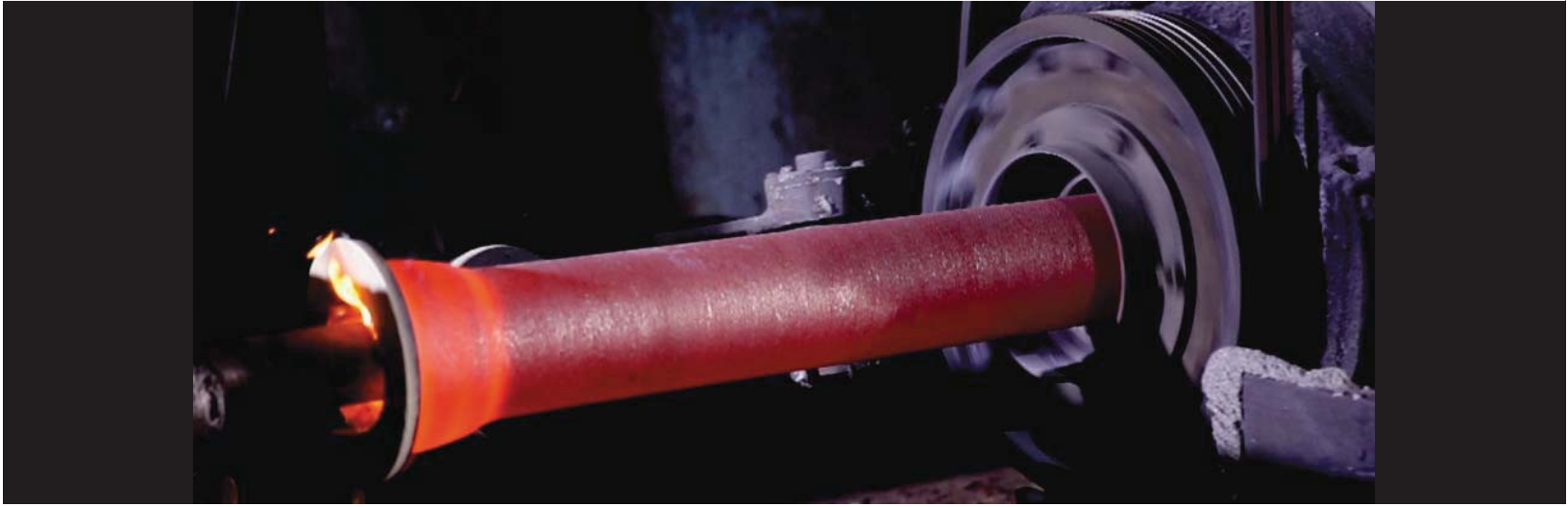
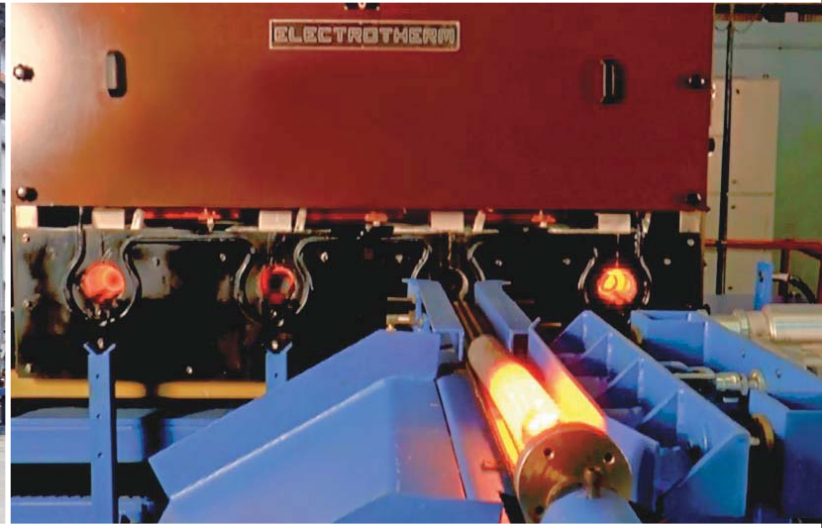
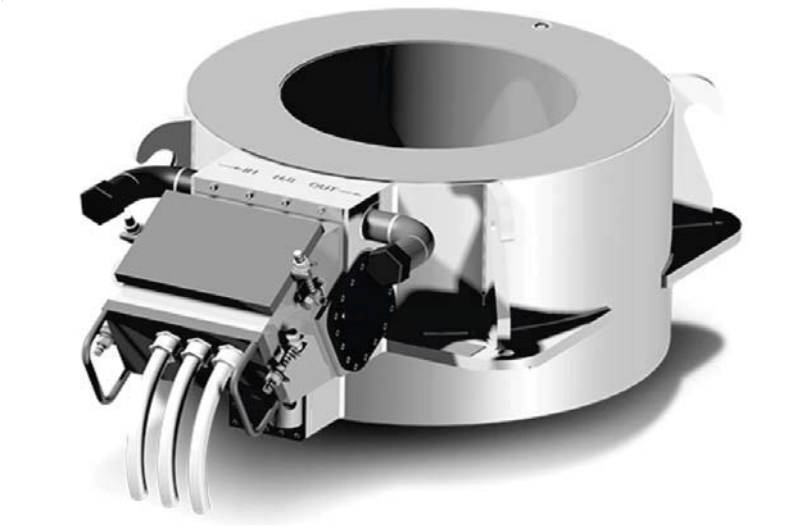
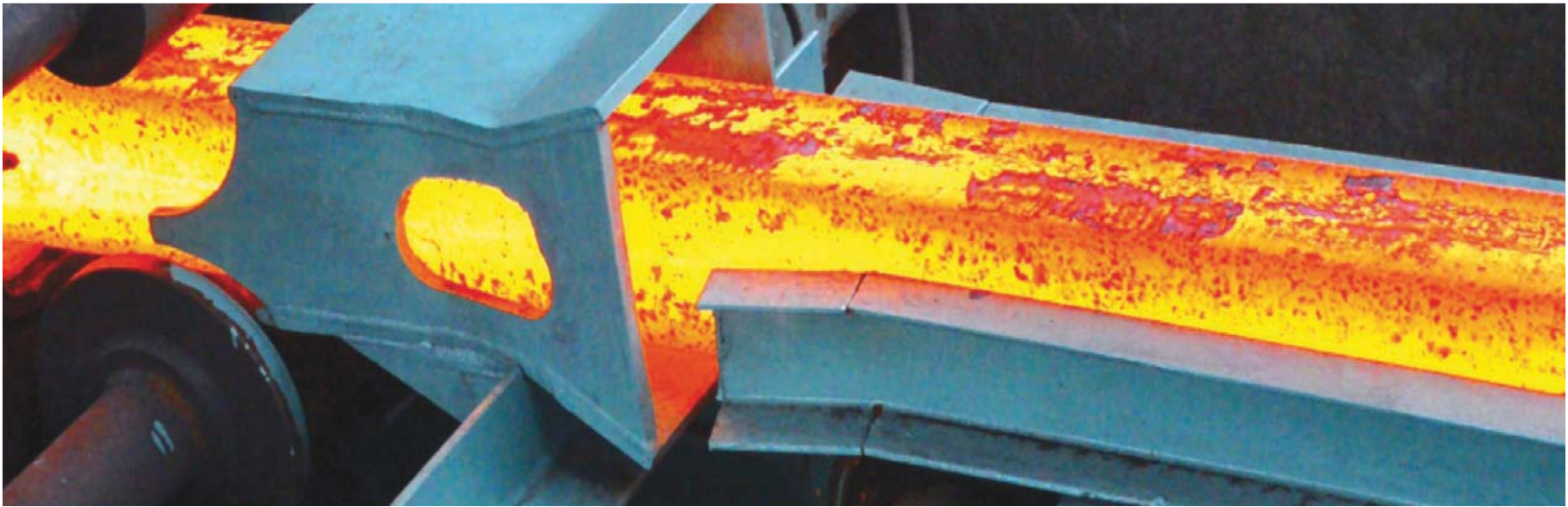


- Melting equipments for Steel Plants & Foundries
- Continuous Casting Machine
- Metal Refining Konverter & Electrotherm Refining Furnace
- Air Pollution Control Equipment
- Rolling Mill
- Induction Heating Equipment
- Coal Based DRI Plant & Power Plants (WHR)
- Steel & Stainless Steel
- Ductile Iron Pipe
- Transmission Line Tower
- Transformers
- Electric Bikes & Electric Rikshaw



ELECTROTHERM[®]

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 Sarda	Independent Director

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

A-1, Skylark Apartment,
 Satellite Road, Satellite,
 Ahmedabad – 380015
 CIN : L29249GJ1986PLC009126
 Email : sec@electrotherm.com
 Website: www.electrotherm.com
 Phone: +91-79 - 26768844
 Fax: +91-79 - 26768855

Registrar & Transfer Agent

Link Intime India Private Limited
 5th 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	
02	Notice of Annual General Meeting
15	Boards' Report
32	Management Discussion and Analysis Report
36	Report on Corporate Governance
52	Standalone Financial Statements
128	Consolidated Financial Statements

NOTICE

NOTICE is hereby given that the **36th Annual General Meeting** of Members of Electrotherm (India) Limited will be held on **Wednesday, 31st August, 2022 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 31st March, 2022 together with report of Board of Directors and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Suraj Bhandari (DIN: 07296523), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To re-appoint Statutory Auditors and fix their remuneration and in this regard, 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, as amended from time to time and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Hitesh Prakash Shah & Co., Chartered Accountants (Firm Registration No. 127614W) be and are hereby re-appointed as Auditors of the Company to hold office for a period of five years from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting to be held in the year 2027 at such remuneration, as may be mutually agreed between the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

4. **To ratify the remuneration of the Cost Auditor for the financial year ending on 31st March, 2023:**

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 31st March, 2023.”

5. **To re-appoint Mr. Suraj Bhandari (DIN: 07296523) as a Whole-time Director of the Company**

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 196, 197, 200 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modification or re-enactment thereof for time being in force), the Memorandum and Articles of Association of the Company and subject to approval of Banks / Financial Institutions / National Company Law Tribunal / Central Government and such other approval as may be necessary, Mr. Suraj Bhandari (DIN: 07296523), who has given his consent and a declaration under Schedule V of the Companies Act, 2013 to act as Whole-time Director, be and is hereby re-appointed as a Whole Time Director of the Company for the period of three years, commencing from 13th November, 2022 and concluding on 12th November, 2025.

I. REMUNERATION:

- (A) Monthly Salary of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand Only)

(B) PERQUISITES:

- (i) In addition to the salary as above, Mr. Suraj Bhandari will be entitled to Personal Accident Insurance and Group Life Insurance, Club fees subject to a maximum of two clubs, medical reimbursement and company provided car and driver.
- (ii) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- (iv) Encashment of leave at the end of the tenure.

(C) MINIMUM SALARY

In the event of any absence or inadequacy of profits in any financial year of the Company during his tenure, the remuneration payable to Mr. Suraj Bhandari shall be in conformity with the conditions specified in Section II and Section III of Part II of the Schedule V of the Companies Act, 2013 or any modifications thereof to the extent and in the manner as may be mutually agreed by the Company and the appointee.

NOTICE

II. POWERS

Mr. Suraj Bhandari will exercise such powers and duties as may be entrusted by the Board from time to time.

III. SITTING FEES

The appointee shall not receive any sitting fees for attending any meeting of the Board or Committees thereof.

IV. RETIREMENT BY ROTATION

The appointee shall be liable to retire by rotation at annual general meeting of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such necessary acts, deeds or things required to give effect to the aforesaid resolution.”

6. **To re-appoint Mr. Dinesh Mukati (DIN: 07909551) as an Independent Director of the Company for a 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 Section 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 or re-enactment thereof for time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mr. Dinesh Mukati (DIN : 07909551), who was appointed as an Independent Director upto 4th September, 2022 and who is eligible for re-appointment and who meets the criteria of independence as provided in Section 149(6) of the Act alongwith the Rules framed thereunder and Regulation 16(1) (b) of Listing Regulations and who has submitted a declaration to that effect, 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 5th September, 2022 till 4th September, 2027 on the Board of the Company.”

7. **To re-appoint Mr. Pratap Mohan (DIN: 03536047) as an Independent Director of the Company for a 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 Section 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 or re-enactment thereof for time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mr. Pratap Mohan (DIN : 03536047), who was appointed as

an Independent Director upto 4th September, 2022 and who is eligible for re-appointment and who meets the criteria of independence as provided in Section 149(6) of the Act alongwith the Rules framed thereunder and Regulation 16(1) (b) of Listing Regulations and who has submitted a declaration to that effect, 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 5th September, 2022 till 4th September, 2027 on the Board of the Company.”

By Order of the Board
For Electrotherm (India) Limited

Shailesh Bhandari
Managing Director
(DIN: 00058866)

Registered Office:

A-1, Skylark Apartment, Satellite Road,
Satellite, Ahmedabad – 380 015

Date: 2nd August, 2022

Place: Ahmedabad

NOTES:

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular nos. 14/2020 and 17/2020 dated 08th April, 2020, and 13th 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 and 02/2022, dated 05th May, 2020, 13th January, 2021, 08th December, 2021, 14th December, 2021 and 05th May, 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 2022, to conduct their AGMs on or before 31st December, 2022 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 2021-2022 and considering the above MCA Circulars, Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 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 31st December, 2022, 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 36th AGM of the Company is being conducted through VC/OAVM, which does not require physical presence of Members at a common venue. Hence,

NOTICE

- members can attend and participate in the 36th AGM through VC/OAVM only.
2. Pursuant to the above mentioned MCA circulars and SEBI Circulars, 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 to 7 of the Notice to be transacted at the AGM is annexed hereto. Further the appointment / re-appointment at Item No. 2 and 5 to 7 are subject to outcome of the Interlocutory Application No. 55(AHM)/ 2022 filed in Company Petition No. 5(AHM)/2022 under section 241 & 242 of the Companies Act, 2013.
 7. Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 with respect to Directors 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
 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 as well as website of the Investor Education and Protection Fund Authority, Ministry of Corporate Affairs (MCA) www.iepf.gov.in.
 11. In compliance with the above mentioned MCA Circulars and SEBI Circulars, Notice of the 36th 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 36th AGM and Annual Report will also be available on the website of (i) the Company at www.electrotherm.com (ii) the BSE Limited (BSE) at www.bseindia.com and National Stock Exchange of India Limited (NSE) at www.nseindia.com and (iii) Central Depository Services (India) Limited (CDSL) at 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, 24th August, 2022.
 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, Practising Company Secretary of M/s Gaudana & Gaudana 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.

NOTICE

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.
19. The result declared along with the Scrutinizer's Report shall be placed on the Company's website 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 :
- 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.
 - For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
 - 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.
 - 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. It may be noted that any service request can be processed only after the folio is KYC Compliant.
 - 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.
- 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.
 - 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. 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/AOVM 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 36th AGM and facility for those Members participating in the 36th AGM through VC/OAVM to cast vote through e-Voting during the 36th 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 24th August, 2022. 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

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

- The remote e-voting period begins on Sunday, 28th August, 2022 (9.00 a.m. IST) and ends on Tuesday, 30th August, 2022 (5.00 p.m. IST). During this period, shareholders of the Company holding shares either in

NOTICE

physical form or in dematerialized form, as on the cut-off date of Wednesday, 24th August, 2022, 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.

- (ii) A person who is not a Member as on the cut-off date should treat this Notice of 36th 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 9th December, 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 CDSL Depository	<ol style="list-style-type: none"> 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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL /KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin.The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

NOTICE

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>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: https://eservices.nsdl.com 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 & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider 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.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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 CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.: 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 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
 - 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.

NOTICE

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in Demat form and had logged on to 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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 and register themselves in the "Corporates" module as 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.
 - After receiving the login details they should create compliance user 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 and 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 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, 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 22 55 33
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 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:

This explanatory statement is pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, however, the same is strictly not required as per Section 102 of the Companies Act, 2013.

At the 31st AGM of the Company held on 5th September, 2017, the shareholders has approved the appointment of M/s. Hitesh Prakash Shah & Co., Chartered Accountants (Firm Registration No. 127614W), Ahmedabad, as Statutory Auditors of the Company, to hold office for a period of five consecutive years upto the conclusion of the 36th AGM of the Company to be held in the year 2022.

After evaluating and considering various factors such as experience, efficiency in conduct of audit, size and audit team competency, independence etc. and performance as statutory auditors of the Company during their tenure, the Board of Directors of the Company at their meeting held on 30th May, 2022, on the recommendation of the Audit Committee, approved the re-appointment of M/s. Hitesh Prakash Shah & Co., Chartered Accountants (Firm Registration No. 127614W), Ahmedabad, as Statutory Auditors for a second term of five years from the conclusion of 36th AGM to be held in 2022 to the conclusion of 41st AGM to be held in 2027.

M/s. Hitesh Prakash Shah & Co., Chartered Accountants (Firm Registration No. 127614W), Ahmedabad, have given their consent for their re-appointment as Statutory Auditors of the Company and confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

M/s. Hitesh Prakash Shah & Co., Chartered Accountants (Firm Registration No. 127614W), Ahmedabad, have provided confirmation that they have subjected themselves to peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board of ICAI'. The Company has received their eligibility and willingness for their proposed re-appointment for the period from conclusion of this 36th AGM up to the conclusion of 41st AGM to be held in the year 2027.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Board of Directors therefore recommends to the shareholders for passing of ordinary resolution as set out in Item no. 3 of this notice taking into account their credentials and also based on the evaluation of the quality of audit work done by the statutory auditors.

None of the Director(s)/Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution set out at Item no. 3 of the notice.

ITEM NO. 4:

The Board of Directors of the Company at their Meeting held on 2nd August, 2022, 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 31st March, 2023 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending on 31st March, 2023.

The resolution as set out in Item no. 4 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. 5:

Mr. Suraj Bhandari (DIN: 07296523) was appointed as a Whole-time Director w.e.f. 13th November, 2019 for a period of 3 (three) years upto 12th November, 2022 with a monthly salary of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand Only). However, in view of the default in repayment of loan and in absence of the approval of the bank or financial institutions, no remuneration has been paid to Mr. Suraj Bhandari. As per Section 196(2) of the Companies Act, 2013, no company shall appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time; provided that no re-appointment shall be made earlier than one year before the expiry of his term.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on 2nd August, 2022, pursuant to the provisions of Section 196, 197, 200, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modification or re-enactment thereof for time being in force) and the Articles of Association of the Company, approved the re-appointment of Mr. Suraj Bhandari (DIN: 07296523), as a Whole Time Director of the Company for a further period of three years commencing from 13th November, 2022 and concluding on 12th November, 2025, subject to approval of the shareholders in ensuing Annual General Meeting.

The Company has also received declaration from Mr. Suraj Bhandari confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act, he has not been debarred or disqualified from being appointed or continuing as Director of any Companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs, or any such statutory authority. He has also given his consent to act as a Whole-time Director of the Company.

ANNEXURE TO THE NOTICE

Further, Mr. Suraj Bhandari satisfies the conditions set out in Part-I of Schedule V to the Act and also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment as a Whole-time Director.

The brief profile of Mr. Suraj Bhandari is as under:

Mr. Suraj Bhandari is aged 26 years and is Bachelor of Technology (Electrical and Electronics Engineering). Earlier he was associated as Management Executive in Electrotherm (India) Limited for about more than 2 years and he was assisting as executive in various fields related to sales, marketing, production & planning in Engineering & Technologies Division before his appointment as a Whole-time Director w.e.f. 13th November, 2019. During his association, he was also part of the team for getting order of first bullet caster in Gujarat region, commission of Ladle Refining Furnace (LRF) at Bellary and developing strategy for entering into new export markets for Engineering & Technologies Division. After his appointment as Whole-time Director w.e.f. 13th November, 2019, Mr. Suraj Bhandari oversees and involved in various functions related to sales, marketing, production & planning, finance, secretarial & legal and overall business administration and management of the Company.

With regard to payment of remuneration to Mr. Suraj Bhandari as a Whole Time Director as proposed in the resolution, 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 or financial institutions, the remuneration to Mr. Suraj Bhandari as a Whole Time Director as proposed in the resolution will be paid after receipt of approval of the concerned banks or financial institutions or on cessation of default on amicable settlement with the concerned banks or financial institutions, without further approval from the shareholders.

The terms of re-appointment and remuneration proposed to be paid to Mr. Suraj Bhandari is specified in the resolution.

Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 regarding re-appointment of Mr. Suraj Bhandari is attached hereto.

As per the provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013, the appointment and remuneration of Whole-time Director shall be subject to approval by a resolution of the shareholders in general meeting. The Board recommends the ordinary resolution for re-appointment of Mr. Suraj Bhandari as a Whole-time Director for approval of the Shareholders.

The above along with resolution may be treated as a written memorandum setting out the terms of re-appointment and remuneration of Mr. Suraj Bhandari as required under Section 190 of the Companies Act, 2013.

Mr. Suraj Bhandari is a son of Mr. Shailesh Bhandari, Managing Director of the Company. Mr. Suraj Bhandari, Mr. Shailesh Bhandari and their relatives may be deemed to be interested or concerned,

financially or otherwise in the proposed resolution. None of the other Director(s), Key Managerial Personnel of the Company or their relatives are, in any way, interested or concerned, financially or otherwise in the proposed resolution.

ITEM NO. 6:

Mr. Dinesh Mukati (DIN: 07909551) was appointed as an Independent Director on the Board of the Company by the Shareholders at the 31st AGM held on 5th September, 2017 for a first term of 5 (five) years from 5th September, 2017 up to 4th September, 2022 (“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 2nd August, 2022, taking into account the recommendation of the Nomination and Remuneration Committee and based on the skills, experience, knowledge and report of his performance evaluation, approved the re-appointment of Mr. Dinesh Mukati (DIN: 07909551) as an Independent Director of the Company not liable to retire by rotation, for a second term of 5 (five) years from 5th September, 2022 to 4th September, 2027. His re-appointment is subject to the approval of the Shareholders at the 36th 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 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 Mr. Dinesh Mukati (DIN: 07909551) that he 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, Mr. Dinesh Mukati (DIN: 07909551) fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and Listing Regulations for his 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, he has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director.

Mr. Dinesh Mukati (DIN: 07909551) 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 20th June, 2018, he is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

The Board considers that his continued association would be benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Dinesh Mukati (DIN: 07909551) as an Independent Director. Accordingly, the Board recommends the resolution for the approval by the Shareholders in relation to re-appointment of Mr. Dinesh Mukati (DIN: 07909551) 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 5th September, 2022 to 4th September, 2027 on the Board of the Company.

ANNEXURE TO THE NOTICE

Details of Director, whose re-appointment as Independent Director is proposed at Item No. 6, is provided in the "Annexure" to the Notice pursuant to the provisions of Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Save and except, Mr. Dinesh Mukati (DIN: 07909551) and his 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(s) set out at Item No. 6.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

ITEM NO. 7:

Mr. Pratap Mohan (DIN: 03536047) was appointed as an Independent Director on the Board of the Company by the Shareholders at the 31st AGM held on 5th September, 2017 for a first term of 5 (five) years from 5th September, 2017 up to 4th September, 2022 ("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 2nd August, 2022, taking into account the recommendation of the Nomination and Remuneration Committee and based on the skills, experience, knowledge and report of his performance evaluation, approved the re-appointment of Mr. Pratap Mohan (DIN: 03536047) as Independent Director of the Company not liable to retire by rotation, for a second term of 5 (five) years from 5th September, 2022 to 4th September, 2027. His re-appointment is subject to the approval of the Shareholders at the 36th 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 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 Mr. Pratap Mohan (DIN: 03536047) that

he 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, Mr. Pratap Mohan (DIN: 03536047) fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and Listing Regulations for his 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, he has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director.

Mr. Pratap Mohan (DIN: 03536047) 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 20th June, 2018, he is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

The Board considers that his continued association would be benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Pratap Mohan (DIN: 03536047) as an Independent Director. Accordingly, the Board recommends the resolution for the approval by the Shareholders in relation to re-appointment of Mr. Pratap Mohan (DIN: 03536047) 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 5th September, 2022 to 4th September, 2027 on the Board of the Company.

Details of Director, whose re-appointment as Independent Director is proposed at Item No. 7, is provided in the "Annexure" to the Notice pursuant to the provisions of Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Save and except, Mr. Pratap Mohan (DIN: 03536047) and his 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(s) set out at Item No. 7.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

By Order of the Board
For Electrotherm (India) Limited

Shailesh Bhandari
Managing Director
(DIN: 00058866)

Registered Office:
A-1, Skylark Apartment, Satellite Road,
Satellite, Ahmedabad – 380 015
Date: 2nd August, 2022
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. Suraj Bhandari	Mr. Dinesh Mukati	Mr. Pratap Mohan
Director Identification Number (DIN)	07296523	07909551	03536047
Date of Birth (Age)	30/10/1995 (26 years)	29/11/1957 (64 years)	31/03/1961 (61 years)
Date of First Appointment on the Board	13/11/2019	05/09/2017	05/09/2017
Qualification	B. Tech (Electrical and Electronics Engineering)	B.Com.	MBA from IIM, Calcutta & B. Tech. (Chem) from IIT (BHU), Varansi
Experience / Expertise in functional areas	Mr. Suraj Bhandari was earlier associated as Management Executive in Electrotherm (India) Limited for about more than 2 years and he was assisting as executive in various fields related to sales, marketing, production & planning in Engineering & Technologies Division before his appointment as a Whole-time Director w.e.f. 13 th November, 2019. During his association, he was also part of the team for getting order of first bullet caster in Gujarat region, commission of Ladle Refining Furnace (LRF) at Bellary and developing strategy for entering into new export markets for Engineering & Technologies Division. After his appointment as Whole-time Director w.e.f. 13 th November, 2019, Mr. Suraj Bhandari oversees and involved in various functions related to sales, marketing, production & planning, finance, secretarial & legal and overall business administration and management of the Company.	He has worked with Indian Army and he is having around 40 years of multifunctional experience in the area of operational excellence, cultural developing, lien manufacturing including as a head of operation of Gujarat Guardian Limited. Currently, he is CEO of CDM Global, a management consultancy firm, providing consultancy to business houses in the area of manufacturing and HR.	He is having around 37 years of multifunctional experience in the area of Greenfield projects, large manufacturing operations, business developments and sales, mergers and acquisition and human resources.
Terms and conditions of appointment / re-appointment	He retires by rotation at 36 th AGM and being eligible offers himself for re-appointment. Further he has been re-appointed as a Whole-time Director for a further period of three years commencing from 13 th November, 2022.	Re-appointment as an Independent Director for a second period of five years, not liable to retire by rotation.	Re-appointment as an Independent Director for a second period of five years, not liable to retire by rotation.
Remuneration sought to be paid and the remuneration last drawn	The details of remuneration sought to be paid is given in Item No. 5 of the Notice. Remuneration last drawn is NIL.	For the year ended on 31 st March, 2022, except sitting fees, No Remuneration drawn.	For the year ended on 31 st March, 2022, except sitting fees, No Remuneration drawn.
No. of Shares held in the Company	81,100 Equity Shares	3,000 Equity Shares	100 Equity Shares

ANNEXURE TO THE NOTICE

Name of Director	Mr. Suraj Bhandari	Mr. Dinesh Mukati	Mr. Pratap Mohan
Relationship with other Directors, Manager and other KMP	He is son of Mr. Shailesh Bhandari, Managing Director of the Company.	None	None
Number of Meetings of the Board held & attended during the year	3/4	4/4	4/4
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil	Nil	Nil
Memberships / Chairmanships of committees of other public companies (excluding foreign companies and Section 8 companies)	None	None	None

BOARDS' REPORT

To,
The Members
Electrotherm (India) Limited

Your Directors have pleasure in presenting the 36th Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended on 31st March, 2022.

FINANCIAL SUMMARY OR HIGHLIGHTS:

The standalone financial performance of the Company for the year ended on 31st March, 2022 is summarized below:

(Rs. In Crores)

Particulars	2021-2022	2020-2021
Total Income	2834.04	2530.59
Total Expenses	2866.03	2467.29
Profit / (Loss) before Exceptional Items and Tax	(31.99)	63.30
Less : Exceptional Items	(22.33)	-
Profit / (Loss) before Tax	(54.32)	63.30
Less: Tax Expenses	-	-
Profit / (Loss) for the Year	(54.32)	63.30
Other Comprehensive Income	0.39	1.34
Total Comprehensive Income	(53.93)	64.64
Earning Per Equity Shares	(42.64)	49.69

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, Transmission Line Towers etc.

During the year ended on 31st March, 2022, the total income of the Company was Rs. 2834.04 Crores compared to Rs. 2530.59 Crores of previous financial year. The net Loss for the current financial year was Rs. 54.32 Crores as compared to profit Rs. 63.30 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 31st March, 2022.

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. The operations and financial position of the Company have been impacted due to Covid-19 pandemic and the Company continues to monitor any material changes to the future economic conditions.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated financial statements of the Company for the financial year 2021-2022 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 31st March, 2022:

1. Hans Ispat Limited
2. Electrotherm Services Limited
3. Shree Ram Electro Cast Limited
4. ET Elec-Trans Limited

BOARDS' REPORT

5. Jinhua Indus Enterprises Limited
6. Jinhua Jahari Enterprises Limited (Step-down Subsidiary Company)
7. Bhaskarpara Coal Company Limited (Joint Venture Company)

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 www.electrotherm.com.

During the financial year 2021-2022, none of the companies have become or ceased to be subsidiaries, joint ventures or associate companies.

NUMBER OF BOARD MEETINGS:

During the financial year 2021-2022, four (4) 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. Suraj Bhandari (DIN: 07296523), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

❖ Appointment/ Cessation of Directors:

Mr. Dinesh Mukati (DIN: 07909551) and Mr. Pratap Mohan (DIN: 03536047), who were appointed as Independent Directors of the Company, holds office up to 4th September, 2022 (“first term” in terms of Sections 149(10) of the Companies Act, 2013). A brief profile of Mr. Dinesh Mukati (DIN: 07909551) and Mr. Pratap Mohan (DIN: 03536047) are given in the notice convening the 36th AGM, for the reference of the Shareholders. The Board taking into account the recommendation of the Nomination and Remuneration Committee and on the basis of performance evaluation of Independent Directors, has recommended the re-appointment of Mr. Dinesh Mukati (DIN: 07909551) and Mr. Pratap Mohan (DIN: 03536047) as Independent Directors of the Company, for the second term of 5 (five) years from 5th September, 2022 upto 4th September, 2027, subject to approval of members in general meeting.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Suraj Bhandari (DIN : 07296523) as a Whole-time Director for a period of three years, commencing from 13th November, 2022

and concluding on 12th November, 2025, subject to approval of members in general meeting.

Mr. Aditya Jain (DIN: 01568183), Non-Executive Director has resigned with effect from 10th December, 2021. The Board places on record its appreciations for the services rendered by him as a Non-Executive Director of the Company during his tenure.

❖ 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.

During the financial year 2021-2022, Mr. Fageshkumar R. Soni resigned from the post of Company Secretary & Compliance Officer of the Company with effect from 31st July, 2021. The Board places on record its appreciations for the services rendered by him as a Company Secretary & Compliance Officer of the Company during his tenure.

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 (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 www.electrotherm.com.

BOARDS' REPORT**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 Note No. 5, 6 and 30 of the notes to the financial statement 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. With a view to enlarge the scope of CSR activities, the Company has revised the CSR Policy and same is available on the website of the company at www.electrotherm.com. 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 2021-2022 forming part of this Board's Report is annexed herewith as "Annexure –B" to this report.

RELATED PARTY TRANSACTIONS:

The Company has, pursuant to the approval of the shareholders through special resolution under Section 188 of the Companies Act, 2013, 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 www.electrotherm.com.

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 31st March, 2022 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 2021-2022, 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 31st March, 2022.

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 31st March, 2022, 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 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 31st Annual General Meeting held on 5th September, 2017 for a term of five (5) years beginning from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting.

The first term of M/s. Hitesh Prakash Shah & Co., Chartered Accountants as statutory auditors of the Company expire at the conclusion of the 36th AGM of the Company. In terms of the provisions of the Companies Act, 2013 and rules made thereunder, an audit firm acting as the statutory auditor of a company is eligible to be appointed as statutory auditors for two terms of five years each. Considering their performance as auditors of the Company during their present tenure, the Audit Committee of the Company, after due deliberation and discussion, recommended the re-appointment of M/s. Hitesh Prakash Shah & Co., Chartered Accountants as statutory auditors of the Company for a second term of five years to hold office from the conclusion of the 36th AGM to be held in 2022 till the conclusion of the 41st AGM of the Company to be held in the year 2027, at remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

The above proposal forms part of the Notice of the AGM for your approval.

Auditors' Report:

In the Independent Auditors' Report for the year ended on 31st March, 2022, there are certain matters of emphasis related to (a) Note No 36 in respect of treatment in the books of account of the assignment / settlements of debts of various bank and the financial institution (b) Note No 15(c) in respect of non-payment of Installments due to lender of the loan for the period from December 31, 2019 to March 31, 2022 and

BOARDS' REPORT

Interest due for the period from September 30, 2020 till March 31, 2022 and requested all lenders to allow this moratorium period for the said payments and the lenders are yet to confirm the revised repayment schedule (c) Note No 38(c) in respect of confirmation / reconciliation of few accounts of "Trade Receivables", "Trade Payable", "Bank and Loan accounts", "Advance from Customers", Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties" (d) Note No 36(a)(i)(f) in respect of Petition filed by Central Bank of India, a financial creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad (e) Note No 32(a)(ix) and 40 in respect of pending litigations/cases and recovery proceedings against the company and the Directors of the Company (f) Note No 8(d) in respect of pending appeal filed against order of DRT Mumbai for sale of property of the Wholly owned subsidiary Hans Ispat Limited, non-impairment of the investment value of the subsidiary company and provision of expected credit losses on the balances outstanding of the said subsidiary.

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. 213.81 Crores for the year under consideration and total amount of such unprovided interest till date is Rs. 1435.54 Crores, the Board of Directors submits that the loan accounts of the Company have 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 accounts. The quantification has been done only for the loans which have not been settled.

⇒ **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 31st March, 2023, 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 appointment of Company Secretary and Chief Financial Officer, the Company in in process to identify the suitable candidate for the said posts.
- (b) With regard to delay in submission of audited / unaudited financial results for the quarter ended on 31st March, 2021 and quarter ended on 30th June, 2021 and 30th September, 2021 and gap of more than 120 days between two board meetings & audit committee meetings and delay in filing / approval of cost audit report, there was stay on Board Meeting by Hon'ble National Company Law Appellate Tribunal (NCLAT) and therefore, the Company could not hold the Board Meeting for approval of audited / unaudited financial results and approval of cost audit report. However, after the approval of Hon'ble NCLAT and disposal of appeals pending before the Hon'ble NCLAT, the Company has submitted the said audited / unaudited financial results to the stock exchanges and requested for waiver of fines imposed on the Company in view of judicial order of stay on the Board Meeting.
- (c) 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 1st April, 2021 till 31st March, 2022, the Company will ensure to submit disclosures within the time line.

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 absorptions 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 31st March, 2022, 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 Sarda, Independent Director as Member.

BOARDS' REPORT**RISK MANAGEMENT POLICY:**

The Risk Management Policy adopted by the Board of Directors of the Company 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 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.

Further, Central Bank of India, a financial creditor has filed a petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) before Hon'ble National Company Law Tribunal (NCLT), Ahmedabad, for initiating Corporate Insolvency Resolution Process (CIRP) against the Company. The Company has on 29th June, 2022 accepted the Compromise / One Time Settlement (OTS) letter of Central Bank of India dated 28th June, 2022 for their outstanding loan / credit facilities. As per the settlement terms and conditions, all the proceedings in various legal forums will be kept in abeyance till receipt of final payment under the OTS.

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 provision 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 www.electrotherm.com.

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 31st March, 2022 is available on the website of the Company at www.electrotherm.com.

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:

- a) During the financial year 2021-2022, 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.
- b) There was no reduction of share capital or buy back of shares or change in capital traction resulting from restructuring.
- c) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- d) The Company has not issued sweat equity shares to its directors or employees.
- e) The Company does not have any Employees Stock Option Scheme for its Employees/Directors.
- f) During the financial year 2021-2022, the Company has not made allotment of any securities and as such, the requirement for obtaining credit rating was not applicable to the company.
- 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.

BOARDS' REPORT

- 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 during the financial year, there was no one time settlement or valuation done by the Company.
- 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 : 2nd August, 2022

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	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Jinhua Indus Enterprises Limited	11/04/2007	31/12/2021	RMB	2.06	(2.87)	1.03	1.85	0.62	-	(0.08)	-	(0.08)	-	100.00
2	Jinhua Jahari Enterprises Limited #	26/06/2007	31/12/2021	RMB	0.54	1.58	3.09	0.97	-	-	0.11	-	0.11	-	-
3	ET Elec-Trans Limited	27/11/2008	31/03/2022	INR	0.90	(1.48)	0.00	0.58	-	-	(0.01)	-	(0.01)	-	80.49
4	Hans Ispat Limited	01/06/2010	31/03/2022	INR	36.42	(152.03)	45.98	161.59	-	24.98	(8.47)	-	(8.47)	-	100.00
5	Electrotherm Services Limited	01/06/2010	31/03/2022	INR	0.35	(4.20)	0.36	4.21	-	0.32	0.03	-	0.03	-	100.00
6	Shree Ram Electro Cast Limited	20/05/2010	31/03/2022	INR	8.19	(36.47)	1.36	29.64	0.01	-	(0.01)	-	(0.01)	-	100.00*

Exchange Rate as on 31/03/2022 1 RMB = Rs. 11.9696

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	31/03/2022
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 Rs. 10 each
- Amount of Investment in Joint Venture	Rs. 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	Rs. 6.28
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 : 2nd August, 2022

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 2021-22

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)	4	3
2.	Mr. Dinesh Mukati	Member (Non-Executive & Independent Director)	4	4
3.	Mr. Pratap Mohan	Member (Non-Executive & Independent Director)	4	4

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.

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

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

6. Average net profit of the company as per section 135(5) : Rs. 82.97 Crore

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 1.66 Crore

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

(c) Amount required to be set off for the financial year; if any : Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 1.66 Crore

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

Total Amount Spent for the Financial Year (in Rs. crores)	Amount Unspent (in Rs. 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
0.28	1.38	30.04.2022	N.A.		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in Rs.)
				State	District		
N.A.							

ANNEXURE TO THE BOARDS' REPORT

(8)	(9)	(10)	(11)	
Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
			Name	CSR Registration number
N.A.				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (Rs. in Crores)	Mode of Implementation - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
1	Student of scheduled tribal cast	Promoting education	Yes	Gujarat	Vadodara	0.110	No	Shree Gujarat Vanvasi Kalyan Parisad	CSR00025389
2	Animal Welfare – Distribution of Green / Dry Grass	Animal Welfare	Yes	Gujarat	Bhachau -Kutch	0.077	Yes	NA	NA
3	Covid -19 Relief work – Distribution of food packets	Disaster management	Yes	Gujarat	Ahmedabad and Samakhiyali (Bhachau -Kutch)	0.036	Yes	NA	NA
4	Paver & curbing work of road and hazardous waste treatment	Rural Development Projects	Yes	Gujarat	Palodia	0.054	Yes	NA	NA
	Total					0.277			

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. **0.28 Crore**

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

Sr. No.	Particular	Amount (Rs. in crore)
(i)	Two percent of average net profit of the company as per Section 135(5)	1.66
(ii)	Total amount spent for the Financial Year	0.28
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.01
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

ANNEXURE TO THE BOARDS' REPORT

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
N.A.								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

- (a) Date of creation or acquisition of the capital asset(s): **None**
- (b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Company is in process to identify the projects in or around the plant locations from long term sustainability point of view and therefore, the Company could not spend two per cent of the average net profit as per section 135(5) of the Act. The Company has transferred Rs. 1.38 Crores to Unspent CSR Account as per Section 135(6) of the Act.

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

Place : Ahmedabad
Date : 2nd August, 2022

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 31st MARCH, 2022

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

To
The Members,
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 **31st March, 2022** ('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 **31st March, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('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) Regulations, 2014 upto the date of 12th August, 2021 and thereafter Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 w.e.f. 13th August, 2021 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities Regulations, 2008 upto the date of 8th August, 2021 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 w.e.f. 9th August, 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:

ANNEXURE TO THE BOARDS' REPORT

- (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"].

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 Compliance officer of the Company for the period from 01st August, 2021 till 31st March, 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.*
- (ii) *The Company has not appointed Chief Financial Officer (CFO) for the period from 12th March, 2021 till 31st March, 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.*
- (iii) *The Company has not submitted the audited / unaudited Financial Results for the quarter and year ended on 31st March, 2021 within the prescribed due date of 30th June, 2021 and unaudited Financial Results for the Quarter ended on 30th June, 2021 by 14th August, 2021 and for the quarter and half year ended on 30th September, 2021 by 14th November, 2021, as per the provisions of Regulation 33 of SEBI (LODR) Regulations, 2015. The NSE & BSE has levied the penalty of Rs. 5,54,600/- (inclusive taxes) for the quarter and year ended on 31st March, 2021 and Rs. 3,42,200/- for the quarter ended on 30th June, 2021 and Rs. 5,31,000/- for the quarter ended on 30th September, 2021.*
- (iv) *There was gap of more than 120 days between two board meetings in violation of Section 173 of the Companies Act, 2013 and Regulation 17(2) of SEBI (LODR) Regulations, 2015. The NSE & BSE has levied the penalty of Rs. 23,600/- (inclusive taxes) for the quarter ended on 31st December, 2021.*
- (v) *There was gap of more than 120 days between two Audit Committee Meetings in violation of Regulation 18 of SEBI (LODR) Regulations, 2015.*
- (vi) *The Cost Audit Report for the financial year ended on 31st March, 2021 was not approved by the Board of Directors within the due date of 30th November, 2021 (as extended by the Ministry of Corporate Affairs vide General Circular No. 18/2021 dated 29th October, 2021) as per Section 148 of the Companies Act, 2013 read with Rule 6(5) of the Companies (Cost Records and Audit) Rules, 2014.*
- (vii) *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 21st November, 2019, for the period from 01st April, 2021 till 31st March, 2022 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 04.05.2021 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 24.05.2021 and stayed the joint signatory by order dated 17.06.2021. Thereafter, the Hon'ble NCLAT has upheld the order dated 04.05.2021 and disposed of the appeals with certain directions on 28.01.2022. The Company and Mr. Shailesh Bhandari has challenged the said order dated 28.01.2022 before the Hon'ble Supreme Court of India and the Hon'ble Supreme Court of India by order dated 25.02.2022 continued the stay order on joint signatory dated 17.06.2021 passed by Hon'ble NCLAT. Now the appeals are pending before the Hon'ble Supreme Court of India for hearing.

ANNEXURE TO THE BOARDS' REPORT

- (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 08.04.2021, rejected the said interim application of waiver. Some of the Respondents have filed Interlocutory Applications for their discharge and the same are pending for hearing. The Petitioners have filed appeal before the Hon’ble National Company Law Appellate Tribunal (“NCLAT”) against the order dated 08.04.2021 passed by Hon’ble NCLT, however the same was withdrawn on 27.09.2021.
- (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 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 27.09.2019 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.
- (d) Mr. Siddharth Bhandari, Mr. Mukesh Bhandari and Dr. Rakesh Bhandari (“Petitioners”) has filed petition (CP No. 5/2022) 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. The Hon’ble NCLT has issued notice to respondents and directed to file reply on interim relief and maintainability. The petition is pending for further hearing.
- (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 24th 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 challenge 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 Peer Review Cert. No. : 2367/2022
Date : 2nd August, 2022 UDIN : F009416D000728585

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 : F009416D000728585

Place : Ahmedabad
Date : 2nd August, 2022

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

- Reduction in coal and coke consumption and elimination of coal loss by leg chute replacement
- Improvement in combustion efficiency in Boiler Furnace
- Reduction in power and energy consumption by replacement of various equipments like LED light, VFD for energy saving etc.
- Reduction in coal consumption rate for power generation by implementing auto coal combustion control system & regular cleaning of boilers heating surface area through high pressure jet

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

- Steel division is using 4.2 MW wind energy as alternate sources of energy.

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

The Company has installed various energy conservation equipments in Steel Division plants / processes and there was considerable savings in terms of consumption of coal and electricity.

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

- Installation of scrap shearing machine and billet shearing machine
- Installation of new DiFOC induction furnace of 10 MW for reduction in energy consumption and improvement in productivity

(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. 349.69 Crores
2. Foreign Exchange Out Go : Rs. 128.23 Crores

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

Place : Ahmedabad
Date : 2nd August, 2022

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 2021-2022
1	Mr. Dinesh Mukati *	Non-Executive Chairman & Independent Director	0.70	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	0.70	
6	Ms. Nivedita Sarda *	Independent Director	0.17	
7	Mr. Aditya Jain %	Non-Executive Director	Nil	
8	Mr. Fagesh R. Soni #	Company Secretary	Not Applicable	

* Reflects sitting fees.

% Mr. Aditya Jain ceased to be Non-Executive Director with effect from 10th December, 2021.

Mr. Fagesh R. Soni ceased to be Company Secretary with effect from 31st July, 2021.

- The percentage increase in the median remuneration of employees in the financial year was 8.39%.
- There were 2094 permanent employees on the rolls of the company as on 31st March, 2022.
- The average annual increase in the salaries of the employees, other than managerial personnel was 9.58% 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.
- During the financial year, there was no employee employed throughout the financial year or part of the financial year who was in receipt of remuneration in the aggregate of not less than Rs. 8.50 Lacs per month or Rs. 1.02 Crore per financial year. The statement containing the names of the top ten employees in terms of remuneration drawn as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. 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 : 2nd August, 2022

Shailesh Bhandari
Managing Director
(DIN : 00058866)

Suraj Bhandari
Whole-time Director
(DIN: 07296523)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

The Management's perspective on performance of the Company for financial year 2021-22 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 an engineering, steel and EV company engaged in manufacturing of capital equipment for steel industry, TMT Bar, Ductile Iron (DI) Pipes and battery-operated electric vehicles. The Company is one of the largest manufacturers of induction melting furnace and refining equipment for steel making and currently has more than 6000 installations operating in more than 71 countries around the world. The Company is a leading engineering company in India and one of the strongest steel brand in Gujarat with a proven track record of operational excellence, cost efficiency, and high-quality products.

A. ENGINEERING & TECHNOLOGIES DIVISION:

Leadership in energy efficient equipment solution

Electrotherm is India's leading and one of the world's most efficient steel melting equipment manufacturer, contributes in production of thousands of tons of steel every day. Electrotherm is one of the handful of steel melting equipment manufacturers who are providing complete solution in terms of EPC projects of fully integrated steel plants – capable to process ex-mine material to finished rolled products. We are progressing responsibly across the market with innovative solutions towards energy efficient melting equipment to scale new heights in the global engineering industry.

Post the period of COVID-19, the ENT division successfully seized the opportunities in growing steel industry and performed well in financial year 2021-22 despite second wave of COVID-19 and travel restrictions in export market. Currently, ENT division holds orders of more than INR 800 Crores and also having customers advance of more than INR 200 Crores which confirms stakeholders' strong confidence and trust in the engineering products of the Company.

Focusing on innovation, digitalization, sustainability and people, we strive to become the most respected and valuable engineering company globally. We are strengthening our position through our Services and Complete Melting Solutions. Our customized technical solutions to mid-sized steel companies embedded Electrotherm's presence in 71 countries globally.

B. SPECIAL STEEL DIVISION:

Electrotherm's Special Steel Division is strategically located in Kutch with proximity and well connection to port, rail and NH road networks, it gives advantage of cost-effective logistics. The efficient fully integrated plants, operational excellence and young dynamic team empowers Electrotherm to run operations successfully against all odds be it COVID-19 or otherwise.

Post COVID-19, amidst the after challenges like disruption in supply chain and high material prices hurt steel operations of the company in financial year 2021-22. To curb surging steel prices, the Indian Government introduced various policies to cushion the impact on the domestic economy and aggressively implemented supply-side measures to prepare the steel sector for a sustained long-term expansion. The Indian economy is expected in a good position to witness GDP growth of around 8.0%-8.5% in 2022-23 wherein the steel demand will see increase of 2.2% in 2022 against 4.5% in 2021 as forecasted by Worldsteel reports.

The division suffered on account of yearlong volatility in coal and coke prices, impacting input costs severely. Coke, a key raw material for production of hot metal and so DI Pipe, wherein the prices increased substantially from US\$370/t levels in April 2021 rising to US\$632/t in November 2021 and finally closing the year over US\$700/t CFR India. The company requested different Government departments to escalate the DI Pipe contract price as high-cost raw material impeding production viability. However, there were some contracts which were honoured by the company despite of very low realization.

Currently, the orderbook of DI Pipe business is promising good realization in the business and also in financial year 2022-23, the DI pipe demand should get a major thrust due to significantly increased outlay in this year's Govt of India's budget for the water sector. In upcoming years, the country is expecting very strong demand in DI Pipe business as Government is very keen on robust investment in its flagship Scheme of Jal Jevons Mission both for Rural and Urban areas.

Continuous improvement, best in class products and services have always been key factors to make ET TMT as a very reputed premium brand in Gujarat. With operations excellence and a clear vision for the future, we are executing our strategic growth plan in line with India's increasing appetite for quality steel. The goal is to be 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

The Company has increased its supply of value-added ET TMT to projects alongwith strong association with some of the best distributors in western India. "ET TMT" is approved brand in prestigious infrastructure projects and Government departments and has a long successful record of timely delivery of premium quality products.

In financial year 2021-22, the steel division performance was impacted due to high coal prices and ensuing more working requirement. However, we are expecting better performance in financial year 2022-23 with our marketing strategy of selling more high value premium products over retail and also stability in raw material prices.

C. ELECTRIC VEHICLE DIVISION:

The Electric Vehicle Division witnessed 55% growth in terms of revenue growth in FY 2021-22 vs 2020-21. Gradually increasing fuel cost and increased adaptive mindset of customers towards Electric vehicle preference of personal mobility post COVID-19 pandemic saw strong customer demand of electric two wheeler leading to sales uptake.

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.

India saw a 132 per cent increase in electric two-wheeler sales in year 2021. Between January-December 2021, the electric two-wheelers (E2W) industry, including high-speed (HS) and low-speed E2W, registered sales of 2,33,971 units against 1,00,736 sold in 2020. While as a segment, the Indian electric vehicle market was valued at USD 1,434.04 million in 2021, and expected to reach USD 15,397.19 million by 2027, registering a CAGR of 47.09% during the forecast period (2022-2027).

Infrastructure development for battery & vehicle manufacturing, charging infrastructure, and scrapping centres will definitely lead to growing EV market. In Electrotherm, the high-speed and low-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 has ongoing OTS with Union Bank of India (including debt of Corporation Bank) and Central Bank of India.

Post COVID-19, the Company has not paid some of the installment and interest due thereon and has requested respective lenders/ ARCs 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 31st March, 2022 is as under:

(Rs. In Crores)

Particulars	Engineering & Technologies Division	Special Steel Division	Electric Vehicle Division
Revenue from operations	975.32	1893.90	55.68
Segment Profit / (Loss) Before Financial Cost & Other Unallocable Item	62.91	(48.44)	(1.17)
Capital Employed	(219.65)	(390.27)	25.71

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 31st March, 2022 was Rs. 2830.28 Crores as compared to Rs. 2526.79 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 31st March, 2022 was Rs. 2129.45 Crores as compared to Rs. 1697.38 Crores of previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Depreciation and amortization:

Depreciation and amortization for the financial year ended on 31st March, 2022 is Rs. 85.78 Crores as compared to Rs. 116.85 Crores of the previous financial year.

Finance Costs:

Finance costs for the financial year ended on 31st March, 2022 is of Rs. 45.35 Crores as compared to Rs. 49.89 Crores of previous financial year.

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) and the Bankers have not charged interest on the said accounts and therefore provision for Interest (Other than upfront charges) has not been provided in the books of accounts and to that extent profit has been overstated and bankers loan liability has been understated. The extent of exact amount is under determination and reconciliation with the banks, however as per the details available with the company, the amount of unprovided interest, on approximate basis, on the said loans is Rs. 213.81 Crores for the financial year 2021-22 and total amount of Rs. 1435.54 Crores upto 31st March, 2022.

Profit/(Loss) Analysis:

The Loss for the financial year ended on 31st March, 2022 is Rs. 54.32 Crores as compared to profit of Rs. 63.30 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 in 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 2021-2022 despite of second wave of Covid-19 pandemic. We were able to achieve progress against many strategic priorities despite our challenges. 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 31st March, 2022, there were 2094 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.

Electrotherm (India) Limited is simplifying its business model and global footprint, realigning its business divisions, reducing complexity, investing in technology and cutting costs as part of the Human Resource Development Strategy.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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 take necessary precautionary measures of health and safety at all the plants against the spread of second wave CoVID-19 and has prepared Standard Operating Procedure (SOP) in accordance with various advisory/notifications of the Central and State Government. The Company has made necessary arrangement to ensure that the employees and stakeholders are safe and comfortable at work place.

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 archive 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 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"), wherever applicable, 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 31st March, 2022, 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 Sarda (Woman Director)	Non-Executive & Independent Director	3	-	-	-	-	-
6.	Mr. Pratap Mohan (Director)	Non-Executive & Independent Director	1	-	-	-	-	100

- During the financial year 2021-2022, Mr. Aditya Jain ceased be Non-Executive Director with effect from 10th December, 2021.
- 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 31st March, 2022, four (4) Board Meetings were held on 5th April, 2021, 14th – 15th October, 2021, 12th February, 2022 and 29th March, 2022.

The Board Meeting of the Company was scheduled to be held on 20th May, 2021, which was adjourned to 27th May, 2021 due to lack of quorum. Thereafter, as per the order of the Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT")

CORPORATE GOVERNANCE REPORT

dated 24th May, 2021 in appeal filed by the Company against the order dated 4th May, 2021 of the Hon'ble National Company Law Tribunal, Ahmedabad in pending petitions related to appointment of independent directors and oppression & mismanagement, there was stay on the further Board Meeting and in view of further clarification required about the interpretation of the order of Hon'ble NCLAT, the Board Meeting were not being convened. The Company has filed an Interlocutory Application seeking permission of the Hon'ble NCLAT to convene Board Meeting for necessary statutory and other compliances and the Hon'ble NCLAT vide order dated 27th September, 2021 permitted the Company to convene the Board Meeting as per the agenda approved by the Hon'ble NCLAT. Accordingly, the meeting of the Board of Directors of the Company was held over October 14-15, 2021. Further the Board Meeting dated 20th May, 2021 adjourned to 27th May, 2021 was cancelled.

Attendances of Directors at the Board Meetings and at the Last Annual General Meeting held on 6th December, 2021 are as under:

Name of Director	Total Board Meetings held during tenure	Attendance	
		Board Meetings	AGM held on 6 th December, 2021*
Mr. Dinesh Mukati	4	4	Yes
Mr. Shailesh Bhandari	4	3	Yes
Mr. Suraj Bhandari	4	3	Yes
Mr. Mukesh Bhandari	4	3	Yes
Ms. Nivedita Sarda	4	1	No
Mr. Pratap Mohan	4	4	Yes
Mr. Aditya Jain#	2	-	No

Mr. Aditya Jain was ceased to be a Non-Executive Director with effect from 10th December, 2021.

* Based on the application of the Company as per the provisions of Section 96(1) of the Companies Act, 2013, the Registrar of Companies (ROC), Gujarat has granted the extension of time for holding of 35th Annual General Meeting of the Company for the financial year ended on 31st March, 2021 by a period of 3 (three) months i.e. up to 31st December, 2021.

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 Board of Directors has carried out the annual evaluation of the performance of individual directors in their meeting held on 29th March, 2022.

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 individual 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 12th February, 2022 and 29th March, 2022 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 and Mr. Pratap Mohan, Independent directors of the Company were present at the said meetings.

❖ **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 www.electrotherm.com.

❖ **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

CORPORATE GOVERNANCE REPORT

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	

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	Financial, Risk and Strategic
6.	Ms. Nivedita 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:

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

The Company Secretary acts as the Secretary to the Committee.

(iii) Meetings and Attendance:

During the financial year ended on 31st March, 2022, Four (4) Meetings of the Audit Committee were held on 10th June, 2021, 14th October, 2021, 12th February, 2022 and 29th March, 2022. The Chairman of the Audit Committee Mr. Pratap Mohan was present at the 35th Annual General Meeting.

As mentioned hereinabove, in view of the stay by the Hon'ble NCLAT, there was time gap of more than 120 days between any two audit committee meetings.

Details of Attendance at the Meetings of Audit Committee:

Name of Committee Members	Designation	Attendance
Mr. Pratap Mohan	Chairman	4 / 4
Mr. Dinesh Mukati	Member	4 / 4
Ms. Nivedita Sarda	Member	1 / 4

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.

CORPORATE GOVERNANCE REPORT**(i) Brief description of Terms of Reference:**

- (a) 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.
- (b) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) 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;
- (e) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;
- (f) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- (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 Sarda - Member (Non-Executive & Independent Director)

The Company Secretary acts as Secretary of the Committee.

(iii) Meetings and attendance:

During the financial year ended on 31st March, 2022, One (1) Meeting of the Nomination and Remuneration Committee were held on 29th March, 2022.

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

Name of Committee Members	Designation	Attendance
Mr. Pratap Mohan	Chairman	1 / 1
Mr. Dinesh Mukati	Member	1 / 1
Ms. Nivedita Sarda	Member	0 / 1

(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 www.electrotherm.com.

(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.

CORPORATE GOVERNANCE REPORT
(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 2021-2022, 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.

(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 2021-2022 are as under:

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

(b) Managing Director & Whole-time Director:

The Shareholders of the Company at the 34th Annual General Meeting (AGM) held on 17th August, 2020 approved the re-appointment of Mr. Shailesh Bhandari as Managing Director for a period of three years from 1st February, 2020 and concluding on 31st January, 2023 with monthly remuneration of Rs. 2,00,000/-. Further, the Shareholders of the Company, at the 34th AGM, also approved appointment of Mr. Suraj Bhandari as a Whole Time Director of the Company, for a period of three years from 13th November, 2019 and concluding on 12th November, 2022 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, the remuneration to Managing Director and Whole Time Director would be paid after receipt of approval of the concerned banks or on cessation of default on amicable settlement with the concerned banks, 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 31st March, 2022.

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 Stakeholder Relationship Committee are circulated and discussed at the Board Meeting.

CORPORATE GOVERNANCE REPORT**(ii) Composition of the Committee:**

The Stakeholders Relationship Committee is in compliance with the provisions of Regulations 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:

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

Mr. Fageshkumar R. Soni, Company Secretary of the Company is the Compliance Officer pursuant to Regulation 6 of the Listing Regulations. He resigned as Company Secretary of the Company with effect from 31st July, 2021.

Mr. Shailesh Bhandari, Managing Director of the Company, appointed as Compliance Officer of the Company with effect from 15th October, 2021.

During the year under review, two meetings of the Stakeholders Relationship Committee were held on 14th October, 2021 and 29th March, 2022.

Details of Attendance at the Meetings of Stakeholders Relationship Committee:

Name of Committee Members	Designation	Attendance
Ms. Nivedita R. Sarda	Chairperson	0 / 2
Mr. Pratap Mohan	Member	2 / 2
Mr. Shailesh Bhandari	Member	2 / 2

Details of Shareholders Complaints received during the year 2021-2022:

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

Complaint as on 01 st April, 2021	Received during the year	Resolved during the year	Pending as on 31 st March, 2022
NIL	NIL	NIL	NIL

SEBI Complaints Redress Systems (SCORES)

SEBI vide circular dated 3rd 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 complaint 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 29th 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:

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 31st March, 2022, no meeting of the Securities Allotment Committee was held.

CORPORATE GOVERNANCE REPORT
(ii) MANAGEMENT COMMITTEE:

The Company has constituted a Management Committee on 29th 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:

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

During the financial year ended on 31st March, 2022, one (1) Meeting of the Management Committee was held on 29th March, 2022.

(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 www.electrotherm.com.

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 31st March, 2022, four (4) meetings of the CSR Committee were held on 5th April, 2021, 14th October, 2021, 12th February, 2022 and 29th March, 2022.

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
35 th	2020-21	Through Video Conferencing / Other Audio Visual Means	6 th December, 2021 11:00 a.m.	• No Special resolution was passed.
34 th	2019-20	Through Video Conferencing / Other Audio Visual Means	17 th August, 2020 10:00 a.m.	• No Special resolution was passed.
33 rd	2018-19	Ahmedabad Management Association (AMA), AITRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	30 th September, 2019 11:00 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 31st March, 2022.

(iii) Special Resolution passed through Postal Ballot

During the financial year ended on 31st March, 2022, no resolution was passed through Postal Ballot.

(v) 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, relevant documents, Postal Ballot Form and self-addressed postage pre-paid envelopes are sent to the shareholders

CORPORATE GOVERNANCE REPORT

to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. 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 and Postal Ballot Form. After the last day for receipt of ballots [physical/e-voting], the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, 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. The result is published in the Newspapers.

At present there is no proposal to pass any Special Resolution through Postal Ballot.

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 28th Annual General Meeting held on 30th 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. www.electrotherm.com

(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 31st March, 2022. 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. www.electrotherm.com.

(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. www.electrotherm.com.

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

Following non-Compliances observed during last three years.

- (i) 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 31st March, 2021, 30th June 2021 and 30th September, 2021. NSE & BSE has imposed penalty on the Company for delay in submission of said financial results and the Company has submitted the waiver requests to the NSE and BSE. The Company has not appointed qualified company secretary as compliance officer in terms of Regulation 6(1) of Listing Regulations after resignation of Company Secretary w.e.f. 31st July, 2021.
- (ii) 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 11th February, 2020 to 10th November, 2020 and the BSE has levied the penalty of Rs. 3,13,880/- (inclusive taxes) for the period from 1st July, 2020 to 10th 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 28th June, 2021, informed the Company that waiver of fine was considered favorably. The waiver request submitted to BSE is pending.
- (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 21st November, 2019 for the period from 31st December, 2020 till 31st March, 2022.
- (iv) 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
- (v) SEBI Adjudicating Officer vide order No. Order/MC/DS/2020 -2021/8788-8794 dated 28th 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

CORPORATE GOVERNANCE REPORT

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.

- (vi) During the financial year 2019-20, the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have imposed penalty of Rs. 94,400/- (inclusive taxes) for non-compliance of provisions of Regulation 33(a) & (b) of the Listing Regulations related to delay in submission of quarterly and year to date standalone and consolidated financial results to the stock exchange within 45 days of the end quarter ended on 30th June, 2019.

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.

- (v) **Vigil Mechanism / Whistle Blower Policy:**

Pursuant 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 www.electrotherm.com.

- (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 www.electrotherm.com.
3. The auditors have qualified the financial statements for the financial year 2021-2022. 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 www.electrotherm.com. 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/2018/000000141 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 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. www.electrotherm.com. 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 31st March, 2022.

CORPORATE GOVERNANCE REPORT

7. GENERAL SHAREHOLDER INFORMATION:

Day, Date & Time of 36 th AGM	Friday, 31 st August, 2022 at 11.00 AM
Venue of AGM	VC/OAVM
Email for Investor Complaint	sec@electrotherm.com
Website	www.electrotherm.com
Financial Year	1 st April, 2022 to 31 st March, 2023
Dividend Payment Date	Not Applicable, as the Board of Directors has not recommended dividend for the financial year ended on 31 st March, 2022.
ISIN with NSDL & CDSL	INE822G01016

Tentative Financial Calendar for 2022-2023 (from 1st April, 2022 to 31st March, 2023):

Quarter ending on 30 th June, 2022	On or before 14 th August, 2022
Quarter ending on 30 th September, 2022	On or before 14 th November, 2022
Quarter ending on 31 st December, 2022	On or before 14 th February, 2023
Quarter ending on 31 st March, 2023	On or before 30 th May, 2023

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 2022-2023 has been paid to both Stock Exchanges.

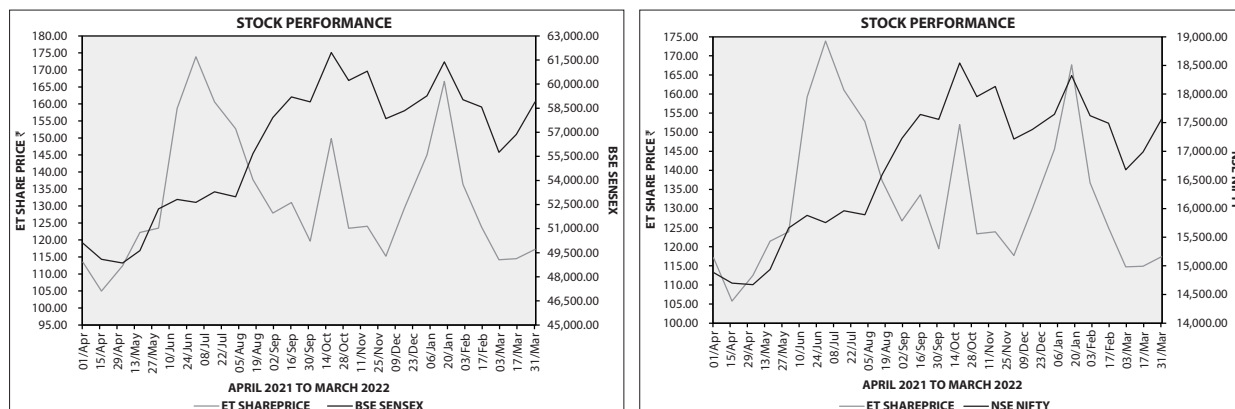
B. Market Price Data:

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 period 2021-2022 are given below:

Month	BSE – Share Price		BSE Monthly Volume	NSE – Share Price		NSE Monthly Volume
	High	Low		High	Low	
April, 2021	115.85	96.20	66,543	117.10	98.10	3,81,953
May, 2021	150.00	102.20	3,19,901	140.95	105.20	20,11,426
June, 2021	197.90	119.10	4,73,249	198.80	118.25	39,05,821
July, 2021	174.90	145.00	1,13,873	174.90	145.00	8,15,846
August, 2021	152.70	115.95	70,972	152.80	115.20	3,89,231
September, 2021	138.20	116.30	1,30,963	138.80	116.15	7,51,517
October, 2021	149.80	115.00	1,92,394	152.00	117.30	13,85,291
November, 2021	128.70	111.90	73,243	129.45	111.25	3,43,370
December, 2021	148.00	110.80	3,28,876	148.25	111.20	17,05,834
January, 2022	170.00	126.70	3,48,004	170.00	127.25	27,02,575
February, 2022	146.35	103.10	1,38,691	146.25	102.95	9,20,063
March, 2022	119.95	106.15	1,25,538	119.90	105.20	6,07,678

CORPORATE GOVERNANCE REPORT
C. Stock Performance:

Performances of share price of the Company in comparison to BSE Sensex and Nifty for the financial year 2021-2022 are as under:


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.

5th 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 • Website: www.linkintime.co.in

E. Share Transfer System:

Pursuant to amendment in Regulation 40(1) of the Listing Regulations, effective from 24th 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 half yearly certificates 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 31st March, 2022:

Category	No. of Shareholders		No. of Shares		
	Total	% of Shareholders	Total	% of Shares	
1	500	9256	92.46	788518	6.19
501	1000	370	3.69	285931	2.24
1001	2000	175	1.75	257310	2.02
2001	3000	55	0.55	138180	1.08
3001	4000	24	0.24	82575	0.65
4001	5000	34	0.34	160244	1.26
5001	10000	31	0.31	220262	1.73
10001	& Above	66	0.66	10809794	84.83
Total		10011	100.00	12742814	100.00

CORPORATE GOVERNANCE REPORT

G. Categories of Shareholding as on 31st March, 2022:

Sr. No.	Category	No. of Shares	% to Share Capital
A.	PROMOTERS SHAREHOLDING		
1.	Promoters and Promoters Group	39,90,325	31.31
B.	PUBLIC SHAREHOLDING		
2.	Mutual Funds / UTI	9,800	0.08
3.	FII's/FPIs	6,50,382	5.10
4.	Banks/Financial Institutions	100	0.00
5.	Bodies Corporate (includes LLP)	22,36,734	17.55
6.	NRIs	1,08,433	0.85
7.	Foreign Companies	20,00,000	15.70
8.	Clearing Members	45,067	0.35
9.	Indian Public & HUF	37,01,973	29.05
	Total	1,27,42,814	100.00

H. Dematerialisation of Shares and Liquidity:

The Shares of the Company are under compulsory trading in demat form. The details of dematerialisation of shares as on 31st March, 2022 is as under:

Sr. No.	Particulars	No. of Shares	% of Paid up Capital
1.	Held in Physical form	11,10,657	8.72
2.	Held in Demat form	1,16,32,157	91.28
	Total	1,27,42,814	100.00

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

As on 31st March, 2022, 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:

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

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 Board/ 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. 0.23 crores (excluding taxes).

CORPORATE GOVERNANCE REPORT

- 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 2021-2022, 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.**

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 31st March, 2022.

Date: 2nd August, 2022
Place: Ahmedabad

Shailesh Bhandari
Managing Director
(DIN: 00058866)

CORPORATE GOVERNANCE REPORT**Chief Executive Officer (CEO) Certificate**

To,
The Board of Directors
Electrotherm (India) Limited

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

I hereby certify that:

- A. I have reviewed the financial statements and the cash flow statement for the year ended on 31st March, 2022 and that to the best of my 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 my 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I 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 I am become 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: 2nd August, 2022
Place: Ahmedabad

Shailesh Bhandari
Managing Director
(DIN: 00058866)

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 31st March, 2022 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 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 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 33 of the SEBI (LODR) Regulations, the Company has not submitted the Audited Financial Results for the quarter ended on 31st March, 2021 within the prescribed due date of 30th June, 2021 and Unaudited Financial Results for the quarter ended on 30th June, 2021 by 14th August, 2021 and for the quarter ended on 30th September, 2021 by 14th November, 2021. NSE & BSE has imposed total fine of Rs. 5,54,600/- for the quarter and year ended on 31st March, 2021 and Rs. 3,42,200/- for the quarter ended on 30th June, 2021 and Rs. 5,31,000/- for the quarter ended on 30th September, 2021. The Company has paid the fines, however, as the delay in submission of financial results was due to stay on the Board Meeting by Hon'ble NCLAT, the Company has submitted the waiver requests to BSE & NSE for the aforesaid delay and the same are pending.*
- (ii) *As per Regulation 17(2) of SEBI (LODR) Regulations, there was gap of more than 120 days between two board meetings as the Board Meeting was held on 14/15th October, 2021 after the Board Meeting held on 5th April, 2021. NSE & BSE imposed total fine of Rs. 23,600/- for the quarter ended on 31st December, 2021. The Company has paid the fines, however, as the maximum time gap of more than 120 days was due to stay on the Board Meeting by Hon'ble NCLAT, the Company has submitted the waiver requests to BSE & NSE for the aforesaid delay and the same are pending.*
- (iii) *As per Regulation 18 of SEBI (LODR) Regulations, there was gap of more than 120 days between two audit committee meetings as the Audit Committee Meeting was held on 14th October, 2021 after the Audit Committee Meeting held on 10th June, 2021.*
- (iv) *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. 31st July, 2021.*

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 : F009416D000728596

Place : Ahmedabad
Date : 2nd August, 2022

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 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) 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 **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities 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	Ms. Nivedita R. Sarda	00938666	25/05/2018

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 : F009416D000728541

Place : Ahmedabad
Date : 2nd August, 2022

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, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (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, 2022, and its **Loss**, total comprehensive income, 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.213.81 Crore, for the year under consideration and the total amount of such unprovided interest till date is Rs.1435.54 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.213.81 crore and the amount of Bank/ARC liability and Total retained earnings/(loss) as on March 31, 2022 is understated by Rs.1435.54 crore. Our audit reports for the previous year ended March 31, 2021 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 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.
- (b) Note No 15(c) in respect of non-payment of Installments due to lender of the loan for the period from December 31, 2019 to March 31, 2022 and Interest due for the period from September 30, 2020 till March 31, 2022 and requested all lenders to allow further moratorium period for the said payments and the lenders are yet to confirm the revised repayment schedule.
- (c) Note No 38(c) in respect of confirmation / reconciliation / regrouping and classification of few accounts of "Trade Receivables", "Trade Payable", "Bank and Loan accounts", "Advance from Customers", "Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties"
- (d) Note No 36(a)(i)(f) in respect of Petition filed by Central Bank of India, a financial creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the Honble National Company Law Tribunal (NCLT), Ahmedabad.
- (e) Note No 32(a)(ix) and 40 in respect of pending litigations/cases and recovery proceedings against the company and the Directors of the Company.
- (f) Note No 8(d) in respect of pending appeal filed against order of Honble DRT Ahmedabad for sale of property of the Wholly owned subsidiary Hans Ispat Limited, non-impairment of the investment value of the subsidiary company and provision of expected credit losses on the balances outstanding of the said subsidiary.

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.

INDEPENDENT AUDITOR'S REPORT

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, 2022. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the 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)	How our audit addressed the key audit matter
<p>Impairment of Investment in a subsidiary and non-recoverability of advances / trade receivables from said subsidiary (refer note 8(d) of the standalone financial statement)</p> <p>The company has investment in subsidiary, namely M/s Hans Ispat Limited amounting to Rs 36.46 Crore and has also made advances of Rs 62.06 Crore to the said subsidiary. Further, the company has also had trade receivables outstanding of Rs 27.30 Crore for the goods sold to the said subsidiary.</p> <p>There is a risk of impairment in carrying value of unquoted equity instruments in said subsidiary, non-recoverability of advances and trade receivables made to the said subsidiary, which have carrying accumulated losses and action by the Hon'ble Recovery Officer of the DRT, which may be considered significant having regard to the financial position of the subsidiary.</p>	<p>Our audit procedure included the followings:</p> <ul style="list-style-type: none"> We have obtained an understanding of management's processes with regard to identifying existence and testing the impairment in the value of investment, non-recoverability of trade receivables and advances to the subsidiary. We have also obtained and verified the latest financial statements of the subsidiary regarding the present level of operations and profitability of the subsidiary. We have also reviewed the DRT order for sale of the subsidiary property. Further action taken by the management and the lender has been described in Note No 8(d) of the Standalone Financial Statements. We have also reviewed the management's estimate of future operations, which has been described in Note No 8(d) of the Standalone Financial Statements. Refer Para (f) in Emphasis of Matter. We read and tested the disclosures in the notes to standalone financial statements which are as per the relevant accounting standards.

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. These reports are expected to be made available to us after the date of this audit report.

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

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

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 the 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 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 including the Companies (Indian Accounting Standards) Amendment Rules, 2019. 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, 2022 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.

INDEPENDENT AUDITOR'S REPORT

- (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;
 - (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, 2022, 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 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 have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these standalone financial statements 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, 2022.
 - (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, 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, 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 of the Companies (Audit and Auditors) Rules, 2014, 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

Place: Ahmedabad
Date: May 30, 2022
UDIN: 22124095AKHIRN4020

Hitesh Shah
Partner
Membership No. 124095

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 31st March 2022.

(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 manner. 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, 2022 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 the said clause 3(ii) (b) of the Order is not applicable to the company.
- iii. (a) The company has not made investments in, 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.
 - The Company has granted loan in the nature of advances to the subsidiary of Rs. 38.79 Crore. The balance outstanding as on March 31, 2022 of the said loan is Rs.68.97 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, 2022 of the loan is Rs. 0.16 Crore.
 - (b) As explained to us, the terms and conditions of all 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 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 as on March 31, 2022 is Rs. 69.13 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 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.
 - (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 is Rs 69.13 crore and 100% thereof to the total 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 69.13 crore.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

- 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, 2022, 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	Commissioner, Central Excise
	Excise duty	6.82	February-2014 to March-2015	CESTAT
	SUB TOTAL	342.00		
FINANCE ACT, 1944	SERVICE TAX	1.84	April-2007 to March-2008	Commissioner, Central Excise
	SUB TOTAL	1.84		
CUSTOM ACT, 1962	CVD	7.27	March-2011 to December-2011	CESTAT
	Custom Duty	0.83	March-2012 to January-2013	Additional Commissioner, Custom
	Custom Duty	0.02	Apr-2011	Commissioner of Custom (Preventive).
	SUB TOTAL	8.12		
Income Tax Act, 1962	Income Tax	21.37	Asst Year 2013-14 to 2017-18	National Faceless Appeal Centre.
	SUB TOTAL	21.37		
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
	SUB TOTAL	2.13		
MAHARASHTRA VAT ACT, 2002	VAT	6.06	2009-10	Deputy Commissioner of MVAT
	VAT	23.09	2010-11	Deputy Commissioner of MVAT
	SUB TOTAL	29.15		
	Grand Total	404.61		

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, 2022 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 Union Bank of India)	4.99	Principal	456
		7.31	Principal	366
		7.31	Principal	275
		7.31	Principal	183
		6.95	Interest	From 0 days to 353 days
Total		33.87		
Loan	Central Bank of India	428.94	Principal	3683
		7.19	Interest	3683
Total		436.13		
Loan	Edelweiss Asset Reconstruction Company Limited	20.15	Principal	472
		40.00	Principal	382
		40.00	Principal	290
		40.00	Principal	198
		40.00	Principal	107
		40.00	Principal	17
Total		220.15		
Loan	Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce)	0.02	Principal	821
		0.70	Principal	730
		0.85	Principal	639
		0.85	Principal	547
		0.85	Principal	455
		0.85	Principal	365
		0.90	Principal	274
		0.90	Principal	182
		0.90	Principal	90
		0.90	Principal	0
Total		7.72		
Loan	Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank)	0.62	Principal	639
		3.25	Principal	547
		3.25	Principal	455
		3.25	Principal	365
		3.50	Principal	274
		3.50	Principal	182
		3.50	Principal	90
		3.50	Principal	0
Total		24.37		

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)	1.81	Principal	639
		4.25	Principal	547
		4.25	Principal	455
		4.25	Principal	365
		5.25	Principal	274
		5.25	Principal	182
		5.25	Principal	90
		5.25	Principal	0
	Total	35.56		
	Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Allahabad Bank, Punjab National Bank and Oriental Bank of Commerce)	10.88	Interest	From 0 day to 547 days
Loan	Rare Asset Reconstruction Limited (assignee of debts of Dena Bank)	0.25	Principal	456
		1.75	Principal	366
		1.75	Principal	275
		1.75	Principal	183
		1.75	Principal	91
		1.75	Principal	17
		2.40	Interest	Form 0 days to 547
	Total	11.40		
Loan	Rare Asset Reconstruction Limited (assignee of debts of Indian Overseas Bank)	189.95	Principal	3866
		0.01	Interest	3866
		Total	189.96	
Loan	Union Bank of India	0.360	Principal	451
		0.618	Principal	421
		0.618	Principal	391
		0.618	Principal	361
		0.618	Principal	331
		0.618	Principal	301
		0.618	Principal	271
		0.618	Principal	241
		0.618	Principal	211
		0.618	Principal	181
		0.618	Principal	151
		0.618	Principal	121
		0.618	Principal	90
		0.618	Principal	59
		0.618	Principal	17
			Total	9.005

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

- (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, the company has not raised any funds on short term basis which have been used for long-term purposes by the company.
- (e) According to the records of the Company examined by us and the information and explanation given to us, 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 order (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) 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)(d) 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.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

- xx. (a) With respect to other than ongoing projects for the year ended as on March 31, 2022, there are 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.

Financial Year	Amount unspent on Corporate Social Responsibility activities "other than Ongoing Projects"	Amount Transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year	Amount Transferred after the due date (specify the date of deposit)
2021-2022	Rs 0.11 crore	Not Due	Not Applicable

- (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

Place: Ahmedabad
Date: May 30, 2022
UDIN: 22124095AKHIRN4020

Hitesh Shah
Partner
Membership No. 124095

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, 2022.

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, 2022 in conjunction with our audit of the Standalone financial Statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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, 2022, 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

Place: Ahmedabad
Date: May 30, 2022
UDIN: 22124095AKHIRN4020

Hitesh Shah
Partner
Membership No. 124095

Standalone Balance Sheet as at March 31, 2022

(Rs In Crore)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non Current Assets			
a) Property, Plant and Equipment	3	634.49	673.40
b) Capital Work in Progress	3	32.68	27.39
c) Intangible Assets	4a	4.73	5.21
d) Right of Use Assets	4b	2.19	1.84
e) Financial Assets			
i) Investments	5	46.26	46.16
ii) Loans	6	-	-
iii) Other Financial Assets	7	43.55	65.63
f) Other Non Current Assets	8	6.30	19.35
Total Non- Current Assets (A)		770.20	838.98
Current assets			
a) Inventories	9	541.93	495.27
b) Financial Assets			
i) Investments	5	0.04	0.04
ii) Trade Receivables	10	176.17	292.77
iii) Cash and Cash Equivalent	11	64.01	88.20
iv) Bank Balance Other than (iii) Above	11	7.25	8.61
v) Other Financial Assets	7	1.57	1.39
c) Current Tax Assets	12	3.28	1.78
d) Other Current Assets	8	201.04	169.83
Total Current Assets (B)		995.29	1,057.89
TOTAL ASSETS (A+B)		1,765.49	1,896.87
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	12.74	12.74
b) Other Equity	14	(973.46)	(919.53)
Total Equity (A)		(960.72)	(906.79)
Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	362.25	991.86
ii) Lease Liabilities	16	0.90	0.28
b) Provisions	17	19.67	15.67
Total Non Current Liabilities (B)		382.82	1,007.81
Current liabilities			
a) Financial Liabilities			
i) Short Term Borrowings	18	1,626.10	1,144.04
ii) Lease Liabilities	16	1.13	1.19
iii) Trade Payables	19		
Total Outstanding Dues Of :			
- Micro Enterprises & Small Enterprises		38.69	40.13
- Other than Micro Enterprises & Small Enterprises		345.85	346.46
iv) Other Financial Liabilities	20	5.21	8.43
b) Other Current Liabilities	21	311.15	242.92
c) Provisions	17	15.26	12.68
Total Current Liabilities (C)		2,343.39	1,795.85
TOTAL EQUITY AND LIABILITIES (A+B+C)		1,765.49	1,896.87
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: 22124095AKHIRN4020

Place : Ahmedabad
 Date : 30th May 2022

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

Place : Ahmedabad
 Date : 30th May 2022

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

(Rs In Crore)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue From Operations	22	2,830.28	2,526.79
Other Income	23	3.76	3.80
Total Income		2,834.04	2,530.59
Expenses			
Cost of Raw Materials and Components Consumed	24	2,127.85	1,650.40
Purchases of Stock in Trade	24	1.60	46.98
Changes in Inventories of Finished Goods & Work in Progress	25	(48.01)	(6.51)
Employee Benefit Expense	26	133.67	130.36
Finance Costs	27	45.35	49.89
Depreciation and Amortisation Expense	28	85.78	116.85
Other Expenses	29	519.79	479.32
Total expenses		2,866.03	2,467.29
Profit / (Loss) Before Exceptional Items And Tax		(31.99)	63.30
Exceptional item	30	(22.33)	-
Profit/(Loss)Before Tax		(54.32)	63.30
Tax Expense:			
Income Tax	31	-	-
Total Tax Expense		-	-
Profit / (Loss) for the Year		(54.32)	63.30
Other comprehensive income / (loss)			
A. Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent period			
Re-measurement gain / (loss) on defined benefit plans		0.39	1.34
Income tax effect relating to these items		-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period		0.39	1.34
Total Other comprehensive income/(loss) for the year, net of tax		0.39	1.34
Total comprehensive income / (Loss) for the year		(53.93)	64.64
Earnings per equity share (nominal value of shares Rs 10) (Basic & Diluted)	35	(42.64)	49.69
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: 22124095AKHIRN4020

Place : Ahmedabad
Date : 30th May 2022

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

Place : Ahmedabad
Date : 30th May 2022

Standalone Cash Flow Statement for the Year Ended March 31, 2022

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	(54.32)	63.30
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation on property, plant, equipment & Amortization of Assets	85.78	116.85
Finance income (including fair value changes in financial instruments)	(2.91)	(3.36)
Net Sundry Balances Written Off/(Written Back)	(0.20)	0.33
Exceptional item	22.33	-
Provision For Doubtful Trade Receivables & Advances	1.92	2.85
Profit on Sale of Units of Mutual Fund	-	(0.04)
(Profit)/Loss on Sale/Discard of Property, Plant & Equipments & Capital Work In Progress (Net)	-	(0.10)
Finance costs (including fair value changes in financial instruments)	45.35	49.89
Unrealized foreign exchange (gain)/loss	(2.14)	(3.03)
Operating Profit before working capital changes	95.81	226.69
Working capital adjustments:		
Decrease/(Increase) in trade receivables	94.61	43.86
Decrease/(Increase) in inventories	(46.66)	(17.80)
Decrease/(Increase) in other current financial assets & others	0.11	0.44
Decrease/(Increase) in other current Asset	(31.21)	(0.86)
(Decrease)/Increase in trade payables	(1.97)	(44.37)
(Decrease)/Increase in other current liabilities	63.84	23.35
(Decrease)/Increase in other non current liabilities	-	(2.75)
(Decrease)/Increase in other current financial liabilities	(0.75)	(2.07)
(Decrease)/Increase in provisions	6.97	(1.68)
Cash generated from operations	180.75	224.81
Direct taxes Paid / (Refund)	(1.50)	0.17
Net Cash (used in) generated from operating activities	179.25	224.98
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments & intangible assets (including CWIP and capital advances)	(40.11)	(40.82)
Proceeds from sale of Property Plant & Equipment	-	0.13
Purchase of Units of Mutual fund	-	(3.00)
Sale of Units of Mutual fund	-	3.00
Redemption/ (Investments) of bank deposits	23.56	(24.73)
Interest income	2.40	2.91
Net Cash (used in) generated from investing activities	(14.15)	(62.51)

Standalone Cash Flow Statement for the Year Ended March 31, 2022

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(147.55)	(65.05)
Payment of Principal portion of Lease Liabilities	(0.95)	(1.53)
Finance Cost (Net)	(40.79)	(37.32)
Net Cash (used in) generated from financing activities	(189.29)	(103.90)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(24.19)	58.57
Cash and Cash Equivalents at the beginning of the year	88.20	29.63
Cash and Cash Equivalents at the end of the Period	64.01	88.20

Unrealized foreign exchange (gain)/loss

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Trade Receivable	(2.26)	(3.12)
Trade Payable	0.12	0.09
Total	(2.14)	(3.03)

Notes:-

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Cash Flow Statement".
- 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: 22124095AKHIRN4020

Place : Ahmedabad
 Date : 30th May 2022

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

Place : Ahmedabad
 Date : 30th May 2022

Statement of Change in Equity for the Year ended March 31, 2022
A. EQUITY SHARE CAPITAL

Particulars	No. of Shares	(Rs In Crore)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2020	1,27,42,814	12.74
Change in Equity Share Capital Due to Prior Period Errors	-	-
Restated balance as at 1st April, 2020	1,27,42,814	12.74
Add: Issue of Equity Share Capital	-	-
As at March 31, 2021	1,27,42,814	12.74
Change in Equity Share Capital Due to Prior Period Errors	-	-
Restated balance as at 1st April, 2021	1,27,42,814	12.74
Add: Issue of Equity Share Capital	-	-
As at March 31, 2022	1,27,42,814	12.74

B. OTHER EQUITY

(Rs In Crore)

Particulars	Reserves & Surplus				Total Other Equity
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
As at April 1, 2020	158.41	240.01	303.72	(1,686.31)	(984.17)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 01,2020	158.41	240.01	303.72	(1,686.31)	(984.17)
Profit for the year	-	-	-	63.30	63.30
Other Comprehensive Income (Re-measurement Gain on defined benefit plans)	-	-	-	1.34	1.34
Total Comprehensive Income	-	-	-	64.64	64.64
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2021	158.41	240.01	300.46	(1,618.41)	(919.53)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 01,2021	158.41	240.01	300.46	(1,618.41)	(919.53)
Loss for the year	-	-	-	(54.32)	(54.32)
Other Comprehensive Income / (Loss) (Re-measurement loss 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	-
As at March 31, 2022	158.41	240.01	297.20	(1,669.08)	(973.46)

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: 22124095AKHIRN4020

Place : Ahmedabad
 Date : 30th May 2022

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

Place : Ahmedabad
 Date : 30th May 2022

Notes to Standalone Financial Statements for the year ended March 31, 2022**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 30, 2022.

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, 2022

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.

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.

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

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 contract with customers:

Revenue from contracts with customers is recognized to the extent that it 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 fair 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.

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).

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

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.
- Contifure Plant are depreciated at annual rate of 100 % & 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, 2022

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:

Assets Estimated

Right-of-use of office premises and Leasehold land

Useful Life

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, 2022

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 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, 2022**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.

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.

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

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.

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.

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

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, 2022**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, 2022

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.

2.3 AMENDMENTS TO SCHEDULE III OF THE COMPANIES ACT, 2013:

Ministry of Corporate Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 01, 2021 and applied to the standalone financial statements:

- a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b. Certain additional disclosures in the standalone Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c. Additional disclosure for shareholding of promoters.
- d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

2.4 RECENT ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract—Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Company.

(ii) Reference to the Conceptual Framework –Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

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

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Company.

(iii) Property, Plant and Equipment: Proceeds before intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Company.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial Liabilities.

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Company.



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

Particulars	(Rs In Crore)									
	Freehold Land	Building	Plant and Equipment	Computer	Furniture and Fixtures	Office Equipment	Vehicles	Total		
Cost										
As at April 1, 2020	150.35	286.15	848.58	9.54	4.74	4.59	4.17	1,308.12		
Additions	-	7.40	21.14	0.92	0.14	0.69	1.32	31.61		
Disposals / Capitalization / Transferred	-	-	0.05	-	-	-	0.16	0.21		
As at March 31, 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		
Disposals / Capitalization / Transferred	-	-	-	-	-	-	-	-		
As at March 31, 2022	150.35	294.88	910.88	11.12	4.95	5.99	6.26	1,384.43		
Depreciation / Amortization and Impairment										
As at April 1, 2020	-	55.04	486.03	5.78	1.35	2.02	1.72	551.94		
Depreciation for the Year	-	14.27	96.04	2.05	0.58	0.85	0.53	114.32		
Disposals / Transferred	-	-	-	-	-	-	0.14	0.14		
As at March 31, 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		
Net Block										
As at April 01, 2020	150.35	231.11	362.55	3.76	3.39	2.57	2.45	756.18		
As at March 31, 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		

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, 2022	32.68
As at March 31, 2021	27.39

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

3(e) 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
Total	19.27	11.34	0.38	1.69	32.68

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
Projects temporarily suspended					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
Total	-	-	-	1.37	1.37

As At March 31, 2021

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	16.11	0.12	0.26	9.53	26.02
Projects temporarily suspended	-	0.12	0.17	1.08	1.37
Total	16.11	0.24	0.43	10.61	27.39

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
Projects temporarily suspended					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
Total	-	-	-	1.37	1.37

Notes to Standalone Financial Statements for the year ended March 31, 2022
4(a) Intangible Assets

(Rs In Crore)

Particulars	Software	Trademark	Total
Cost			
As at April 1, 2020	5.79	0.03	5.82
Additions	0.86	-	0.86
As at March 31, 2021	6.65	0.03	6.68
Additions	0.49	-	0.49
As at March 31, 2022	7.14	0.03	7.17
Amortization and Impairment			
As at April 1, 2020	0.63	0.01	0.64
Amortization for the Year	0.82	0.01	0.83
As at March 31, 2021	1.45	0.02	1.47
Amortization for the Year	0.97	-	0.97
As at March 31, 2022	2.42	0.02	2.44
Net Block			
As at March 31, 2021	5.20	0.01	5.21
As at March 31, 2022	4.72	0.01	4.73

4(b) Right of Use Assets

(Rs In Crore)

Particulars	Right of Use Assets		
	Premises	Lease Hold Land	Total
Gross Carrying Value			
As at April 1, 2020	3.82	0.96	4.78
Additions	0.47	-	0.47
Disposals During the Year	0.08	-	0.08
As at March 31, 2021	4.21	0.96	5.17
Additions	1.34	-	1.34
As at March 31, 2022	5.55	0.96	6.51
Accumulated Amortization			
As at April 1, 2020	1.63	0.04	1.67
Amortization Charged for the Year	1.69	0.01	1.70
Eliminated on disposal of assets	0.04	-	0.04
As at March 31, 2021	3.28	0.05	3.33
Amortization Charged for the Year	0.98	0.01	0.99
As at March 31, 2022	4.26	0.06	4.32
Net Carrying Value			
As at March 31, 2021	0.93	0.91	1.84
As at March 31, 2022	1.29	0.90	2.19

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

5 Investments

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Trade Investments - Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
- 21,503.949 (March 31, 2021: 21,503.949) Units Of Idfc Sterling Value Fund - Regular Plan Growth	0.19	0.14
- 13,027.83 (March 31, 2021: 13,027.83) Units Of Canara Robeco Emerging Equities - Regular Plan Growth	0.21	0.17
- 49,990 (March 31, 2021: 49,990) Units Of Union Focused Largecap Fund - Regular Plan-Growth	0.08	0.07
- 12,052.424 (March 31, 2021: 12,052.424) Units Of L & T Ultra Short Term Fund - Regular Plan-Growth	0.04	0.04
Other unquoted investments in Government Securities (At Amortized Cost)		
- National Saving Certificates	0.00	0.00
Investment in Equity Instruments (Unquoted) : (at Cost Less Provision for Impairment)		
(a) Investment in unquoted Equity Share of Joint Ventures		
- 90,45,127 (March 31, 2021: 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) Investment in unquoted Equity Share of Subsidiary Company (at Cost Less Provision for Impairment)		
- 38,00,000 (March 31, 2021: 38,00,000) Shares of Rmb 1 each of Jinhua Indus Enterprise Limited	2.04	2.04
- 3,64,20,000 (March 31, 2021: 3,64,20,000) Equity Shares of Rs. 10/- each of Hans Ispat Limited (Refer Note 8(d))	36.46	36.46
- 3,50,000 (March 31, 2021: 3,50,000) Equity Shares of Rs. 10/- each of Electrotherm Services Limited	0.35	0.35
- 7,78,000 (March 31, 2021: 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, 2021: 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)
Total	46.30	46.20
Current	0.04	0.04
Non Current	46.26	46.16
Total	46.30	46.20
Aggregate 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	0.42
Aggregate amount of impairment in value of investments in unquoted equity shares	2.85	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, 2021 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, 2021 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, 2021 Rs. 0.72 Crore) has been provided as on April 1, 2016.

Notes to Standalone Financial Statements for the year ended March 31, 2022
6 Loans (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered doubtful		
Loan Receivable from Subsidiary- Credit Impaired	4.18	4.18
Less: Impairment allowance (Allowance for bad and doubtful debts)	(4.18)	(4.18)
Total	-	-

(a) Loan to subsidiary (Rs In Crore)

Particulars	Balance as at March 31, 2022	Balance as at March 31, 2021
Electrotherm Services Limited	4.18	4.18

Particulars	Maximum Amount Outstanding at any time during the Year Ended	
	March 31, 2022	March 31, 2021
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, 2021 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, 2022	As at March 31, 2021
Balance at beginning of the year	4.18	4.18
Provision for expected credit losses	-	-
Balance at end of the year	4.18	4.18

7 Other Financial Assets (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Sundry Deposits (Includes Bank Fixed Deposit of Rs. 7.73 Crore (March 31, 2021: Rs. 8.59 crore) given as EMD)	31.05	27.61
In term deposit accounts (marked as lien against the LC/BG) (remaining maturity more than 12 months)	12.50	38.02
Loan to Employees	0.04	0.15
Interest accrued	1.53	1.24
Total	45.12	67.02
Current	1.57	1.39
Non Current	43.55	65.63
Total	45.12	67.02

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

8 Other Assets (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Product Development Cost	-	14.66
Advance for Capital Goods	6.30	4.69
Advance to subsidiaries	0.95	24.22
Enterprises owned or Significantly influenced by Key Managerial Personnel or their relative	0.16	0.16
Advances Recoverable In Cash or Kind (Net)	33.73	33.16
Advances to Staff	0.16	0.27
Advance to Suppliers and Other Parties	99.31	91.05
Prepaid Expenses	4.38	4.62
Balance with Revenue Authorities	14.02	14.57
Unsecured, Considered Doubtful		
Advance to Subsidiary (Refer Note 8(d)) - Credit Impaired	63.84	1.78
Less : Impairment allowance on subsidiary (allowance for bad and doubtful Advances)	(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)
Total	207.34	189.18
Current	201.04	169.83
Non Current	6.30	19.35
Total	207.34	189.18

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	18.05	19.97
Movement in Provision For Doubtful Receivable on Advance to suppliers, subsidiary and other Parties	15.51	(1.92)
Balance at end of the year	33.56	18.05

(b) Advances to Subsidiaries (Rs In Crore)

Particulars	Balance As at March 31, 2022	Balance As at March 31, 2021
Jinhua Indus Enterprise Limited	0.95	0.95
Shree Ram Electrocast Limited	1.78	1.78
Hans Ispat Limited	62.06	23.27
Total	64.79	26.00

(Rs In Crore)

Particulars	Maximum Amount Outstanding at any time during the Year Ended	
	March 31, 2022	March 31, 2021
Jinhua Jahari Enterprise Limited	-	1.51
Jinhua Indus Enterprise Limited	0.95	1.40
Shree Ram Electrocast Limited	1.78	1.78
Hans Ispat Limited	62.06	23.27

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

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

- (d) The Company hold 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 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 handover 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 Securitisation & 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 confirmed and possession handed-over be stalled and stayed further proceedings and status-quo to be maintained. The said appeal is pending in DRAT, Mumbai for further hearing.

In view of this above facts and circumstance, the company have not impaired the value of the investment in equity of the Wholly Owned Subsidiary Company.

Further, the company has receivable in the form of Advances of Rs 62.06 Crore and Trade Receivable of Rs 27.30 Crore and against which as a prudent decision, the company have provided expected credit loss of Rs 22.33 (Rs 15.51 Crore on advances + Rs 6.82 Crore on Trade Receivable) on the balance outstanding and which has been considered as Exceptional items and the treatment of the balance amount will be accounted on the basis of the final outcome of the order of the Hon’ble DRAT and/or Court.

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

9 Inventories {Refer Note No 38(e)}

(Rs In Crore)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a. Raw Material [including goods in transit of Rs. 2.30 Crore (March 31, 2021 Rs. 1.28 Crore)]	168.17	163.93
b. Work-In-Progress	207.85	194.55
c. Finished Goods / Stock in Trade [Including goods in transit of Rs. 10.42 Crore (March 31, 2021 Rs. 1.45 Crore)]	123.31	88.60
d. Stores and Spares	42.60	48.19
Total	541.93	495.27

10 Trade Receivables {Refer Note No 38(c)}

(Rs In Crore)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(A) Trade receivables from other parties		
Secured Considered Good	38.71	71.32
Unsecured Considered Good	107.30	183.50
Unsecured Considered Doubtful- Credit Impaired	98.68	96.76
Less: Allowance for Expected Credit Loss / Doubtful Receivable	(98.68)	(96.76)
(B) Due from Related Parties (Unsecured, Considered Good)		
- Subsidiary Companies	-	28.27
- Enterprises owned or Significantly influenced by key management personnel or their relative	9.68	9.68
(Unsecured, Considered Doubtful)		
- Subsidiary Company - Credit Impaired (Refer Note No 8d)	27.81	0.51
Less: Allowance for Expected Credit Loss / Doubtful Receivable	(7.33)	(0.51)
Total	176.17	292.77

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

(a) Ageing of Trade Receivable

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
Total	70.01	37.54	13.48	46.52	5.21	109.42	282.18
Less: Provision for Expected Credit Loss / Doubtful Receivable							
- on Subsidiaries							(7.33)
- on Other Parties							(98.68)
Total Trade Receivable							176.17

As at March 31, 2021

(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	83.35	124.24	28.70	40.19	15.76	0.53	292.77
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	0.01	0.72	0.09	92.31	93.13
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	4.14	4.14
Total	83.35	124.24	28.71	40.91	15.85	96.98	390.04
Less: Provision for Expected Credit Loss / Doubtful Receivable							
- on Subsidiary							(0.51)
- on Other Parties							(96.76)
Total Trade Receivable							292.77

Notes to Standalone Financial Statements for the year ended March 31, 2022
b Movement in expected credit loss allowance (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	97.27	92.50
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	8.74	4.77
Balance at end of the year	106.01	97.27

- 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, 2022	As at March 31, 2021
Cash and Cash Equivalents (At Amortized Cost)		
a. Balances with Bank		
- In Current Account	63.39	87.46
b. Cash on hand	0.62	0.74
Cash and cash equivalent for the purpose of statement of cash flow	64.01	88.20
Bank Balance Other than Cash and Cash Equivalents (At Amortized Cost)		
- Deposits with original maturity of more than three months but less than twelve months	6.80	8.28
- Interest accrued but not due	0.45	0.33
Total	7.25	8.61

12 Current Tax assets (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Asset	3.28	1.78
Total	3.28	1.78

13 Equity share capital (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Authorized Share Capital:			
2,50,00,000 (March 31, 2021: 2,50,00,000 and April 1, 2020: 2,50,00,000) Equity Shares of Rs.10/- each	25.00	25.00	25.00
2,50,00,000 (March 31, 2021: 2,50,00,000 and April 1, 2020: 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, 2021: 2,85,90,000 and April 1, 2020: 2,85,90,000) Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- each	28.59	28.59	28.59
	78.59	78.59	78.59
Issued, subscribed and fully paid up:			
(a) Equity Shares			
1,27,42,814 (March 31, 2021 1,27,42,814 and April 1, 2020: 1,27,42,814) Equity Shares of Rs.10/- each Fully paid up	12.74	12.74	12.74
	12.74	12.74	12.74

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

a) Details of reconciliation of the number of equity shares outstanding:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	(Rs In Crore)	No of shares	(Rs In Crore)
Equity Shares :				
At the beginning of the year	1,27,42,814	12.74	1,27,42,814	12.74
Add: Shares issued during the year	-	-	-	-
At the end of the year	1,27,42,814	12.74	1,27,42,814	12.74

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 shareholders 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 shareholder 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 shareholders 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, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Edelweiss Asset Reconstruction Company Limited	7,00,208	5.49	7,92,208	6.22
Castleshine PTE Limited	10,00,000	7.85	10,00,000	7.85
Leadhaven PTE Limited	10,00,000	7.85	10,00,000	7.85
Western India speciality Hospital Limited	9,75,000	7.65	9,75,000	7.65
Mr. Shailesh Bhandari	8,48,275	6.66	8,48,275	6.66
Mr. Mukesh Bhandari	8,09,500	6.35	8,09,500	6.35
Artiben Jagdish Thakkar	6,94,406	5.45	-	-
Jagdishkumar Amrutlal Akhani	-	-	7,62,761	5.99

Notes to Standalone Financial Statements for the year ended March 31, 2022
f) Share holding of the Promoters

Sr. No.	Name of Promoters	Category	As on March 31, 2022		As on March 31, 2021		% Change During the year
			No. of Shares	% of Shares	No. of Shares	% of Shares	
1	Shailesh Bhandari	Promoter	8,48,275	6.66	8,48,275	6.66	-
2	Mukesh Bhandari	Promoter	8,09,500	6.35	8,09,500	6.35	-
3	Ritu Bhandari	Promoter Group	2,43,025	1.91	2,43,025	1.91	-
4	Nagesh Bhandari	Promoter Group	2,33,125	1.83	2,33,125	1.83	-
5	Suraj Shailesh Bhandari	Promoter Group	81,100	0.64	81,100	0.64	-
6	Anurag Mukesh Bhandari	Promoter Group	76,050	0.60	76,050	0.60	-
7	Siddharth Mukesh Bhandari	Promoter Group	65,100	0.51	65,100	0.51	-
8	Mukesh Bhanwarlal Bhandari (HUF)	Promoter Group	60,000	0.47	60,000	0.47	-
9	Indubala Bhandari	Promoter Group	51,500	0.40	51,500	0.40	-
10	Dalal Narendrakumar Babubhai	Promoter Group	34,500	0.27	34,500	0.27	-
11	Jyoti Bhandari	Promoter Group	375	0.00	375	0.00	-
12	Reema Bhandari	Promoter Group	275	0.00	275	0.00	-
13	Western India Speciality Hospital Limited	Promoter Group	9,75,000	7.65	9,75,000	7.65	-
14	Bhandari Rakesh	NRI-Promoter Group	5,12,500	4.02	5,12,500	4.02	-
	TOTAL		39,90,325	31.31	39,90,325	31.31	-

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, 2021: 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, 2022).**

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)
(a) Capital Reserve	
As at April 1, 2020	158.41
Increase/(decrease) during the Year	-
As at March 31, 2021	158.41
Increase/(decrease) during the Year	-
As at March 31, 2022	158.41
(b) Securities Premium	
As at April 1, 2020	240.01
Increase/(decrease) during the Year	-
As at March 31, 2021	240.01
Increase/(decrease) during the Year	-
As at March 31, 2022	240.01

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

Particulars	(Rs. In Crore)
(c) General Reserves	
As at April 1, 2020	303.72
Increase/(decrease) during the Year	(3.26)
As at March 31, 2021	300.46
Increase/(decrease) during the Year	(3.26)
As at March 31, 2022	297.20
Retained Earnings	
As at April 1, 2020	(1,686.31)
Profit for the year	63.30
Other Comprehensive Income (Re-measurement Gain on defined benefit plans)	1.34
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2021	(1,618.41)
Loss for the year	(54.32)
Other Comprehensive Income / (Loss) (Re-measurement Loss on defined benefit plans)	0.39
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2022	(1,669.08)
Total Other Equity	
As at March 31, 2021	(919.53)
As at March 31, 2022	(973.46)

a. Capital Reserve

Capital Reserve inculdes 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 Company earned till date and net of appropriations.

15 Borrowings {Refer Note No. 36}

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loans from Banks {Refer Note No. (a) & (c) below}		
- Rupee Term Loan	479.20	502.07
Loans from Asset Reconstruction Companies {Refer Note No. (a) & (c) below }		
- Rupee Term Loan	1,494.65	1,619.33
Less: Current Maturity of Long Term Borrowing	(1,611.60)	(1,129.54)
Total	362.25	991.86

Notes to Standalone Financial Statements for the year ended March 31, 2022
(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	From 8.10% to 8.20% p.a.
Edelweiss Asset Reconstruction Company Limited	12% p.a.
Invent Assets Securitization and Reconstruction Private Limited	15% p.a.
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 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 company has not paid one of the instalment each due for the quarter ended on December 31, 2019 and March 31, 2020. The company has not paid major of the instalments due from June 30, 2020 to March 31, 2022 and interest due thereon for the period from September 30, 2020 to March 31, 2022. The company 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. Details of the default are as follows:

(Rs In Crore)

Name of Lender	Principal	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	26.92	From December 2020 to March 2022
Union Bank of India	9.01	From January 2021 to March 2022
Central Bank of India	428.94	From March 2012 to March 2022
Edelweiss Asset Reconstruction Company Limited	220.15	From December 2020 to March 2022
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce)	7.72	From December 2019 to March 2022
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank)	24.37	From June 2020 to March 2022
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Allahbad Bank)	35.56	From June 2020 to March 2022
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	189.95	From August 2011 to March 2022
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank) (included in other Current Liabilities)	9.00	From December 2020 to March 2022
Total	951.62	

(Rs In Crore)

Name of Lender	Interest	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India) (included in other Current Liabilities)	6.95	From March 2021 to March 2022
Central Bank of India (included in Borrowings)	7.19	From March 2012
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce, Punjab National Bank, Allahbad Bank) (included in other Current Liabilities)	10.88	From September 2020 to March 2022
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank) (included in Borrowing)	0.01	From August 2011 to March 2022
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank) (included in other Current Liabilities)	2.40	From September 2020 to March 2022
Total	27.43	

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

(d) Repayment Schedule as per Sanction is as under: - (Rs In Crore)

Particulars	Due or payable with in 1 Year	1 - 3 Year
Secured		
Term Loans from Banks		
- Rupee Term Loan	479.20	-
Loans from Asset Reconstruction Companies		
- Rupee Term Loan	1,132.40	362.25
Total	1,611.60	362.25

(e) Net Debt Reconciliation (Rs In Crore)

Particulars	Long Term Borrowings	Interest Expenses
As at April 1, 2020	2,186.38	3.50
Interest Expenses	-	31.01
Outflow	(64.98)	(18.67)
As at March 31, 2021	2,121.40	15.84
Interest Expenses	-	40.99
Outflow	(147.55)	(36.60)
As at March 31, 2022	1,973.85	20.23

16 Lease Liabilities (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to: -		
Key Managerial Personnel	0.39	0.34
Relative of Key Managerial Personnel	0.08	0.08
Others	1.56	1.05
Total	2.03	1.47
Current	1.13	1.19
Non Current	0.90	0.28
Total	2.03	1.47

Note: Net Debt reconciliation of lease liability refer note no 32(b).

17 Provisions (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits*	28.25	24.04
Provision for warranty	6.68	4.31
Total	34.93	28.35
Current	15.26	12.68
Non Current	19.67	15.67
Total	34.93	28.35

* 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	As at March 31, 2022	As at March 31, 2021
Opening balance of warranty	4.31	5.35
Add: Provision recognised during the year	5.60	2.99
Less: Amount utilised during the year	3.23	4.03
Closing balance of warranty	6.68	4.31

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

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, 2022	As at March 31, 2021
Secured		
Current Maturities of Long term borrowings {Refer Note No 15}	1,611.60	1,129.54
Unsecured		
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
	1,614.10	1,132.04
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
Total	1,626.10	1,144.04

Net Debt Reconciliation of Unsecured Loan

(Rs In Crore)

Particulars	Short Term Borrowings
As at April 1, 2020	2.57
Interest Expenses	-
Outflow	(0.07)
As at March 31, 2021	2.50
Interest Expenses	-
Outflow	-
As at March 31, 2022	2.50

19 Trade Payables {Refer Note No 38(c) & 40(a)}

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Outstanding dues of Micro and Small Enterprises	38.69	40.13
Total Outstanding dues of creditors other than Micro and Small Enterprises		
Dues to Subsidiaries	0.04	3.17
Dues to Key Managerial Personnel	0.01	0.03
Dues to Enterprise Owned or Significantly Influence by Key Managerial Personnel or Their Relative	0.01	0.17
Others	345.79	343.09
Total	384.54	386.59

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

- (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 March 31, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	38.69	40.13
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods	0.90	1.29
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, 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	-	-	-	-	-	-
Total	100.42	242.98	13.37	3.64	24.13	384.54

As at March 31, 2021

(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	0.56	26.88	12.64	0.05	-	40.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	49.79	194.00	75.24	4.91	22.52	346.46
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	50.35	220.88	87.88	4.96	22.52	386.59

Notes to Standalone Financial Statements for the year ended March 31, 2022
20 Other Financial Liabilities (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for Capital expenditure (Includes amount payable to MSME of Rs. 0.90 Crore (March 31, 2021 Rs 1.29 Crore))	2.95	5.42
Others*	2.26	3.01
Total	5.21	8.43
Current	5.21	8.43
Non-Current	-	-
Total	5.21	8.43

*Others Includes amount payable as reimbursement of expenses to staff, insurance claim payable etc.

21 Other liabilities (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customers (Contract Liabilities)	279.50	206.88
Advance from enterprise owned or significantly influenced by Key Managerial Personnel	0.01	0.01
Interest accrued and due	20.23	15.84
Liability Towards Corporate Social Responsibility	1.49	-
Other Miscellaneous Liabilities	0.14	0.45
Statutory Dues Payable	9.78	19.74
Total	311.15	242.92
Current	311.15	242.92
Non Current	-	-

22 Revenue From Operations (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue From Contracts With Customers		
Sales of Products (Finished & Traded Goods)	2,807.39	2,503.05
Revenue From Service Contracts	11.17	15.07
Total Revenue from Contracts with Customers	2,818.56	2,518.12
Other Operating Income	11.72	8.67
Total Revenue From Operation	2,830.28	2,526.79
i) Disaggregated revenue Information		
Types of Goods & Services		
(a) Engineering & Technologies Division	964.15	641.43
(b) Special Steel Division	1,893.90	1,882.11
(c) Electric Vehicle Division	55.68	30.67
(d) Revenue From Service Contracts with Customers	11.17	15.07
Gross Revenue Company as a Whole	2,924.90	2,569.28
Less:- Inter Segment Revenue	(94.62)	(42.49)
Total Revenue From Operation	2,830.28	2,526.79
India	2,497.45	2,311.88
Outside India	332.83	214.91
Total Revenue From Contracts with Customers	2,830.28	2,526.79

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

Set Out below is the amount of revenue recognised from:-

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Amount of Contract Liability (Advance From Customers) at the beginning of the year	206.89	160.57
Performance obligation satisfied during the year	143.11	110.64

Performance Obligation :-

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one Year	835.04	916.73
More than One Year	198.44	451.27

Contract Balances As At:

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Contract Balances		
Trade Receivables	176.17	292.77
Contract Liabilities (Advance from Customers)	279.51	206.89

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, 2022	Year ended March 31, 2021
Revenue as per Contract Price	2,830.02	2,527.17
Adjustments for Discounts & Rebates	11.46	9.05
Revenue From Contracts with Customers	2,818.56	2,518.12

Revenue from sale of products are recorded at a point of time of Rs 2807.39 Crore (March 31, 2021 Rs. 2503.05 Crore) and those from sale of services are recognised over a period of time of Rs. 11.17 Crore (March 31, 2021 Rs. 15.07 Crore).

23 Other Income

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on :		
-Fixed Deposits	1.85	1.79
-Others	0.96	1.40
Gain on Sale of Property, Plant & Equipments	-	0.01
Profit on Sale of Units of Mutual Fund	-	0.04
Net Sundry Balances Written Back	0.20	-
Fair Valuation gain/(loss) on Financial Instruments at the fair value through Profit & Loss	0.10	0.17
Miscellaneous Income	0.65	0.39
Total	3.76	3.80

24 Cost of Raw Materials and Components Consumed

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Inventory	163.93	149.49
Add: Purchases & Other Expenses	2,132.09	1,664.84
Total	2,296.02	1,814.33
Less: Closing Inventory	168.17	163.93
Cost of Raw Material Consumed	2,127.85	1,650.40
Purchase of Stock in Trade		
Trading Purchase	1.60	46.98

Notes to Standalone Financial Statements for the year ended March 31, 2022
25 Changes in Inventories of Finished Goods, Work in Progress (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year		
-Work In Progress	194.55	159.13
-Finished Goods	88.60	117.51
Sub Total	283.15	276.64
Inventory at the end of the Year		
-Work In Progress	207.85	194.55
-Finished Goods	123.31	88.60
Sub Total	331.16	283.15
Total	(48.01)	(6.51)

26 Employee Benefit Expense (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages, Allowances and Bonus	125.09	121.49
Contribution to Provident and other funds (Refer Note No. 33)	7.00	7.05
Staff Welfare and amenities	1.58	1.82
Total	133.67	130.36

27 Finance Costs (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other Interest	3.01	6.25
Interest Expenses on Account of Settlement of Loans with Banks and Asset Reconstruction Companies	40.99	31.01
Interest on Statutory Dues	0.43	11.01
Interest on Lease Liability	0.17	0.23
Bank Charges	0.75	1.39
Total	45.35	49.89

28 Depreciation and Amortisation Expense (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation and Amortization of tangible assets {Refer note - 3}	83.82	114.32
Right of Use Asset {Refer Note 4(b)}	0.99	1.70
Amortization of intangible assets {Refer note 4(a)}	0.97	0.83
Total	85.78	116.85

28 Other Expenses

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power & Fuel	80.19	88.77
Consumption of Stores & Spares	134.39	120.62
Labour & Job Charges	111.99	93.74
Machinery Repairs	5.30	2.75
Building Repairs	0.65	0.53
Other Repairs	3.85	3.51
Water Charges	7.46	5.73
Hire-Lease-Rent Charges	12.24	10.55

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

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rates & Taxes	3.34	6.11
Insurance Premium	7.26	5.95
Postage Telegram & Telephone Expenses	1.50	1.43
Conveyance Expenses	0.74	0.79
Travelling Expenses	5.10	3.36
Printing & Stationery	0.32	0.20
Vehicle Expenses	0.58	0.73
Security Expenses	1.93	2.35
CSR Activity (Refer note no. 46)	1.66	1.33
Subscription & Membership	0.42	0.23
Net Sundry Balances Written Off	-	0.33
Net Provision For Expected credit loss for trade receivable	1.92	2.85
Auditors' Remuneration:		
-Audit Fees	0.20	0.20
-Limited Review	0.02	0.03
-Certificate	0.01	0.00
Legal & Professional Charges	7.89	6.52
Warranty Expenses	5.60	2.99
Guest House Expenses	0.89	0.62
Miscellaneous Expenses	3.61	3.12
Foreign Exchange Fluctuation(net)	0.18	3.62
Donation	0.02	0.03
Advertisement & Sales Promotion	6.28	6.23
Commission Expenses	7.22	11.82
Freight Outward & other Expenses (Net)	106.96	92.20
Director Sitting fees	0.07	0.08
Total	519.79	479.32

30 Exceptional Item

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Provision For Expected credit loss for trade receivable & Advances (Refer Note 8(d))	22.33	-
Total	22.33	-

31 Income Tax

a Component of Income tax

(Rs In Crore)

The Major component of income tax expense for the year ended March 31, 2022 & March 31, 2021 are:	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Tax		
Current Income Tax	-	-
Deferred Tax		
Deferred Tax Expenses/(Benefit)	-	-
Tax in Respect of earlier years	-	-
Income tax expense reported in the Statement of Profit & Loss	-	-
Other Comprehensive Income (OCI)		
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, 2022
b Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2022 & March 31, 2021:

(Rs In Crore)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Accounting profit / (Loss) before tax	(54.32)	63.30
Enacted income tax rate in India applicable to the company	25.17%	25.17%
Tax using the Company's domestic tax rate	(13.67)	15.93
Tax effects of:		
Income Tax allowances	(26.32)	(19.43)
Non-Deductible expenses	40.93	34.93
Unsuited Tax Loss	(0.65)	(30.31)
Others	(0.29)	(1.12)
At the effective income tax Nil rate as at March 31, 2022 (Nil Rate as at March 31, 2021)	0.00	0.00

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. Presently, 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, and accordingly the available MAT credit has lapsed. The company has incurred loss in all the consecutive years starting from Financial Year 2009-10 till 2015-16.

d Deferred Tax
Movement in deferred tax Assets (net) for the year ended 31st 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
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	19.32	0.84	20.16
Investment	0.02	0.03	0.05
Total	19.34	0.87	20.21
Tax effect of items constituting deferred tax assets:			
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
Total	280.62	(30.18)	250.44
Net Deferred Tax Assets	261.28	(31.05)	230.23

Movement in deferred tax Assets (net) for the year ended 31st March, 2021

(Rs In Crore)

Particulars	Opening Balance As at April 01, 2020	To be Recognized in Statement of Profit & Loss Account	Closing Balance as at March 31, 2021
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	45.69	(26.37)	19.32
Investment	-	0.02	0.02
Total	45.69	(26.35)	19.34
Tax effect of items constituting deferred tax assets:			
Asset on expenses allowed in year of payment	7.11	2.93	10.04
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws	273.76	(33.69)	240.07
Investments	0.02	(0.02)	-
Lease Loan liability	0.60	(0.23)	0.37
Other adjustments	29.65	0.49	30.14
Total	311.14	(30.52)	280.62
Net Deferred Tax Assets	265.45	(4.17)	261.28

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, 2022

32 Contingent Liabilities and Other Commitments

(a) Claims against the Company not acknowledged as debts towards:

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
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	-
vi) Goods and Service Tax	2.13	-
vii) Estimated amount of contracts remaining to be executed on capital account (net off advances) and not provided for	15.48	15.35
viii) Guarantees / Counter Guarantees (including un-utilized Letters of Credit)	12.94	40.39

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 18th January 2021 to 3rd February 2021 early morning 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 3rd February 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, 2021: 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, 2022	March 31, 2021
Current Lease Liabilities	1.13	1.19
Non-Current Lease Liabilities	0.90	0.28
Total	2.03	1.47

(ii) The following is the movement in the lease liability for the year ended March 31, 2022

(Rs In Crore)

Particulars	Amount
As at April 01, 2020	2.38
Additions	0.47
Finance Cost Accrued during the year	0.23
Deletions	0.08
Payment of lease Liabilities	1.53
As at March 31, 2021	1.47
Additions	1.34
Finance Cost Accrued during the year	0.17
Deletions	-
Payment of lease Liabilities	0.95
As at March 31, 2022	2.03

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

(iii) The following are the expenses recognised in profit and loss (Rs In Crore)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation expenses of Right of use assets	0.99	1.70
Interest Expenses on Lease Liability	0.17	0.23
Total Expenses	1.16	1.93

(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 1.26 Crore (March 31, 2021: Rs 0.72 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, 2022	Year ended March 31, 2021
Within one year	1.36	0.78
After one year but not more than five years	0.85	0.31

(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, 2022	For the year ended March 31, 2021
Employers' Contribution to Provident Fund (including contribution to Employees' Pension Scheme 1995)	7.00	6.98

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, 2022	As at March 31, 2021
Gratuity		
Current	3.39	3.22
Non-Current	15.77	13.80
Total	19.16	17.02

Significant assumptions :

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
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, 2022

Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition rate	refer note**	refer note**

Note

*Discounting rate in Special Steel Division is 6.90% (Previous year 6.57%) and in Engineering & Technologies and Electric Vehicle Division 7.31% (Previous year 6.93%)

** 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)
April 1, 2020	12.40	(4.18)	8.22
Current service cost	1.05	-	1.05
Interest expense/(income)	0.85	(0.29)	0.56
Total amount recognized in Profit or Loss	1.90	(0.29)	1.61
Return on Plan Assets, Excluding Interest Income	-	0.02	0.02
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.68)	-	(0.68)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.14)	-	(0.14)
Total amount recognized in Other Comprehensive Income	(0.82)	0.02	(0.80)
Contribution by the Employer	-	(0.80)	(0.80)
Liability Transferred Out/ Divestments	(0.12)	-	(0.12)
Benefits paid from the fund	(1.33)	1.34	0.01
March 31, 2021	12.03	(3.91)	8.12

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2021	12.03	(3.91)	8.12
Current service cost	0.99	-	0.99
Interest expense/(income)	0.83	(0.27)	0.56
Total amount recognized in Profit or Loss	1.82	(0.27)	1.55
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)
Total amount recognized in Other Comprehensive Income	(0.77)	(0.01)	(0.78)
March 31, 2022	13.08	(4.19)	8.89

(Rs In Crore)

Categories of Assets	As at March 31, 2022	As at March 31, 2021
Life Insurance Corporation of India	1.80	1.67
HDFC Bank	2.39	2.24
Total	4.19	3.91

Notes to Standalone Financial Statements for the year ended March 31, 2022
(b) Non-Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2020	9.17	-	9.17
Current service cost	1.04	-	1.04
Interest expense/(income)	0.59	-	0.59
Total amount recognized in Profit or Loss	1.63	-	1.63
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.54)	-	(0.54)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.01)	-	(0.01)
Total amount recognized in Other Comprehensive Income	(0.55)	-	(0.55)
Liability Transferred In / Acquisitions	0.21	-	0.21
Benefit Paid Directly by the Employer	(1.56)	-	(1.56)
March 31, 2021	8.90	-	8.90

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2021	8.90	-	8.90
Current service cost	0.95	-	0.95
Interest expense/(income)	0.58	-	0.58
Total amount recognized in Profit or Loss	1.53	-	1.53
Actuarial (Gains)/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 Financial Assumptions	(0.21)	-	(0.21)
Total amount recognized in Other Comprehensive Income	0.39	-	0.39
Liability Transferred In / Acquisitions	0.22	-	0.22
Benefit Paid Directly by the Employer	(0.77)	-	(0.77)
March 31, 2022	10.27	-	10.27

ii) The net liability disclosed above relates to plans are as follows:

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Funded Plan		
- Present value of funded obligation	13.08	12.03
- Fair value of plan assets	(4.19)	(3.91)
(Surplus) / Shortfall of funded plan	8.89	8.12
Unfunded Plan		
- Present value of funded obligation	10.27	8.90
- Fair value of plan assets	-	-
(Surplus) / Shortfall of unfunded plan	10.27	8.90
Company as a Whole		
- Present value of funded obligation	23.35	20.93
- Fair value of plan assets	(4.19)	(3.91)
(Surplus) / Shortfall of plan	19.16	17.02

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

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, 2022	March 31, 2021
Discount rate		
1.0% increase	(1.68)	(1.67)
1.0% decrease	1.95	1.95
Future Salary		
1.0% increase	1.86	1.86
1.0% decrease	(1.64)	(1.64)
Rate of Employee Turnover		
1.0% increase	0.18	0.12
1.0% decrease	(0.20)	(0.13)

- 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, 2022	March 31, 2021
1st Following Year	2.06	1.04
2nd Following Year	0.65	0.40
3rd Following Year	0.93	0.76
4th Following Year	0.72	0.88
5th Following Year	0.81	0.70
Sum of Years 6 to 10	4.64	4.86
Sum of Years 11 and above	21.80	21.32

(Rs In Crore)

From the Employer	March 31, 2022	March 31, 2021
1st Following Year	1.34	1.09
2nd Following Year	1.03	0.90
3rd Following Year	1.06	0.86
4th Following Year	1.06	0.89
5th Following Year	0.95	0.87
Sum of Years 6 to 10	4.56	3.73
Sum of Years 11 and above	7.36	6.58

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, 2022

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.

34 Segment Reporting

The segment report is given in consolidated financial statements.

35 Earnings per Share (EPS)

Particulars		2021-22	2020-21
Profit / (Loss) for the Year	(Rs. In Crore)	(54.32)	63.30
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.)	(42.64)	49.69
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

(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 loan of Rs 436.13 Crore (Principal of Rs. 428.94 Crore and Interest of Rs. 7.19 Crore) in March 2012. The company is in negotiation with the bank for Settlement.

Case before Debts Recovery Tribunal (DRT):

(b) 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. The Hon'ble Recovery Officer has also passed an order to maintain status quo with respect to amount of Rs. 10.75 Crores lying in 'No Lien' account with the Bank. Further action / hearing is pending before the Hon'ble Recovery Officer.

(c) 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, Ahmedabad ("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. Further hearing is pending before the Hon'ble NCLT, Ahmedabad.

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

- (d) Central Bank of India has declared the Company as a wilful defaulter on March 29, 2014 for an outstanding amount of Rs. 436.13 Crore 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)

- (e) 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 is pending before the Hon'ble CBI Court for further proceedings. The Directorate of Enforcement, Ahmedabad has filed 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 24.01.2022 allowed the application and by further order dated 29.03.2022 disposed of the case for transfer to PMLA Court.

Petition under Insolvency and Bankruptcy Code (IBC)

- (f) 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 04.05.2022 and reserved for order.

Other Case

- (g) 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 6th November, 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.

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 20th September, 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 is moratorium against personal guarantors. Further action / hearing is pending before Hon'ble Recovery Officer.

Notes to Standalone Financial Statements for the year ended March 31, 2022**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. 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. 90.08 Crore (March 31, 2021: Rs. 71.98 Crore) has been adjusted against the total outstanding loan liability.
- (c) As per the settlement agreement with Union Bank of India, if the Company complies all the terms and conditions as per settlement agreement and subject to sanction of the revised repayment proposal, there will be a reduction in debt by Rs. Nil.

Case before Debts Recovery Tribunal (DRT):

- (d) 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 22.06.2021 and 26.08.2021 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. The company has submitted revised repayment proposal to Rare Asset Reconstruction Limited which is pending for consideration.

Accounting Treatment in Books

- (b) The repayment of debt to Rare Asset Reconstruction Limited, up to the balance sheet date of Rs. 19.00 Crore (March 31, 2021 is Rs. 13.00 Crore) has been adjusted against the total outstanding loan liability.
- (c) If all the terms and conditions of the settlement are fully complied and subject to sanction of the revised repayment proposal, there will be reduction in debt by Rs. 23.44 Crore.

Case before Debts Recovery Tribunal (DRT):

- (d) 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 03.08.2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.

Wilful Defaulter:

- (e) Dena Bank has declared the Company as a wilful defaulter on 31.03.2016 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. 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 08.02.2022 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. The company has submitted revised repayment proposal to Union Bank of India which is pending for consideration.

Notes to Standalone Financial Statements for the year ended March 31, 2022**Accounting Treatment in Books**

- (b) The repayment of debt to Union Bank of India, up to the balance sheet date of Rs. 32.98 Crore (March 31, 2021: Rs. 28.21 Crore), has been adjusted against the total outstanding loan liability.
- (c) As per the settlement agreement with Union Bank of India, if all the terms and conditions of the settlement are fully complied upto March 2023, there will be no reduction in debt.

Case before Debts Recovery Tribunal (DRT):

- (d) 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 22.06.2021 and 26.08.2021 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.

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, 2021 is Rs. 375.82 Crore) has been adjusted against the total outstanding loan liability.
- (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.
- (e) If all the terms and conditions of settlement are fully complied upto March 2023, there will be reduction in debt by Rs. 403.90 Crore.

Central Bureau of Investigation (CBI)

- (f) 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 an FIR on 31.12.2021. Central Bureau of Investigation (CBI) carried out the search on 04.01.2022 and seized various documents and now the matter is under investigation.

vi. 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.

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

- (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

Accounting Treatment in Books

- (c) The amount of repayment of debt to Invent Assets Securitization and Reconstruction Private Limited, up to the balance sheet date of Rs. 45.80 Crore (March 31, 2021 is Rs. 35.65 Crore) has been adjusted against the total outstanding loan liability.
- (d) 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):

- (e) 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, 2021 Rs. 6.28 Crore) and Rs. 23.93 Crore for the financial year 2010-11 (March 31, 2021 Rs. 23.93 Crore) after adjustment of Rs. 4.00 Crore (March 31, 2021 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, 2021: 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, 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)

Particulars	Up to March 31, 2021	From April 1, 2021 to March 31, 2022	Up to March 31, 2022
Interest on Corporate Loan and working Capital Loan	1221.72	213.81	1435.54

38. Additional Disclosures

- (a) During the year the company has capitalized the CONTIFUR Project (including Product development cost) amounting to Rs. 23.84 Crore.
- (b) 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).
- (c) 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, are subject to confirmation/reconciliation and includes very old non-moving items therefore are subject to necessary adjustments for accounting or re-grouping / classification.
- (d) 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.
- (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 value. During the year ended on March 31, 2022, Rs Nil (March 31, 2021, Rs 14.94 Crore) was recognized as expenses for inventories carried at net realizable value / inventory written down.

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

- (f) The classification / grouping of items of the accounts are made by the management, on the basis of the available data with the company.
- (g) In the Capital Work in Progress of Rs. 32.68 Crore (March 31, 2021 Rs. 27.39 Crore) the management believes that the uncompleted projects of Rs. 1.37 Crore (March 31, 2021: Rs. 10.55 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.
- (h) 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.
- (i) During the year the company has temporary suspended the business activity of Transimission Line Tower division (TLT) in order to evaluate its further business viability.

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 17th August, 2020. The above remuneration to both the Director's 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 1.32 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 28th March, 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, 2012 was filed by ED before the Adjudicating Authority, New Delhi and the Adjudicating Authority, New Delhi vide order dated 5th September, 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 10th December, 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 and the matter is not taken up for hearing as there is no quorum of judges in the Hon'ble Appellate Tribunal, PMLA, New Delhi.
- (c) The Assistant Director, Directorate of Enforcement, Ahmedabad has filed a PMLA – Special Case No. 20/2018 on 1st December, 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 and the same is pending for hearing.
- (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 04.05.2021 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

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

24.05.2021 and stayed the joint signatory by order dated 17.06.2021. Thereafter, the Hon'ble NCLAT has upheld the order dated 04.05.2021 and disposed of the appeals with certain directions on 28.01.2022. The Company and Mr. Shailesh Bhandari has challenged the said order dated 28.01.2022 before the Hon'ble Supreme Court of India and the Hon'ble Supreme Court of India by order dated 25.02.2022 continued the stay order on joint signatory dated 17.06.2021 passed by Hon'ble NCLAT. Now the appeals are pending before the Hon'ble Supreme Court of India 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”) 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 08.04.2021, rejected the said interim application of waiver. Some of the Respondents have filed Interlocutory Applications for their discharge and the same are pending for hearing. The Petitioners have filed appeal before the Hon'ble National Company Law Appellate Tribunal (“NCLAT”) against the order dated 08.04.2021 passed by Hon'ble NCLT, however the same was withdrawn on 27.09.2021.
- (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 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 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 27.09.2019 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 petition (CP No. 5/2022) 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. The Hon'ble NCLT has issued notice to respondents and directed to file reply on interim relief and maintainability. The petition is pending for further hearing.
- (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 24th 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 challenge 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 04.02.2019 before the Hon'ble Gujarat High Court with prayer for direction for compliance of various approvals / permissions issued by various authorities for the Samakhiyali 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.
- (l) Mr. Jivabhai Ganeshbhai Bada has filed an application before National Green Tribunal, Pune Bench for pollution and loss of agriculture crop, compensation etc. for the Samakhiyali Plant. The Company has filed its reply and after the receipt of joint committee report, the National Green Tribunal, Pune Bench has disposed of the application with observation that there is no need or necessity to close down the operations of the Company but the Company is under obligation to comply with all the environment norms.

Note: The financial implication of all this case is not ascertainable at this point of time.

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

41. OTHER STATUTORY INFORMATION

- (i) No proceedings have been initiated or are pending against the company for holding any Benmai property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (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, 2022	% of Holding as at March 31, 2021
(I) SUBSIDIARY COMPANIES			
- 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
(II) JOINT VENTURE COMPANY			
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

(III) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives

- EIL Software Services Offshore Pvt. Ltd.
- Etain Electric Vehicles Ltd.
- Electrotherm Solar Ltd.
- ETAIN Renewables Ltd.
- Bhandari Charitable Trust

Notes to Standalone Financial Statements for the year ended March 31, 2022**(IV) Key Managerial Personnel/Director of Companies**

- Mr. Shailesh Bhandari (Managing Director)
- Mr. Suraj Bhandari (Whole time Director)
- Mr. Fageshkumar R Soni (Company Secretary upto 31.07.2021)
- Ms. Shraddha Vyas (Chief Financial officer from 01.07.2020 to 11.03.2021)

Note: The company is in process of filing the post of Chief Financial officer and Company Secretary

(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)
- Mr. Aditya Jain (Non-Executive Director) (Upto 10.12.2021)

(VI) Relatives of Key Managerial Personnel

- Late Mrs. Indubala Bhandari (Mother of Director)
- Mrs. Jyoti Bhandari (Wife of Director)
- Mr. Rakesh Bhandari (Brother of Director)

Notes to Standalone Financial Statements for the year ended March 31, 2022
C: BALANCES AS AT YEAR ENDED (Rs. In Crore)

TRADE RECEIVABLE	As at 31.03.2022	As at 31.03.2021
- 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	27.30	28.27
- ET Elec-Trans Limited	0.51	0.51
Total	37.49	38.46

(Rs. In Crore)

TRADE PAYABLE	As at 31.03.2022	As at 31.03.2021
- Electrotherm Solar Limited	-	0.16
- ETAIN Renewables Limited	0.01	0.01
- Hans Ispat Limited	-	3.15
- Mr. Shailesh Bhandari	0.01	0.02
- Mr. Fageshkumr R. Soni	-	0.01
- Electrotherm Services Limited	0.04	0.02
Total	0.06	3.37

(Rs. In Crore)

LOAN	As at 31.03.2022	As at 31.03.2021
- Electrotherm Services Limited	4.18	4.18
Total	4.18	4.18

(Rs. In Crore)

Other Assets	As at 31.03.2022	As at 31.03.2021
- ETAIN Electric Vehicles Ltd	0.01	0.01
- ETAIN Renewables Ltd.	0.06	0.06
- Electrotherm Solar Ltd.	0.09	0.09
- Jinhua Indus Enterprise Limited	0.95	0.95
- Shree Ram Electrocast Limited	1.78	1.78
- Hans Ispat Limited	62.06	23.27
Total	64.95	26.16

(Rs. In Crore)

Short Term Borrowings	As at 31.03.2022	As at 31.03.2021
- 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
Total	2.16	2.16

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

(Rs. In Crore)

Lease Liabilities	As at 31.03.2022	As at 31.03.2021
- Mr. Shailesh Bhandari	0.15	0.12
- Mr. Mukesh Bhandari	0.24	0.22
- Mrs. Jyoti Bhandari	0.08	0.08
Total	0.47	0.42

(Rs. In Crore)

Other Liabilities	As at 31.03.2022	As at 31.03.2021
- ETAIN Renewables Ltd.	0.01	0.01
Total	0.01	0.01

(Rs. In Crore)

Impairment / Provision	As at 31.03.2022	As at 31.03.2021
- ET Elec-Trans Limited - (Trade Receivable)	0.51	0.51
- 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 - (Trade Receivables & Other Assets)	22.33	-
Total	29.87	7.54

43 Financial Instruments, Fair Value Measurements, Financial Risks & Capital Management

43.1 Category wise Classification of Financial Instruments

(Rs In Crore)

Particulars	March 31, 2022		
	FVPL	Amortized cost	Carrying Value
Financial assets			
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
Total financial assets	0.52	338.33	338.85
Financial liabilities			
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	-	5.21	5.21
Total financial liabilities	-	2,380.13	2,380.13

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

(Rs In Crore)

Particulars	March 31, 2021		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	292.77	292.77
Cash and Cash Equivalents	-	88.20	88.20
Other Bank balances	-	8.61	8.61
Investments in mutual fund units	0.42	-	0.42
Investments in Unquoted Equity of Joint Venture & Subsidiary Companies net of Accumulated Impairment & Other Investments	-	45.78	45.78
Other financial assets	-	67.02	67.02
Total financial assets	0.42	502.38	502.80
Financial liabilities			
Trade payables	-	386.59	386.59
Borrowing	-	2,123.90	2,123.90
Preference Shares	-	12.00	12.00
Lease Liability	-	1.47	1.47
Other financial liabilities	-	8.43	8.43
Total financial liabilities	-	2,532.39	2,532.39

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
Investments in quoted mutual fund					
As at March 31, 2022	5	0.52	-	-	0.52
As at March 31, 2021	5	0.42	-	-	0.42

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 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

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

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, 2022, sales to a customer approximated Rs 306.08 Crore (or 10.81 % of net revenue) and during the year ended March 31, 2021, sales to such customer approximated Rs 266.05 Crore (or 10.53% of net revenue). Accounts receivable from such customer approximated Rs 9.84 Crore (or 5.59% of total receivables) at March 31, 2021 and Rs 38.77 Crore (or 13.24% of total receivables) at March 31, 2021. 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 31,2022**

(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
Carrying amount	176.17	-	147.64	323.81

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

 ii) **As At March 31, 2021** (Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Gross carrying amount	390.04	4.18	110.88	505.10
Credit loss rate	24.94%	100.00%	16.28%	23.66%
Expected Credit Loss / Doubtful Receivable	97.27	4.18	18.05	119.50
Carrying amount	292.77	-	92.83	385.60

 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, 2020	(92.50)	(4.18)	(19.97)	(116.65)
Changes in loss allowance	(4.77)	-	1.92	(2.85)
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)
Loss allowance as on March 31, 2022	(106.01)	(4.18)	(33.56)	(143.75)

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 principle 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, 2022 (Rs In Crore)

Particulars	Payable Upto 31.03.2023	01.04.2023 to 31.03.2026
Trade Payables	384.54	-
Borrowings	1,614.10	362.25
Lease liability	1.13	0.90
Preference Shares	12.00	-
Other Financial liabilities	5.21	-
Total	2,016.98	363.15

As at March 31, 2021 (Rs In Crore)

Particulars	Payable Upto 31.03.2022	01.04.2022 to 31.03.2025
Trade Payables	386.59	-
Borrowings	1,132.04	991.86
Preference Shares	12.00	-
Lease Liability	1.19	0.28
Other Financial liabilities	8.43	-
Total	1,540.25	992.14

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

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 @ 1 Year MCLR on the Outstanding amount on that/those, date(s) for which the company fails to pay the installment as per the schedule & it's sensitivity analysis is as under :-

(Rs In Crore)

Particulars	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)

(Rs In Crore)

Particular	Outstanding Amount as on March 31, 2021	Interest for the period ended as on March 31, 2021	Increase in Interest by 1%	Decrease in Interest by 1%
Union Bank of India	21.19	0.30	0.00	(0.00)

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, 2022	
	USD	Euro
Financial assets		
Trade receivables	0.68	-
Net exposure to foreign currency risk (assets)	0.68	-
Financial liabilities		
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)

(In Crore)

Particulars	As at March 31, 2021	
	USD	Euro
Financial assets		
Trade receivables	0.67	-
Net exposure to foreign currency risk (assets)	0.67	-
Financial liabilities		
Trade payables	0.19	-
Net exposure to foreign currency risk (liabilities)	0.19	-
Net exposure to foreign currency risk	0.48	-
Net Exposure In Indian Currency (Rs)	34.83	(0.07)

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

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, 2022	
	Rupee / USD	Rupee / Euro
Impact on Profit or loss		
Increase by 5%	2.35	(0.02)
Decrease by 5%	(2.35)	0.02

(Rs In Crore)

Particulars	As at March 31, 2021	
	Rupee / USD	Rupee / Euro
Impact on Profit or loss		
Increase by 5%	1.74	(0.00)
Decrease by 5%	(1.74)	0.00

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 March 31, 2022	As at March 31, 2021
Equity share capital	12.74	12.74
Other Equity	(973.46)	(919.53)
Total Equity	(960.72)	(906.79)

46 Corporate Social Responsibility (CSR)

Details of CSR expenditure:

(Rs in Crore)

Particulars	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	1.66	1.33
b) Amount approved by the Board to be spent during the year	1.66	1.33

c) 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
Total	1.38	0.28

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

d) Amount spent during the year ended on March 31, 2021:

(Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	-	-
In Cash	-	1.33
Total	-	1.33

e) Details related to spent / unspent obligations:

(Rs in Crore)

Particulars	March 31, 2022	March 31, 2021
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.	0.11	0.33
ii) Paver & curbing work of road and hazardous waste treatment at village Palodia	0.06	-
iii) Contribution to Trust	-	1.00
iv) Unspent amount in relation to:		
- Ongoing project	1.38	-
- Other than ongoing project	0.11	-
Total	1.66	1.33

f) Details of ongoing project and other than ongoing project as on March 31, 2022

(a) In case of S. 135(6) (Ongoing Project)

(Rs in Crore)

Particulars	March 31, 2022
Opening Balance	
- With Company	-
- In Separate CSR Unspent A/c	-
Amount required to be spent during the year	1.38
Amount spent during the year	
- From Company's bank A/c	-
- From Separate CSR Unspent A/c	-
Closing Balance	
- With Company *	1.38
- In Separate CSR Unspent A/c	-

*deposited subsequent to year end.

(b) In case of S. 135(5) (Other than ongoing project)

(Rs in Crore)

Particulars	March 31, 2022
Opening Balance	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-
Amount required to be spent during the year	0.28
Amount spent during the year	0.17
Closing Balance	0.11

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, 2022	As at March 31, 2021
Electrotherm Services Limited	0%	Not Specified	Unsecured	4.18	4.18

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

- 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, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties	69.13	100.00	30.34	100.00
Associate	-	-	-	-
Total	69.13	100.00	30.34	100.00

- 49 Financial Ratio

(Rs in Crore)

Sr No	Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	0.42	0.59	(27.90)	The ratio has decline on account of increase in Short term Borrowing (Current Maturity of Long Term Borrowings) & Advance received from customer and decrease in Trade Receivable.
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	0.53	1.27	(58.24)	Ratio has decline on account of decrease in EBITDA margin.
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	5.43	5.18	4.97	Not Applicable
6	Trade Receivable Turnover Ratio	Value of Sales and Services - Sales Return - Discounts & Rebates	Average Trade Receivable	12.02	7.98	50.63	Ratio has increased on account of higher sales and improved realisation.
7	Trade Payable Turnover Ratio	Net Purchase and Services Utilised	Average Trade Payables	7.16	5.50	30.19	Ratio has increase on account improved payment to trade payable parties.
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.

(Rs in Crore)

Sr No	Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
9	Net Profit ratio	Net Profit after tax	Net sales = Total sales - sales return	(1.93%)	2.51%	(176.67)	Ratio has decline on account of Net Loss after tax in current year as compared to Net Profit in previous year due to high purchase cost, other expenses and exceptional Item (Refer Note No.30)
10	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(1.00%)	8.18%	(112.27)	Ratio has decline on account of Net Loss after tax in current year as compared to Net Profit in previous year due to high purchase cost and exceptional item (Refer Note No 30).
11	Return on Investment	Interest (Finance Income) and Fair valuation on financial assets	Weighted Average of Investment in subsidiary, Joint Venture, Mutual Fund and Fixed Deposit)	2.24%	2.28%	(1.85)	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 30, 2022, 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: 22124095AKHIRN4020

Place : Ahmedabad
 Date : 30th May 2022

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

Place : Ahmedabad
 Date : 30th May 2022

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, 2022, 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, 2022, and its loss including other comprehensive income, 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 231.67 crore, for the year under consideration and the total amount of such unprovided interest till March 31, 2022, is Rs.1551.88 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. 231.67 crore and the amount of Banks/Assets Reconstruction Company liability and total retained earnings/(loss) as on March 31, 2022, is under stated by Rs. 1551.88 crore. Our audit reports for the previous year ended March 31, 2021 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 39 (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 39 (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 and non-repayment of loans taken from Bank and non-provision of Interest on the said loans in subsidiary Shree Ram Electrocast Limited, affecting the going concern of the said company.

C. ET Elec-Trans Limited

We draw attention on Note No. 39 (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. 39 (d) of the consolidated financial statements in respect of pending appeal filed against order of DRT Ahmedabad for sale of property of the Wholly owned subsidiary M/s Hans Ispat Limited. The said appeal is pending in 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 34 to the consolidated financial statement in respect of treatment in the books of accounts of the assignment / settlements of debts of various bank and the financial institution.
- (b) Note No 14(d) to the consolidated financial statement in respect of non-payment of Instalments due to lender of the loan for the period from December 31, 2019 to March 31, 2022 and Interest due for the period from September 30, 2020 till March 31, 2022 and requested all lenders to allow this moratorium period for the payments and the lenders are yet to confirm the revised repayment schedule.
- (c) Note No 36 (c) to the consolidated financial statement in respect of confirmation / reconciliation of few accounts of "Trade Receivables", "Trade Payable", "Advance from Customers", Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties".
- (d) Note No 34(f) to the consolidated financial statement in respect of Petition filed by Central Bank of India, a financial creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad.
- (e) Note No 30(a) and 38 to the consolidated financial statement in respect of pending litigation and recovery proceedings against the company and the Directors of the Company.
- (f) Note No 39 (d) to the consolidated financial statement in respect of non-impairment of 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 Statement 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. These reports are expected to be made available to us after the date of this audit report.

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 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.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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, 2022 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. 47.70 crore as at March 31, 2022, total revenues (before consolidation adjustments) of Rs 27.90 crore, Group's share of total net loss after tax (before consolidation adjustments) of Rs 8.46

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

crore, Group's share of total comprehensive loss (before consolidation adjustments) of Rs 8.46 crore and Group's share of net cash outflows (before consolidation adjustments) of Rs. 6.34 crore for the year ended March 31, 2022, 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, 2022, 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 total assets (before consolidation adjustments) Rs 4.13 Crores as at March 31, 2022, Group's share total revenues (before consolidation adjustments) of Rs 0.17 crore, Group's share total net profit after tax (before consolidation adjustments) of Rs 0.02 crore, Group's share total comprehensive profit (before consolidation adjustments) of Rs 0.02 crore and Group's share net cash inflow (before consolidation adjustments) of Rs. 0.02 crore for the year ended March 31, 2022, 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 subsections (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 Company;
 - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company 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, 2022 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, 2022 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 is not applicable.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- (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 30(a) 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, 2022; and
 - 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, 2022.
 - 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 their 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

Place: Ahmedabad
Date: May 30, 2022
UDIN: 22124095AKHJKY2228

Hitesh Shah
Partner
Membership No. 124095

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, 2022

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	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	xix

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

Place: Ahmedabad
Date: May 30, 2022
UDIN: 22124095AKHJKY2228

Hitesh Shah
Partner
Membership No. 124095

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, 2022, 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.

ANNEXURE B TO THE CONSOLIDATED AUDITOR'S REPORT**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, 2022, 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

Place: Ahmedabad
Date: May 30, 2022
UDIN: 22124095AKHJKY2228

Hitesh Shah
Partner
Membership No. 124095

Consolidated Balance Sheet as at March 31, 2022

(Rs In Crore)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non Current Assets			
a) Property, Plant and Equipment	3	654.15	694.92
b) Capital Work in Progress	3	32.69	27.40
c) Goodwill		36.46	36.46
d) Intangible Assets	4a	4.73	5.21
e) Right of Use Assets	4b	2.19	1.84
f) Financial Assets			
i) Investment in Joint Venture	5	6.97	6.96
ii) Investments	5	0.49	0.39
iii) Other Financial Assets	6	51.37	73.45
g) Other Non Current Assets	7	6.86	19.91
Total Non- Current Assets (A)		795.91	866.54
Current assets			
a) Inventories	8	546.37	503.43
b) Financial Assets			
i) Investments	5	0.04	0.04
ii) Trade Receivables	9	166.97	277.34
iii) Cash and Cash Equivalent	10	64.47	88.68
iv) Bank Balance Other than (iii) Above	10	7.25	8.61
v) Other Financial Assets	6	1.86	1.72
c) Current Tax Assets	11	4.66	2.70
d) Other Current Assets	7	157.31	147.66
Total Current Assets (B)		948.93	1,030.18
TOTAL ASSETS (A+B)		1,744.84	1,896.72
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	12.74	12.74
b) Other Equity	13	(1,095.10)	(1,055.12)
Total Equity (A)		(1,082.36)	(1,042.38)
Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	14	362.29	1,012.73
ii) Other Financial Liabilities	15	0.02	0.03
iii) Lease Liabilities	16	0.90	0.28
b) Provisions	17	19.67	16.13
Total Non Current Liabilities (B)		382.88	1,029.17
Current liabilities			
a) Financial Liabilities			
i) Short Term Borrowings	18	1,722.33	1,219.44
ii) Lease Liabilities	16	1.13	1.19
ii) Trade Payables	19		
Total Outstanding Dues Of :			
- Micro Enterprises & Small Enterprises		38.70	40.21
- Other than Micro Enterprises & Small Enterprises		347.81	382.67
iv) Other Financial Liabilities	15	5.22	8.43
b) Other Current Liabilities	20	313.20	245.14
c) Provisions	17	15.93	12.85
Total Current Liabilities (C)		2,444.32	1,909.93
TOTAL EQUITY AND LIABILITIES (A+B+C)		1,744.84	1,896.72
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: 22124095AKHJKY2228

Place : Ahmedabad
 Date : 30th May 2022

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

Place : Ahmedabad
 Date : 30th May 2022

Consolidated Statement of Profit and Loss for the Year ended March 31, 2022

(Rs In Crore)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue From Operations	21	2,831.31	2,518.06
Other Income	22	6.54	4.22
Total Income		2,837.85	2,522.28
Expenses			
Cost of Raw Materials and Components Consumed	23	2,127.45	1,670.00
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	(45.18)	(2.65)
Employee Benefit Expense	25	137.16	134.62
Finance Costs	26	45.45	54.01
Depreciation and Amortisation Expense	27	87.90	120.55
Other Expenses	28	525.44	496.27
Total expenses		2,878.22	2,472.80
Profit / (Loss) Before Exceptional Items And Tax		(40.37)	49.48
Exceptional item		-	-
Profit/(Loss)Before Tax		(40.37)	49.48
Tax expenses:	29		
Income Tax		-	(0.01)
Total Tax Expense		-	(0.01)
Profit / (Loss) for the Year		(40.37)	49.47
Profit From Joint Venture		0.01	0.02
Profit / (Loss) for the Year		(40.36)	49.49
Other comprehensive income / (loss)			
A. Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent period			
Re-measurement gain / (loss) on defined benefit plans		0.39	1.45
Income tax effect relating to these items		-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period		0.39	1.45
Total Other comprehensive income/(loss) for the year, net of tax		0.39	1.45
Total comprehensive income / (Loss) for the year		(39.97)	50.94
Profit/(Loss) for the year attributable to :			
Equity holders of the parent		(40.36)	49.49
Non Controlling interest		-	-
Total comprehensive income/(loss) attributable to :			
Equity holders of the parent		(39.97)	50.94
Non Controlling interest		-	-
Earnings per equity share (nominal value of shares Rs 10) (Basic & Diluted)	32	(31.68)	38.85
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: 22124095AKHJKY2228

Place : Ahmedabad
 Date : 30th May 2022

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

Place : Ahmedabad
 Date : 30th May 2022

Consolidated Cash Flow Statement for the Year Ended March 31, 2022

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(40.37)	49.48
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation on property, plant, equipment & Amortization of Assets	87.90	120.55
Finance income (including fair value changes in financial instruments)	(3.24)	(3.72)
Net Sundry Balances Written Off / (Written Back)	(0.20)	1.04
Provision For Doubtful Trade Receivables & Advances	1.92	2.85
(Profit)/Loss on Sale/Discard of Property, Plant & Equipments & Capital Work In Progress (Net)	-	(0.10)
Profit on Sale of Units of Mutual Fund	-	(0.04)
Profit From Joint Venture	0.01	0.02
Finance costs (including fair value changes in financial instruments)	45.45	54.01
Unrealized foreign exchange (gain)/loss	(2.14)	(3.03)
Operating Profit before working capital changes	89.33	221.06
Working capital adjustments:		
Decrease/(Increase) in trade receivables	110.71	37.28
Decrease/(Increase) in inventories	(42.94)	(12.94)
Decrease/(Increase) in other current financial assets and others	0.11	0.44
Decrease/(Increase) in other current Asset	(9.65)	(1.58)
(Decrease)/Increase in trade payables	(36.29)	(26.55)
(Decrease)/Increase in other current liabilities	63.67	23.75
(Decrease)/Increase in other non current liabilities	-	(2.75)
(Decrease)/Increase in other current financial liabilities	(0.75)	(12.05)
(Decrease)/Increase in provisions	7.01	(1.90)
Cash generated from operations	181.20	224.76
Net Direct taxes Paid / (Refund)	(1.96)	0.21
Net Cash (used in) generated from operating activities	179.24	224.97
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments & intangible assets (including CWIP and capital advances)	(40.38)	(40.97)
Proceeds from sale of Property Plant & Equipment	-	0.13
Purchase of Units of Mutual fund	-	(3.00)
Sale of Units of Mutual fund	-	3.00
Increase in Investment in Joint Venture	(0.01)	(0.02)
Redemption/(Investment) of bank deposits	23.56	(24.73)
Interest income	2.77	3.39
Net Cash (used in) generated from investing activities	(14.06)	(62.20)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (Net)	(147.55)	(61.53)
Payment of Principal portion of Lease Liabilities	(0.95)	(1.53)
Finance Cost (Net)	(40.89)	(41.44)
Net Cash (used in) generated from financing activities	(189.39)	(104.50)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(24.21)	58.27
Cash and Cash Equivalents at the beginning of the year	88.68	30.41
Cash and Cash Equivalents at the end of the year	64.47	88.68

Consolidated Cash Flow Statement for the Year Ended March 31, 2022**Unrealized foreign exchange (gain)/loss**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Trade Receivable	(2.26)	(3.12)
Trade Payable	0.12	0.09
Total	(2.14)	(3.03)

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. 14 (f), 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: 22124095AKHJKY2228

Place : Ahmedabad
 Date : 30th May 2022

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

Place : Ahmedabad
 Date : 30th May 2022

Consolidated Statement of Change in Equity for the year ended March 31, 2022
A. EQUITY SHARE CAPITAL

Particulars	No. of Shares	(Rs In Crore)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2020	1,27,42,814	12.74
Change in Equity Share Capital Due to Prior Period Errors		
Restated balance as at 1st April, 2020	1,27,42,814	12.74
Add:- Issue of Equity Share Capital	-	-
As at March 31, 2021	1,27,42,814	12.74
Change in Equity Share Capital Due to Prior Period Errors	-	-
Restated balance as at 1st April, 2021	1,27,42,814	12.74
Add:- Issue of Equity Share Capital	-	-
As at March 31, 2022	1,27,42,814	12.74

B. OTHER EQUITY

(Rs In Crore)

Particulars	Reserves and Surplus				Total Other Equity
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
As at April 1, 2020	158.57	253.79	345.98	(1,864.40)	(1,106.06)
Profit for the year	-	-	-	49.49	49.49
Other Comprehensive Income (Re-measurement Gain on defined benefit plans)	-	-	-	1.45	1.45
Total Comprehensive Income	-	-	-	50.94	50.94
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2021	158.57	253.79	342.72	(1,810.20)	(1,055.12)
Profit/(Loss) for the year	-	-	-	(40.36)	(40.36)
Other Comprehensive Income (Re-measurement gain on defined benefit plans)	-	-	-	0.39	0.39
Total Comprehensive Income/(Loss)	-	-	-	(39.97)	(39.97)
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2022	158.57	253.79	339.46	(1,846.91)	(1,095.10)

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: 22124095AKHJKY2228

Place : Ahmedabad
 Date : 30th May 2022

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

Place : Ahmedabad
 Date : 30th May 2022

Notes to Consolidated Financial Statements for the year ended March 31, 2022**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, 2022. 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 30, 2022.

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 has been rounded off to the nearest Crore. Amounts less than 0.01 Crore have been presented as “0”.

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, 2022. 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, 2022

- 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, 2022
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, 2022
Bhaskarpara Coal Company Limited	India	Joint Venture Company	52.63%

b) CURRENT VERSUS NON-CURRENT CLASSIFICATION:

The Group presents assets and liabilities in the Consolidated 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 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.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022**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.

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.

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

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 fair 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.

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).

Notes to Consolidated Financial Statements for the year ended March 31, 2022**Contract liabilities:**

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 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) Contifure Plant are depreciated at annual rate of 100 % & 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

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.

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

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 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 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.

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.

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

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.

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

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. 2 lakhs. 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 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.

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 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 consolidated statement of profit and loss.

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

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.

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.

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

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 by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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.

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.

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

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.

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.

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

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

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.

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 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.

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

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 Group's cash management.

q) 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.

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 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 and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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:

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022**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 31.

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 AMENDMENTS TO SCHEDULE III OF THE COMPANIES ACT, 2013:

Ministry of Corporate Affairs (MCA) issued notifications dated March 24, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting April 01, 2021 and applied to the consolidated financial statements:

- a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b. Certain additional disclosures in the consolidated Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c. Additional disclosure for shareholding of promoters.
- d. Additional disclosures for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

2.4 RECENT ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract—Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Group.

(ii) Reference to the Conceptual Framework –Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

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

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Group.

(iii) Property, Plant and Equipment: Proceeds before intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Group.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial Liabilities.

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments are not expected to have a material impact on the Group.

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

(Rs In Crore)

Particulars	Freehold Land	Building	Plant and Machinery	Computer	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost								
As at April 1, 2020	151.96	290.96	881.61	9.57	4.78	4.70	5.19	1,348.77
Addition	-	7.40	22.06	0.92	0.14	0.69	1.32	32.53
Disposals / Capitalization / Transferred	-	-	0.05	-	-	-	0.16	0.21
As at March 31, 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
As at March 31, 2022	151.96	299.69	945.09	11.15	4.99	6.10	7.28	1,426.26
Depreciation / Amortization and Impairment								
As at April 1, 2020	-	55.86	500.86	5.81	1.38	2.06	2.32	568.29
Depreciation and Impairment for the Year	-	14.48	99.42	2.05	0.58	0.86	0.63	118.02
Disposals / Transferred	-	-	-	-	-	-	0.14	0.14
As at March 31, 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
As at March 31, 2022	-	84.67	668.59	9.29	2.35	3.77	3.44	772.11
Net Block								
At April 1, 2020	151.96	235.10	380.75	3.76	3.40	2.64	2.87	780.48
At March 31, 2021	151.96	228.02	303.34	2.63	2.96	2.47	3.54	694.92
As at March 31, 2022	151.96	215.02	276.50	1.86	2.64	2.33	3.84	654.15

(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.

(d) Capital Work in Progress :

Particulars	(Rs In Crore)
As at March 31, 2021	27.40
As at March 31, 2022	32.69

Notes to Consolidated Financial Statements for the year ended March 31, 2022
3(e) 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
Total	19.27	11.34	0.38	1.70	32.69

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
Projects temporarily suspended					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
Total	-	-	-	1.37	1.37

As At March 31, 2021
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	16.11	0.12	0.26	9.54	26.03
Projects temporarily suspended	-	0.12	0.17	1.08	1.37
Total	16.11	0.24	0.43	10.62	27.40

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
Projects temporarily suspended					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
Total	-	-	-	1.37	1.37

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

4(a) Intangible Assets

(Rs In Crore)

Particulars	Software	Trademark	Total
Cost			
As at April 1, 2020	5.79	0.03	5.82
Addition	0.86	-	0.86
As at March 31, 2021	6.65	0.03	6.68
Addition	0.49	-	0.49
As at March 31, 2022	7.14	0.03	7.17
Amortization and Impairment			
As at April 1, 2020	0.63	0.01	0.64
Amortization for the Year	0.82	0.01	0.83
As at March 31, 2021	1.45	0.02	1.47
Amortization for the Year	0.97	-	0.97
As at March 31, 2022	2.42	0.02	2.44
Net Block			
At March 31, 2021	5.20	0.01	5.21
As at March 31, 2022	4.72	0.01	4.73

4(b) Right of Use Assets

(Rs In Crore)

Particulars	Right of Use Assets		
	Premises	Lease Hold Land	Total
Gross Carrying Vaue			
As at April 1, 2020	3.82	0.96	4.78
Additions	0.47	-	0.47
Disposals During the Year	0.08	-	0.08
As at March 31, 2021	4.21	0.96	5.17
Deductions / Capitalisation	1.34	-	1.34
As at March 31, 2022	5.55	0.96	6.51
Accumulated Amortization			
As at April 1, 2020	1.63	0.04	1.67
Amortization Charged for the Year	1.69	0.01	1.70
Eliminated on disposal of assets	0.04	-	0.04
As at March 31, 2021	3.28	0.05	3.33
Amortization Charged for the Year	0.98	0.01	0.99
As at March 31, 2022	4.26	0.06	4.32
Net Block			
At March 31, 2021	0.93	0.91	1.84
As at March 31, 2022	1.29	0.90	2.19

Notes to Consolidated Financial Statements for the year ended March 31, 2022
5 Investments (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Trade Investments-Investment in Mutual Funds (Quoted) - (at fair value through profit and loss)		
- 21,503.949 (March 31, 2021: 21,503.949) Units Of Idfc Sterling Value Fund - Regular Plan Growth	0.19	0.14
- 13,027.83 (March 31, 2021: 13,027.83) Units Of Canara Robeco Emerging Equities - Regular Plan Growth	0.21	0.17
- 49,990 (March 31, 2021: 49,990) Units Of Union Focused Largecap Fund - Regular Plan-Growth	0.08	0.07
- 12,052.424 (March 31, 2021: 12,052.424) Units Of L & T Ultra Short Term Fund - Regular Plan-Growth	0.04	0.04
Other unquoted investments in Government Securities (At Amortized Cost)		
- National Saving Certificates	0.01	0.01
Total	0.53	0.43
Current	0.04	0.04
Non current	0.49	0.39
Investment in unquoted Equity Share of Joint Ventures		
- 90,45,127 (March 31, 2021: 90,45,127) Equity Shares of Rs. 10 each of Bhaskarpara Coal Company Limited	9.09	9.07
Add: Profit for the year	0.01	0.02
	9.10	9.09
Less:- Accumulated Impairment on Bhaskarpara Coal Company Limited	(2.13)	(2.13)
Total	6.97	6.96
Aggregate Value of Investments in unquoted equity shares	9.10	9.09
Aggregate Value of Investments in Government Security	0.01	0.01
Aggregate Carrying Value & Book Value of quoted Investments	0.52	0.42
Aggregate amount of impairment in value of investments in unquoted equity shares	2.13	2.13

The group holds an investment in equity shares of Bhaskarpara Coal Company Limited as a joint venture. This joint venture company have incurred heavy losses and/or are non-operating and therefore the fate of company is uncertain. Provision for impairment of Rs. 2.13 Crore (March 31, 2021 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

6 Other Financial Assets (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Sundry Deposits (Includes Bank Fixed Deposit of Rs. 7.73 Crore (March 31, 2021: Rs. 8.59 crore) given as EMD)	38.87	35.43
In term deposit accounts (marked as lien against the LC/BG) (remaining maturity more than 12 months)	12.50	38.02
Loan to Employees	0.04	0.15
Interest receivable	1.82	1.57
Total	53.23	75.17
Current	1.86	1.72
Non Current	51.37	73.45

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

7 Other Assets (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Product Development Cost	-	14.66
Capital Advance	6.86	5.25
Advances Recoverable In Cash or Kind (Net)	34.04	33.45
Enterprises owned or Significantly influenced by Key Managerial Personnel or their relative	0.16	0.16
Advances to Staff	0.17	0.27
Advance to Suppliers and Other Parties	102.86	93.28
Prepaid Expenses	4.38	4.73
Balance with Revenue Authorities	15.70	15.77
Unsecured, Considered Doubtful		
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)
Total	164.17	167.57
Current	157.31	147.66
Non Current	6.86	19.91

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	18.05	19.97
Movement in Provision For Doubtful Receivable on Advance to suppliers and other Parties	-	1.92
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, 2022	As at March 31, 2021
a. Raw Material [including goods in transit of Rs. 2.30 Crore (March 31, 2021 Rs. 1.28 Crore)]	168.18	163.94
b. Work-In-Progress	208.11	195.57
c. Finished Goods / Stock in Trade [Including goods in transit of Rs. 10.42 Crore (March 31, 2021 Rs. 1.45 Crore)]	123.45	90.83
d. Trading Goods	0.31	0.29
e. Stores and Spares	46.32	52.80
Total	546.37	503.43

Notes to Consolidated Financial Statements for the year ended March 31, 2022
9 Trade Receivables {Refer Note No. 36(c)} (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Trade receivables from other parties		
Secured Considered Good	38.71	71.32
Unsecured Considered Good	118.58	196.34
Unsecured Considered Doubtful- Credit Impaired	102.05	100.13
Less: Allowance for Expected Credit Loss / Doubtful Receivable	(102.05)	(100.13)
(B) Due from Related Parties (Unsecured, Considered Good)		
- Enterprises owned or Significantly influenced by key management personnel or their relative	9.68	9.68
Total	166.97	277.34

Movement in expected credit loss allowance (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	100.13	95.36
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.92	4.77
Balance at end of the year	102.05	100.13

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 46(a).

10 Cash and Cash Equivalents (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents (At Amortized Cost)		
a. Balances with Bank		
- In Current Account	63.83	87.91
b. Cash on hand	0.64	0.77
Total Cash and Cash Equivalents	64.47	88.68
Other bank balances		
- Fixed Deposits with original maturity of more than 3 months but less than 12 months	6.80	8.28
- Interest accrued but not due	0.45	0.33
Total	7.25	8.61

11 Current Tax assets (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Asset	4.66	2.70
Total	4.66	2.70

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

12 Equity share capital

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Authorized:			
2,50,00,000 (March 31, 2021: 2,50,00,000 and April 1, 2020: 2,50,00,000) Equity Shares of Rs.10/- each	25.00	25.00	25.00
2,50,00,000 (March 31, 2021: 2,50,00,000 and April 1, 2020: 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, 2021: 2,85,90,000 and April 1, 2020: 2,85,90,000) Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- each	28.59	28.59	28.59
	78.59	78.59	78.59
Issued, subscribed and fully paid up:			
(a) Equity Shares			
1,27,42,814 (March 31, 2021 1,27,42,814 and April 1, 2020: 1,27,42,814) Equity Shares of Rs.10/- each Fully paid up	12.74	12.74	12.74
Total	12.74	12.74	12.74

a) Details of reconciliation of the number of equity shares outstanding:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	(Rs In Crore)	No of shares	(Rs In Crore)
Equity Shares :				
At the beginning of the year	1,27,42,814	12.74	1,27,42,814	12.74
Add: Shares issued during the year	-	-	-	-
At the end of the year	1,27,42,814	12.74	1,27,42,814	12.74

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022
e) Details of share holders holding more than 5% equity shares in the company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Edelweiss Asset Reconstruction Company Ltd	7,00,208	5.49	7,92,208	6.22
Castleshine PTE Limited	10,00,000	7.85	10,00,000	7.85
Leadhaven PTE Limited	10,00,000	7.85	10,00,000	7.85
Western India speciality Hospital Limited	9,75,000	7.65	9,75,000	7.65
Mr. Shailesh Bhandari	8,48,275	6.66	8,48,275	6.66
Mr. Mukesh Bhandari	8,09,500	6.35	8,09,500	6.35
Artiben Jagdish Thakkar	6,94,406	5.45	-	-
Jagdishkumar Amrutlal Akhani	-	-	7,62,761	5.99

f) Share holding of the Promoters

Sr. No.	Name of Promoters	Category	As on March 31, 2022		As on March 31, 2021		% Change During the year
			No. of Shares	% of Shares	No. of Shares	% of Shares	
1	Shailesh Bhandari	Promoter	8,48,275	6.66	8,48,275	6.66	-
2	Mukesh Bhandari	Promoter	8,09,500	6.35	8,09,500	6.35	-
3	Ritu Bhandari	Promoter Group	2,43,025	1.91	2,43,025	1.91	-
4	Nagesh Bhandari	Promoter Group	2,33,125	1.83	2,33,125	1.83	-
5	Suraj Shailesh Bhandari	Promoter Group	81,100	0.64	81,100	0.64	-
6	Anurag Mukesh Bhandari	Promoter Group	76,050	0.60	76,050	0.60	-
7	Siddharth Mukesh Bhandari	Promoter Group	65,100	0.51	65,100	0.51	-
8	Mukesh Bhanwarlal Bhandari (HUF)	Promoter Group	60,000	0.47	60,000	0.47	-
9	Indubala Bhandari	Promoter Group	51,500	0.40	51,500	0.40	-
10	Dalal Narendrakumar Babubhai	Promoter Group	34,500	0.27	34,500	0.27	-
11	Jyoti Bhandari	Promoter Group	375	0.00	375	0.00	-
12	Reema Bhandari	Promoter Group	275	0.00	275	0.00	-
13	Western India Speciality Hospital Limited	Promoter Group	9,75,000	7.65	9,75,000	7.65	-
14	Bhandari Rakesh	NRI-Promoter Group	5,12,500	4.02	5,12,500	4.02	-
	TOTAL		39,90,325	31.31	39,90,325	31.31	-

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, 2021: 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, 2022).

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.

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

13 Other equity

Particulars	(Rs In Crore)
(a) Capital Reserve	
As at April 1, 2020	158.57
Increase/(decrease) during the Year	-
As at March 31, 2021	158.57
Increase/(decrease) during the Year	-
As at March 31, 2022	158.57
(b) Securities premium	
As at April 1, 2020	253.79
Increase/(decrease) during the Year	-
As at March 31, 2021	253.79
Increase/(decrease) during the Year	-
As at March 31, 2022	253.79
(c) General Reserves	
As at April 1, 2020	345.98
Increase/(decrease) during the Year	(3.26)
As at March 31, 2021	342.72
Increase/(decrease) during the Year	(3.26)
As at March 31, 2022	339.45
Retained earnings	
As at April 1, 2020	(1,864.40)
Profit for the year	49.49
Other Comprehensive Income (Re-measurement Gain on defined benefit plans)	1.45
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2021	(1,810.20)
Loss for the year	(40.36)
Other Comprehensive Income / (Loss) (Re-measurement Loss on defined benefit plans)	0.39
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2022	(1,846.91)
Total Other Equity	
As at April 1, 2020	(1,106.06)
As at March 31, 2021	(1,055.12)
As at March 31, 2022	(1,095.10)

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 Group earned till date and net of appropriations.

Notes to Consolidated Financial Statements for the year ended March 31, 2022
14 Borrowings {Refer Note No. 34}

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loans from Banks {Refer Note No. (a), (b) & (c) below}		
- Rupee Term Loan	515.61	538.48
Loans from Asset Reconstruction Companies {Refer Note No. (a) & (d) below }		
- Rupee Term Loan	1,536.10	1,660.78
Unsecured		
Loan from:		
- Relative of Key Managerial Personnel	0.04	0.04
Less: Current Maturity on Long Term Borrowing	(1,689.46)	(1,186.57)
Total	362.29	1,012.73

- (a) 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, Samakhilyali – Kutch, Chhadawada – Bhachau, Juni Jithardi - Vadodara, Village : Budharmora - Kutch and Fixed Deposits & as second charge on all Stock-in-Trade & Receivables.
- (b) On 31 July 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 Company, both present and future
- (c) **Interest Rate on delayed payment by various lenders 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	From 8.10% to 8.20% p.a.
Edelweiss Asset Reconstruction Company Limited	12% p.a.
Invent Assets Securitization and Reconstruction Private Limited	15% p.a.
Rare Asset Reconstruction Limited (Being assignee of Debts of Dena Bank)	18% p.a.

- (d) **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 two 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, 2022 and interest due thereon for the period from September 30, 2020 to March 31, 2022. 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.

(Rs. In Crore)

Name of Lender	Principal	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	26.92	From December 2020 to March 2022
Union Bank of India	9.01	From January 2021 to March 2022
Central Bank of India	428.94	From March 2012 to March 2022
Edelweiss Asset Reconstruction Company Limited	220.15	From December 2020 to March 2022
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce)	7.72	From December 2019 to March 2022
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank)	24.37	From June 2020 to March 2022
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Allahbad Bank)	35.56	From June 2020 to March 2022
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of State Bank of India)	20.62	From December 2019 to March 2022
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	189.95	From August 2011 to March 2022
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	9.00	From December 2020 to March 2022
Bank of Baroda	20.42	From April 2014 to March 2022
State Bank of India	15.99	From December 2011 to March 2022
Total	1,008.65	

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

(Rs. In Crore)

Name of Lender	Interest	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India) (included in other Current Liabilities)	6.95	From March 2021 to March 2022
Central Bank of India (included in Borrowings)	7.19	From March 2012
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Oriental Bank of Commerce, Punjab National Bank, Allahbad Bank) (included in other Current Liabilities)	10.88	From September 2020 to March 2022
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	0.01	From August 2011 to March 2022
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank) (included in other Current Liabilities)	2.40	From September 2020 to March 2022
Total	27.43	

(e) Repayment Schedule as per sanction is as under: -

(Rs. In Crore)

Particulars	Due or Payable within 1 Year	1 - 3 Year	More than 3 Years
Secured			
Term Loans from Banks			
- Rupee Term Loan	515.61	-	-
Loans from Asset Reconstruction Companies			
- Rupee Term Loan	1,173.85	362.25	-
Unsecured			
Loan from:			
- Relative of Key Managerial Personnel	-	-	0.04
Total	1,689.46	362.25	0.04

(f) Net Debt Reconciliation

(Rs In Crore)

Particulars	Long Term Borrowings	Short Term Borrowings	Interest Expenses
As at April 1, 2020	2,264.28	14.85	3.50
Interest Expenses	-	-	31.01
Other		3.52	-
Outflow	(64.98)	-	(18.67)
As at March 31, 2021	2,199.30	18.37	15.84
Interest Expenses	-	-	40.99
Outflow	(147.55)	-	(36.60)
As at March 31, 2022	2,051.75	18.37	20.23

15 Other Financial Liabilities

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for Capital expenditure (Includes amount payable to MSME of Rs. 0.90 Crore (March 31, 2021 Rs 1.29 Crore))	2.95	5.42
Others*	2.29	3.04
Total	5.24	8.46
Current	5.22	8.43
Non Current	0.02	0.03

*Other Includes amount payable as reimbursement of expenses to staff, insurance claim payable etc.

Notes to Consolidated Financial Statements for the year ended March 31, 2022
16 Lease Liabilities (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to: -		
Key Managerial Personnel	0.39	0.34
Relative of Key Managerial Personnel	0.08	0.08
Others	1.56	1.05
Total	2.03	1.47
Current	1.13	1.19
Non Current	0.90	0.28

For net debt reconciliation of Lease liabilities refer note no 30(b)

17 Provisions (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits*	28.92	24.67
Provision for Other	6.68	4.31
Total	35.60	28.99
Current	15.93	12.85
Non Current	19.67	16.13

* 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:

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance of warranty	4.31	5.35
Add: Provision recognised during the year	5.60	2.99
Less: Amount utilised during the year	3.23	4.03
Closing balance	6.68	4.31

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, 2022	As at March 31, 2021
Secured Loan from Banks {Refer Note No. 34}		
Working Capital Facilities (Refer Note No (a) for security purpose)	18.37	18.37
Current Maturities of Long term borrowings {Refer Note No 14}	1,689.46	1,186.57
Unsecured		
Loans repayable on demand from: -		
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
Total	1,710.33	1,207.44
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
Total	1,722.33	1,219.44

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

- (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 31 July 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.

Also refer note no. 39(b) and 39(d)

During the year ended as at March 31, 2020, as per the order of the Debt Recovery Tribunal the Bank of Baroda has recovered the amount of Rs 3.52 Crore from all the Bank Accounts of the Hans Ispat Limited and the said amount has been adjusted against the outstanding interest during the year ended as at March 31, 2021.

- (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 2022
State Bank of India	11.87	December 2011 to March 2022
Total	18.37	

Net Debt Reconciliation of Unsecured Loan (Rs In Crore)

Particulars	Short Term Borrowings
As at April 1, 2020	2.57
Interest Expenses	-
Outflow	(0.07)
As at March 31, 2021	2.50
Interest Expenses	-
Outflow	-
As at March 31, 2022	2.50

19 Trade Payables{ Refer Note No.36(c) & 38(a)} (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Outstanding dues of Micro and Small Enterprises	38.70	40.21
Total Outstanding dues of creditors other than Micro and Small Enterprises		
Others	347.79	382.47
Dues to Enterprise Owned or Significantly Influence by Key Managerial Personnel or Their Relative	0.01	0.17
Dues to Key Managerial Personnel	0.01	0.03
Total	386.51	422.88

For ageing of Trade Payable refer note no. 46(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, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	38.70	40.21
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods	0.90	1.29
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, 2022
20 Other Current Liabilities (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customers (Contract Liabilities)	281.01	208.61
Advance from enterprise owned or significantly influenced by Key Managerial Personnel	0.01	0.01
Interest accrued and due	20.23	15.84
Liability Towards Corporate Social Responsibility	1.49	-
Other Miscellaneous Liabilities	0.51	0.80
Statutory Dues Payable	9.95	19.88
Total	313.20	245.14
Current	313.20	245.14
Non Current	-	-

21 Revenue From Operations (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue From Contracts With Customers		
Sales of Products (Finished & Traded Goods)	2,808.42	2,494.32
Revenue From Service Contracts	11.17	15.07
Total Revenue from Contracts with Customers	2,819.59	2,509.39
Other Operating Income	11.72	8.67
Total Revenue From Operation	2,831.31	2,518.06
i) Disaggregated revenue Information		
Types of Goods & Services		
(a) Engineering & Technologies Division	964.15	641.42
(b) Special Steel Division	1,894.93	1,873.39
(c) Electric Vehicle Division	55.68	30.67
(d) Other	0.32	1.38
(e) Revenue From Service Contracts with Customers	11.17	15.07
Gross Revenue	2,926.25	2,561.93
Less:- Inter segment Revenue	(94.94)	(43.87)
Total Revenue From Operation	2,831.31	2,518.06
India	2,498.48	2,303.15
Outside India	332.83	214.91
Total Revenue From Contracts with Customers	2,831.31	2,518.06

Set Out below is the amount of revenue recognised from:- (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Contract Liability (Advance From Customers) at the beginning of the year	208.62	161.39
Performance obligation satisfied during the Previous year	143.11	111.50

Performance Obligation :- (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one Year	835.04	916.73
More than One Year	198.44	451.27

Notes to Consolidated Financial Statements for the year ended March 31, 2022**Contract Balances As At:**

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Contract Balances		
Trade Receivables	166.97	277.34
Contract Liabilities (Advance from Customers)	281.02	208.62

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, 2022	Year ended March 31, 2021
Revenue as per Contract Price	2,831.05	2,518.77
Adjustments for Discounts & Rebates	11.46	9.38
Revenue From Contracts with Customers	2,819.59	2,509.39

Revenue from sale of products are recorded at a point of time of Rs 2808.42 Crore (March 31, 2021 Rs. 2494.32 Crore) and those from sale of services are recognized over a period of time of Rs. 11.17 Crore (March 31, 2021 Rs. 15.07 Crore) .

22 Other Income

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on :		
-Fixed Deposits	1.85	1.79
-Others	1.29	1.76
Net Sundry Balance Written Back	0.20	-
Gain on Sale of Property, Plant & Equipments	-	0.01
Profit on Sale of Units of Mutual Fund	-	0.04
Fair Valuation gain/(loss) on Financial Instruments at the fair value through Profit & Loss	0.10	0.17
Miscellaneous Income	3.10	0.45
Total	6.54	4.22

23 Cost of Raw Materials and Components Consumed

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Inventory	163.94	149.84
Add: Purchases & Other Expenses	2,131.69	1,684.10
Total	2,295.63	1,833.94
Less: Closing Inventory	168.18	163.94
Cost of Raw Material Consumed	2,127.45	1,670.00

24 Changes in Inventories of Finished Goods, Work in Process and Stock in Trade

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year		
-Work In Progress	195.57	159.49
-Stock In Trade	0.29	0.35
-Finished Goods	90.83	124.20
Sub Total	286.69	284.04
Inventory at the end of the Year		
-Work In Progress	208.11	195.57
-Stock In Trade	0.31	0.29
-Finished Goods	123.45	90.83
Sub Total	331.87	286.69
Total	(45.18)	(2.65)

Notes to Consolidated Financial Statements for the year ended March 31, 2022
25 Employee Benefit Expense (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages, Allowances and Bonus	128.14	125.39
Contribution to Provident and other funds (Refer Note No. 31)	7.42	7.39
Staff Welfare and amenities	1.60	1.84
Total	137.16	134.62

26 Finance Costs (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other Interest	3.01	6.25
Interest Expenses on Account of Settlement of Loans with Banks and Asset Reconstruction Companies	40.99	34.53
Interest on Statutory Dues	0.47	11.60
Interest on Lease Liability	0.17	0.23
Other Borrowing Cost & Charges	0.81	1.40
Total	45.45	54.01

27 Depreciation and Amortisation Expense (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation and Impairment of tangible assets (Refer note - 3)	85.94	118.02
Right of Use Asset {Refer Note 4(b)}	0.99	1.70
Amortization of intangible assets {Refer note - 4(a)}	0.97	0.83
Total	87.90	120.55

28 Other Expenses (Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and Fuel	102.33	102.52
Consumption of Stores & Spares	135.37	121.78
Labour & Job Charges	93.80	92.49
Machinery Repairs	5.30	2.75
Building Repairs	0.65	0.53
Other Repairs	3.88	3.53
Water Charges	7.55	5.76
Hire-Lease-Rent Charges	12.24	10.55
Rates & Taxes	3.48	6.94
Insurance Premium (Net)	7.51	6.18
Postage Telegram & Telephone Expenses	1.51	1.44
Conveyance Expenses	0.75	0.79
Travelling Expenses	5.10	3.36
Printing and Stationery	0.32	0.22
Vehicle Expenses	0.59	0.73
Security Expenses	1.93	2.35
CSR Activity (Refer Note No. 47)	1.66	1.33
Subscription & Membership	0.42	0.25
Net Sundry Balances Written Off	-	1.04
Net Provision For Expected credit loss for trade receivable	1.92	2.85

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

28 Other Expenses (Contd...)

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Auditors' Remuneration:		
-Audit Fees	0.20	0.20
-Limited Review	0.02	0.03
-Certificate	0.01	0.00
Legal and Professional Charges	7.92	6.66
Warranty Expenses	5.60	2.99
Guest House Expenses	0.89	0.62
Miscellaneous Expenses	3.64	3.41
Foreign Exchange Fluctuation (Net)	0.30	3.62
Donation	0.02	0.03
Advertisement & Sales Promotion	6.28	6.23
Commission	7.22	11.83
Freight Outward and other Expenses (Net)	106.96	93.18
Director Sitting fees	0.07	0.08
Total	525.44	496.27

29 Income Tax

a Component of Income tax

(Rs In Crore)

The Major component of income tax expense for the year ended March 31, 2022 & March 31, 2021 are:	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax		
Current Income Tax	-	0.01
Deferred Tax		
Deferred Tax Expenses/(Benefit)	-	-
Tax in Respect of earlier years	-	-
Income tax expense reported in the Statement of Profit & Loss	-	0.01
Other Comprehensive Income (OCI)		
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 tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2022 & March 31, 2021:

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit/(loss) before tax	(40.37)	49.48
Enacted income tax rate in India applicable to the company	25.17%	25.17%
Tax using the Company's domestic tax rate	(10.16)	12.45
Tax effects of:		
Income Tax allowances	(26.81)	(19.55)
Non-Deductible expenses	35.92	35.07
Unsuited Tax Loss allowance	(0.65)	(27.33)
Loss and Unabsorbed Depreciation of the Current Year to be Carried forward	1.99	-
Others	(0.29)	(0.63)
At the effective income tax rate of March 31, 2022 is Nil% (March 31, 2021 is 0.02%)	0.00	0.01

Notes to Consolidated Financial Statements for the year ended March 31, 2022
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, and accordingly the available MAT credit & unabsorbed additional depreciation loss for Financial Year 2009-10 & 2010-11 has lapsed. The group has incurred loss in all the years starting from Financial Year 2011-12 till 2016-17.

d. Deferred Tax
Movement in deferred tax Assets (net) for the year ended 31st 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
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	21.32	0.75	22.07
Other adjustments	0.02	(0.02)	-
Total	21.34	0.73	22.07
Tax effect of items constituting deferred tax assets			
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
Total	314.54	(32.64)	281.90
Net Deferred Tax Assets	293.20	(33.37)	259.83

Movement in deferred tax Assets (net) for the year ended 31st March, 2021

(Rs In Crore)

Particulars	Opening Balance As at April 1, 2020	To be Recognized in Statement of Profit & Loss	Closing Balance As at March 31, 2021
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	48.14	(26.82)	21.32
Lease Loan Liability	-	0.02	0.02
Total	48.14	(26.80)	21.34
Tax effect of items constituting deferred tax assets			
Asset on expenses allowed in year of payment	7.22	2.85	10.07
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws	304.02	(30.91)	273.11
Investments	0.02	(0.02)	-
Lease Loan Liability	0.60	(0.23)	0.37
Other adjustments	30.50	0.49	30.99
Total	342.36	(27.82)	314.54
Net Deferred Tax Assets	294.22	(1.02)	293.20

* 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.

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, 2022

30 Contingent Liabilities and Other Commitments

(a) Claims against the Group not acknowledged as debts towards:

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
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	0.51
vi) Goods and Service Tax	2.13	-
vii) Estimated amount of contracts remaining to be executed on capital account (net off advances) and not provided for	15.48	15.35
viii) Guarantees / Counter Guarantees (including un-utilized Letters of Credit)	12.94	40.39
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 18th January 2021 to 3rd February 2021 early morning 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 3rd February 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, 2021: Rs.1.11 Crore), are pending before various courts, authorities, arbitration, Consumer Dispute Redressal Forum etc.
- xii) In case of Shree Ram Electro Cast Limited, Claim against the company of Rs 0.11 Crore (March 31, 2021 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:-

- 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 23rd December, 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 30th July, 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. Now the matter is pending before Hon'ble Commercial Court, Rajkot for further hearing. Subsequently, the matter was transferred to Bhuj-Kuchchh 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.

(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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022
(i) Lease liabilities as at March 31, 2022 (Rs In Crore)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Lease Liabilities	1.13	1.19
Non-Current Lease Liabilities	0.90	0.28
Total	2.03	1.47

(ii) The following is the movement in the lease liability for the year ended March 31, 2022 (Rs In Crore)

Particulars	Amount
As at April 01, 2020	2.38
Additions	0.47
Finance Cost Accrued during the year	0.23
Deletions	0.08
Payment of lease Liabilities	1.53
As at March 31, 2021	1.47
Additions	1.34
Finance Cost Accrued during the year	0.17
Payment of lease Liabilities	0.95
As at March 31, 2022	2.03

(iii) The following are the expenses recognised in statement of profit and loss (Rs In Crore)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation expenses of Right of use assets	0.99	1.70
Interest Expenses on Lease Liability	0.17	0.23
Total Expenses	1.16	1.93

(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 1.26 Crore (March 31, 2020: Rs 0.72 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 as under:-

(Rs In Crore)

Contractual maturities of lease liabilities on an undiscounted basis	Year ended March 31, 2022	Year ended March 31, 2021
Within one year	1.36	0.78
After one year but not more than five years	0.85	0.31

- (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.

31 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- (Rs In Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employers' Contribution to Provident Fund (including contribution to Employees' Pension Scheme 1995)	7.16	7.19

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

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. In subsidiary company Hans Ispat Limited, during the year provision for gratuity is made on actual basis and other subsidiaries 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, 2022	As at March 31, 2021
Gratuity		
Current	3.39	3.24
Non-Current	15.77	14.26
Total	19.16	17.50

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate*	Refer Note@	Refer Note@
Salary Escalation Rate	6% p.a.	6% p.a.

Note: @Discounting rate in Special Steel Division is 6.90% (Previous year 6.57%) and in Engineering & Technologies and Electric Vehicle Division 7.31% (Previous year 6.93%)

* As considered in the Holding Company Rate

Mortality rate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition rate	refer note**	refer note**

Note

** Attrition rate in Special Steel Division is 10% (Previous year 10%) and in Engineering & Technologies and Electric Vehicle Division 2% (Previous year 2%)

31.1 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)
April 1, 2020	12.40	(4.18)	8.22
Current service cost	1.05	-	1.05
Interest expense/(income)	0.85	(0.29)	0.56
Total amount recognized in Profit or Loss	1.90	(0.29)	1.61
Return on plan assets excluding interest income	-	0.02	0.02
Actuarial (Gain)/losses on Obligations- Due to Experience	(0.68)	-	(0.68)
Actuarial (Gain)/losses on Obligations- Due to Change in Financial Assumptions	(0.14)	-	(0.14)
Total amount recognized in Other Comprehensive Income	(0.82)	0.02	(0.80)
Contribution by the Employer	-	(0.80)	(0.80)
Liability Transferred Out/Divestments	(0.12)	-	(0.12)
Benefits paid from the fund	(1.33)	1.34	0.01
March 31, 2021	12.03	(3.91)	8.12

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

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2021	12.03	(3.91)	8.12
Current service cost	0.99	-	0.99
Interest expense/(income)	0.83	(0.27)	0.56
Total amount recognized in Profit or Loss	1.82	(0.27)	1.55
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)
Total amount recognized in Other Comprehensive Income	(0.77)	(0.01)	(0.78)
March 31, 2022	13.08	(4.19)	8.89

(Rs In Crore)

Categories of Assets	As at March 31, 2022	As at March 31, 2021
Life Insurance Corporation of India	1.80	1.67
HDFC Bank	2.39	2.24
Total	4.19	3.91

(b) Non-Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2020	9.81	-	9.81
Current service cost	1.13	-	1.13
Interest expense/(income)	0.64	-	0.64
Total amount recognized in Profit or Loss	1.76	-	1.76
Actuarial (Gain)/losses on Obligations- Due to Experience	(0.65)	-	(0.65)
Actuarial (Gain)/losses on Obligations- Due to Change in Financial Assumptions	(0.01)	-	(0.01)
Total amount recognized in Other Comprehensive Income	(0.66)	-	(0.66)
Liability Transferred In/Acquisitions	0.12	-	0.12
Employer's contribution	(1.56)	-	(1.56)
Benefits paid	(0.09)	-	(0.09)
March 31, 2021	9.38	-	9.38

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2021	9.38	-	9.38
Less: Share of Subsidiary : Hans Ispat Limited (Refer Note 31(II))	(0.48)	-	(0.48)
Current service cost	0.95	-	0.95
Interest expense/(income)	0.58	-	0.58
Total amount recognized in Profit or Loss	1.05	-	1.05
Actuarial (Gains)/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 Financial Assumptions	(0.21)	-	(0.21)
Total amount recognized in Other Comprehensive Income	0.39	-	0.39
Liability Transferred In / Acquisitions	0.22	-	0.22
Benefit Paid Directly by the Employer	(0.77)	-	(0.77)
March 31, 2022	10.27	-	10.27

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

ii) The net liability disclosed above relates to plans are as follows: (Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Funded Plan		
-Present value of funded obligation	13.08	12.03
-Fair value of plan assets	(4.19)	(3.91)
(Surplus) / Shortfall of funded plan	8.89	8.12
Unfunded Plan		
-Present value of funded obligation	10.27	9.38
-Fair value of plan assets	-	-
(Surplus) / Shortfall of unfunded plan	10.27	9.38
Group Company as a Whole		
-Present value of funded and unfunded obligation	23.35	21.41
-Fair value of plan assets	(4.19)	(3.91)
(Surplus) / Shortfall of plan	19.16	17.50

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, 2022	March 31, 2021
Discount rate		
1.0% increase	(1.68)	(1.72)
1.0% decrease	1.95	2.02
Future salary increase		
1.0% increase	1.86	1.93
1.0% decrease	(1.64)	(1.70)
Rate of Employee Turnover		
1.0% increase	0.18	0.12
1.0% decrease	(0.20)	(0.14)

- 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022
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, 2022	March 31, 2021
1st Following Year	2.06	1.04
2nd Following Year	0.65	0.40
3rd Following Year	0.93	0.76
4th Following Year	0.72	0.88
5th Following Year	0.81	0.70
Sum of Years 6 to 10	4.64	4.86
Sum of Years 11 and above	21.80	21.32

From the Employer	March 31, 2022	March 31, 2021
1st Following Year	1.34	1.11
2nd Following Year	1.03	0.91
3rd Following Year	1.06	0.88
4th Following Year	1.06	0.92
5th Following Year	0.95	0.90
Sum of Years 6 to 10	4.56	3.87
Sum of Years 11 and above	7.36	7.70

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

31.2 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.

32 EARNINGS PER SHARES (EPS):

The basic Earnings per Share is calculated by dividing the Profit attributable to the existing Equity Shares outstanding:-

Particulars		2021-22	2020-21
Profit/(Loss) for the year	(Rs. In Crore)	(40.36)	49.49
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.)	(31.69)	38.85
Nominal Value of Shares	(In Rs.)	10.00	10.00

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

33 Segment Wise Revenue, Results, Assets & 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	Year ended March 31, 2022	Year ended March 31, 2021
SEGMENT REVENUE		
Engineering & Technologies Division	975.32	656.49
Special Steel Division	1,894.93	1,873.39
Electric Vehicle Division	55.68	30.67
Others	0.32	1.38
Total Sales	2,926.25	2,561.93
Less : Inter segment Revenue	94.94	43.87
Net Sale	2,831.31	2,518.06

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
SEGMENT PROFIT/(LOSS) BEFORE TAX AND INTEREST		
Engineering & Technologies Division	62.88	27.93
Special Steel Division	(56.84)	76.23
Electric Vehicle Division	(1.18)	0.14
Others	0.22	(0.81)
Profit Before Interest, Tax & Prior Period Adjustment	5.08	103.49
Less: Financial Expenses	45.45	54.01
Net Profit/(Loss) After Tax	(40.37)	49.48

OTHER INFORMATION

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Segment Assets		
Engineering & Technologies Division	541.50	568.20
Special Steel Division	1,162.51	1,289.37
Electric Vehicle Division	33.05	32.53
Others	7.78	6.62
Total Segment Assets	1,744.84	1,896.72

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Segment Liabilities		
Engineering & Technologies Division	781.05	732.94
Special Steel Division	2,006.84	2,167.72
Electric Vehicle Division	10.49	9.72
Others	28.82	28.72
Total Segment Liabilities	2,827.20	2,939.10

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

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Segment Depreciation		
Engineering & Technologies Division	8.03	9.47
Special Steel Division	78.30	109.48
Electric Vehicle Division	1.57	1.60
Total Depreciation	87.90	120.55

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other Non Cash Expenses/ (Income)		
Engineering & Technologies Division	0.36	(1.06)
Special Steel Division	-	2.87
Electric Vehicle Division	1.36	0.69
Others	-	1.39
Total	1.72	3.89

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Segment Capital Expenditure		
Engineering & Technologies Division	8.22	6.03
Special Steel Division	32.16	34.93
Electric Vehicle Division	-	0.01
Total Capital Expenditure (Net)	40.38	40.97

Secondary Reportable Segment (Geographically Segment)

(Rs In Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Segment Revenue		
-Within India	2,498.48	2,303.15
-Outside India	332.83	214.91
Total Revenue	2,831.31	2,518.06
Segment Assets		
-Within India	1,692.96	1,847.77
-Outside India	51.88	48.95
Total Assets	1,744.84	1,896.72

34. Default in repayment & recovery and / or recovery proceedings by the Lenders against the company

- (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 loan of Rs 436.13 Crore (Principal of Rs. 428.94 Crore and Interest of Rs. 7.19 Crore) in March 2012. The company is in negotiation with the bank for Settlement.

Case before Debts Recovery Tribunal (DRT):

- (b) 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,

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

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. The Hon'ble Recovery Officer has also passed an order to maintain status quo with respect to amount of Rs. 10.75 Crores lying in 'No Lien' account with the Bank. Further action / hearing is pending before the Hon'ble Recovery Officer.

- (c) 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, Ahmedabad ("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. Further hearing is pending before the Hon'ble NCLT, Ahmedabad.

Willful Defaulter

- (d) Central Bank of India has declared the Company as a wilful defaulter on May 29, 2014 for an outstanding 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)

- (e) 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 is pending before the Hon'ble CBI Court for further proceedings. The Directorate of Enforcement, Ahmedabad has filed 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 24.01.2022 allowed the application and by further order dated 29.03.2022 disposed of the case for transfer to PMLA Court.

Petition under Insolvency and Bankruptcy Code (IBC)

- (f) 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 04.05.2022 and reserved for order.

Other Case

- (g) 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 6th November, 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.

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 20th September, 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

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

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 is 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. 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. 90.08 Crore (March 31, 2021: Rs. 71.98 Crore) has been adjusted against the total outstanding loan liability.
- (c) As per the settlement agreement with Union Bank of India, if the Company complies all the terms and conditions as per settlement agreement and subject to sanction of the revised repayment proposal, there will be a reduction in debt by Rs. Nil.

Case before Debts Recovery Tribunal (DRT):

- (d) 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 22.06.2021 and 26.08.2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.

iv. Rare Asset Reconstruction Limited (being assignee of debt 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. The company has submitted revised repayment proposal to Rare Asset Reconstruction Limited which is pending for consideration.

Accounting Treatment in Books

- (b) The repayment of debt to Rare Asset Reconstruction Limited, up to the balance sheet date of Rs. 19.00 Crore (March 31, 2021 is Rs. 13.00 Crore) has been adjusted against the total outstanding loan liability.
- (c) If all the terms and conditions of the settlement are fully complied and subject to sanction of the revised repayment proposal,, there will be reduction in debt by Rs. 23.44 Crore.

Case before Debts Recovery Tribunal (DRT):

- (d) 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.

Willful Defaulter:

- (e) 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. 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

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

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. 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. 32.98 Crore (March 31, 2021: Rs. 28.21 Crore), has been adjusted against the total outstanding loan liability.
- (c) As per the settlement agreement with Union Bank of India, if all the terms and conditions of the settlement are fully complied upto March 2023, there will be no reduction in debt.

Case before Debts Recovery Tribunal (DRT):

- (d) 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 22.06.2021 and 26.08.2021 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.

Accounting treatment in books

- (a) 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.

- (b) 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, 2021 is Rs. 375.82 Crore) has been adjusted against the total outstanding loan liability.
- (c) 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.
- (d) If all the terms and conditions of settlement are fully complied upto March 2023, there will be reduction in debt by Rs. 403.90 Crore.

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 an FIR on 31.12.2021. Central Bureau of Investigation (CBI) carried out the search on 04.01.2022 and seized various documents and now the matter is under investigation.

Notes to Consolidated Financial Statements for the year ended March 31, 2022
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:-

SN	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

Accounting Treatment in Books

- (c) The amount of repayment of debt to Invent Assets Securitization and Reconstruction Private Limited, up to the balance sheet date of Rs. 45.80 Crore (March 31, 2021 is Rs. 35.65 Crore) has been adjusted against the total outstanding loan liability.
- (d) 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):

- (e) 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 the case of 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 (Previous Year Rs 27.86 Crore).

Cases 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 20.01.2016 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 06.11.2017 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 subsidiary Company & 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 & guarantors / directors as willful defaulter for the outstanding amount of Rs. 27.86 Crore.

- In the case of 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:

- (a) 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") during December 2014 and as per the terms and

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

conditions of the Settlement Agreement dated March 5, 2015 which was further revised vide sanction letter dated March 15, 2019, if all the terms and conditions are fully complied with by the company Upto December 31, 2022, there will be reduction in debts by Rs 8.83 Crore.

x. Bank of Baroda**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 (Previous Year Rs 23.41 Crore.)

Cases 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 and September 24,2021, however there was no bid for the e-auction properties. Further on application of the Bank of Baroda, the bank accounts of the subsidiary Company were attached to the extent the accounts had the balance as on October 19, 2019 and the appropriation of the said amounts from the accounts.

In the last e-auction held on November 18,2021, the auction was successful at a bid amount of Rs. 33.03 Crores. Invent Assets Securitisation & Reconstruction Private Limited (being assignee of debts of State Bank of India) ("Invent ARC"), the other lender and co-mortgagee of properties has challenged the auction before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court has granted the stay on the recovery proceedings. As per the direction of the Hon'ble Gujarat High Court, the Recovery Officer has passed the order dated December 20,2021 on the objections filed by Invent ARC holding that Invent ARC is entitled for pari-passu charge and dismissing the objection against auction of properties. Thereafter, the Hon'ble Gujarat High Court while disposing of the petition directed Invent ARC to file appeal before the Appellate Authority and continued the stay for four weeks. Invent ARC and Bank of Baroda filed appeals before the Hon'ble Presiding Officer, DRT-1, Ahmedabad and stay was extended from time to time. On March 31,2022, the Hon'ble Presiding Officer has partly allowed the appeal that Invent ARC and Bank of Baroda are entitled to share the amount realized from the Company in pari-passu and directed the Recovery Officer to confirm the sale of the properties. The Recovery Officer by order dated April 4,2022 confirmed the sale and handing over the physical possession of properties to the auction purchaser. Invent ARC has filed appeal before the Hon'ble Debts Recovery Appellate Tribunal, Mumbai ("DRAT") and the Hon'ble DRAT by order dated April 19,2022 stayed the further proceedings consequent to the sale and to maintain status quo. The appeal is pending for further hearing before the Hon'ble DRAT and recovery proceedings are pending before the Hon'ble Recovery Officer.

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 27.02.2017 for the outstanding amount of Rs. 26.92 Crores. The said petition is pending before Hon'ble Gujarat High Court for further hearing.

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 01,2015 . 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, 2022

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, 2021 Rs. 6.28 Crore) and Rs. 23.93 Crore for the financial year 2010-11 (March 31, 2021 Rs. 23.93 Crore) after adjustment of Rs. 4.00 Crore (March 31, 2021 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 company is of Rs. 29.15 Crore (March 31, 2021: 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/ARC, 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)

Particulars	Up to March 31, 2021	From April 1, 2021 to March 31, 2022	Up to March 31, 2022
Interest on Corporate Loan and working Capital Loan	1320.21	231.67	1551.88

36. Additional Disclosures

- (a) During the year the group has capitalized the CONTIFUR Project (including Product development cost) amounting to Rs. 23.84 Crore
- (b) 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).
- (c) 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, are subject to confirmation/reconciliation and includes very old non-moving items therefore are subject to necessary adjustments for accounting or re-grouping / classification.
- (d) 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.
- (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 value. During the year ended on March 31, 2022, Rs Nil (March 31, 2021, Rs 14.94 Crore) was recognized as expenses for inventories carried at net realizable value / inventory written down.
- (f) The classification / grouping of items of the accounts are made by the management, on the basis of the available data with the group.
- (g) In the Capital Work in Progress of Rs. 32.69 Crore (March 31, 2021 Rs. 27.40 Crore) the management believes that the uncompleted projects of Rs. 1.37 Crore (March 31, 2021: Rs. 10.55 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.
- (h) 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.
- (i) During the year the company has temporary suspended the business activity of Transmission Line Tower division (TLT) in order to evaluate its further business viability.
- (j) Hans Ispat Limited (the Subsidiary) has stopped the operation of the Plant due to various operational reasons. However the management is hopeful that the same will be in operation in near future and therefore no impairment on the said plant has been provided.
- (k) Shree Ram Electro Cast Limited (the Subsidiary), has acquired Land at Halekote-25 Village, Siruguppa Hobli or Firka, Siruguppa Taluka, District Bellary and Honnarahalli Village, Hactchholli Hobali, Siruguppa Taluka, Bellary District and its legal document for transfer of the property in the name of the Company is in process.

Notes to Consolidated Financial Statements for the year ended March 31, 2022**(I) 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, 2022	Year ended March 31, 2021
Profit or Loss from continuing Operations after tax	0.01	0.02
Post-tax Profit or Loss from discontinued Operations	0.00	0.00
Other Comprehensive Income	0.00	0.00
Total Comprehensive Income	0.01	0.02

(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, 2022	Year ended March 31, 2021
Face value of Rs 10 each fully paid		
Opening Balance as at April 1	9.09	9.07
Add: Share in Profit of Joint Venture	0.01	0.02
Total	9.10	9.09
Less: Accumulated Impairment	2.13	2.13
Closing Balance as at March 31	6.97	6.94

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 Company at 34th Annual General Meeting held on 17th August, 2020. The above remuneration to both the Director's are subject to approval from banks and financial institutions as the company has defaulted in repayment of loans.

38. OTHER CASES:

- 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 1.32 Crore). The said amounts are excluding interest.
- 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 28th March, 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, 2012 was filed by ED before the Adjudicating Authority, New Delhi and the Adjudicating Authority, New Delhi vide order dated 5th September, 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 10th December, 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 and the matter is not taken up for hearing as there is no quorum of judges in the Hon'ble Appellate Tribunal, PMLA, New Delhi.
- The Assistant Director, Directorate of Enforcement, Ahmedabad has filed a PMLA – Special Case No. 20/2018 on 1st December, 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 and the same is pending for hearing.

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

- (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 04.05.2021 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 24.05.2021 and stayed the joint signatory by order dated 17.06.2021. Thereafter, the Hon’ble NCLAT has upheld the order dated 04.05.2021 and disposed of the appeals with certain directions on 28.01.2022. The Company and Mr. Shailesh Bhandari has challenged the said order dated 28.01.2022 before the Hon’ble Supreme Court of India and the Hon’ble Supreme Court of India by order dated 25.02.2022 continued the stay order on joint signatory dated 17.06.2021 passed by Hon’ble NCLAT. Now the appeals are pending before the Hon’ble Supreme Court of India 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”) 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 08.04.2021, rejected the said interim application of waiver. Some of the Respondents have filed Interlocutory Applications for their discharge and the same are pending for hearing. The Petitioners have filed appeal before the Hon’ble National Company Law Appellate Tribunal (“NCLAT”) against the order dated 08.04.2021 passed by Hon’ble NCLT, however the same was withdrawn on 27.09.2021.
- (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 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 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 27.09.2019 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 petition (CP No. 5/2022) 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. The Hon’ble NCLT has issued notice to respondents and directed to file reply on interim relief and maintainability. The petition is pending for further hearing.
- (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.

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

Further the office of Regional Director vide letter / order dated 24th 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 challenge 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 04.02.2019 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.
- (l) Mr. Jivabhai Ganeshbhai Bada has filed an application before National Green Tribunal, Pune Bench for pollution and loss of agriculture crop, compensation etc. for the Samakhiali Plant. The Company has filed its reply and after the receipt of joint committee report, the National Green Tribunal, Pune Bench has disposed of the application with observation that there is no need or necessity to close down the operations of the Company but the Company is under obligation to comply with all the environment norms.

Note: The financial implication of all this case is not ascertainable at this point of time.

- (m) In Hans Ispat Limited (the Subsidiary), Criminal complaint 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 and are shown as doubtful and the provision for the doubtful debt of Rs. 2.70 Crore (Previous Year Rs. 2.70 Crore) has been provided in the books.

39. 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 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 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 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 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 Company has incurred a net loss/net cash loss during the current and previous year(s) and, the 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.

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

(c) ET Elec-Trans Limited

Subsidiary Company has not carried out any business or commercial activity. During the year the 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 company. 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.

(d) Hans Ispat Limited

Bank of Baroda had filed Original Application against Hans Ispat Limited (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 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 handover 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 confirmed and possession handed-over be stalled and stayed further proceedings and status-quo to be maintained. The said appeal is pending in DRAT, Mumbai 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, but, being the matter Sub Judge before the Hon,ble DRAT, the group has not impaired the value of the goodwill of Rs 36.46 Crore and it is will treated on its final outcome.

40. OTHER STATUTORY INFORMATION

- (i) No proceeding has been initiated or pending against the group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (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:
 - (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 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 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

Notes to Consolidated Financial Statements for the year ended March 31, 2022**41. RELATED PARTY DISCLOSURE**

As required by Indian Accounting Standard-24 "RELATED PARTY DISCLOSURE", the disclosure of transaction with related parties are given below:-

(i) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives

- EIL Software Services Offshore Pvt. Ltd.
- Etain Electric Vehicles Ltd.
- Electrotherm Solar Ltd.
- 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. Fageshkumar R Soni (Company Secretary upto 31.07.2021)
- Ms. Shraddha Vyas (Chief Financial officer from 01.07.2020 to 11.03.2021)

Note: The company is in process of filing the vacancy for the post of Chief Financial officer and Company Secretary

(iii) Non-Executive/Independent Directors

- Mr. Mukesh Bhandari (Non-Executive Director)
- Mr. Dinesh Shankar Mukati (Independent Director & Non-Executive Chairman)
- Ms. Nivedita Ravindra Sarada (Independent Director)
- Mr. Pratap Mohan (Independent Director)
- Mr. Aditya Jain (Non-Executive Director) (Upto 10.12.2021)

(iv) Relatives of Key Managerial Personnel

- Late Mrs. Indubala Bhandari (Mother of Director)
- Mrs. Jyoti Bhandari (Wife of Director)
- Mr. Rakesh Bhandari (Brother of Director)
- Mr. Siddharth Bhandari (Son of Director)

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

(Rs. in Crores)

B. Related Parties Transaction as identified by the Company from its records

SR. NO.	NAME	PAYMENT OF LIABILITY		INTEREST EXPENSES ON LEASE LIABILITY		RENT EXPENSE		REPAYMENT OF 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	Current Year	Previous Year
(i)	KEY MANAGEMENT PERSONNEL :												
1	Mr. Shailesh Bhandari	-	0.07	0.01	-	-	-	0.00	0.06	-	-	-	-
2	Mr. Fageshkumr R. Soni	-	-	-	-	-	-	-	-	-	-	0.08	0.14
3	Ms. Shradha Vyas	-	-	-	-	-	-	-	-	-	-	-	0.20
(ii)	NON-EXECUTIVE/INDEPENDENT DIRECTORS :												
1	Mr. Mukesh Bhandari	-	-	0.02	0.03	-	-	-	0.11	-	-	-	-
2	Mr. Dinesh Shankar Mukati	-	-	-	-	-	-	-	-	0.03	0.03	-	-
3	Ms. Nivedita Ravindra Sarda	-	-	-	-	-	-	-	-	0.01	0.02	-	-
4	Mr. Pratap Mohan	-	-	-	-	-	-	-	-	0.03	0.03	-	-
(iii)	RELETIVES OF KEY MANAGEMENT PERSONNEL :												
	(With whom Transaction has been taken Place during the year)												
1	Late Mrs. Indubala Bhandari	-	-	-	-	0.01	0.04	-	-	-	-	-	-
2	Mrs. Jyoti Bhandari	-	-	0.00	0.01	-	-	-	0.10	-	-	-	0.02

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 company 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, 2021 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, 2022

C: BALANCES AS AT YEAR ENDED

(Rs. In Crore)

TRADE RECEIVABLE	As at 31.03.2022	As at 31.03.2021
- 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
Total	9.68	9.68

(Rs. In Crore)

TRADE PAYABLES	As at 31.03.2022	As at 31.03.2021
- Electrotherm Solar Limited	0.00	0.16
- ETAIN Renewables Limited	0.01	0.01
- Mr. Shailesh Bhandari	0.01	0.02
- Mr. Fageshkumr R. Soni	-	0.01
Total	0.02	0.20

(Rs. In Crore)

Other Assets	As at 31.03.2022	As at 31.03.2021
- ETAIN Electric Vehicles Limited	0.01	0.01
- ETAIN Renewables Limited	0.06	0.06
- Electrotherm Solar Limited	0.09	0.09
Total	0.16	0.16

(Rs. In Crore)

Borrowings	As at 31.03.2022	As at 31.03.2021
- Mr. Siddharth Bhandari	0.04	0.04
Total	0.04	0.04

(Rs. In Crore)

Short Term Borrowings	As at 31.03.2022	As at 31.03.2021
- Mr. Mukesh Bhandari	0.24	0.24
- EIL Software Services Offshore Pvt. Ltd.	1.75	1.75
- Mrs. Jyoti Bhandari	0.15	0.15
- Mr. Rakesh Bhandari	0.02	0.02
Total	2.16	2.16

(Rs. In Crore)

Lease Liabilities	As at 31.03.2022	As at 31.03.2021
- Mr. Shailesh Bhandari	0.15	0.12
- Mr. Mukesh Bhandari	0.24	0.22
- Mrs. Jyoti Bhandari	0.08	0.08
Total	0.47	0.42

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

(Rs. In Crore)

Other Liabilities	As at 31.03.2022	As at 31.03.2021
- ETAIN Renewables Limited	0.01	0.01
Total	0.01	0.01

(Rs. In Crore)

Impairment / Provision	As at 31.03.2022	As at 31.03.2021
- Bhaskarpara Coal Company Limited - (Investment)	2.13	2.13
Total	2.13	2.13

42 Financial Instruments, Fair Value Measurements, Financial Risks & Capital Management
42.1 Category wise Classification of Financial Instruments

(Rs In Crore)

Particulars	March 31, 2022		
	FVPL	Amortized cost	Carrying Value
Financial assets			
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
Total financial assets	0.52	298.90	299.42
Financial liabilities			
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	-	5.24	5.24
Total financial liabilities	-	2,478.40	2,478.40

Particulars	March 31, 2021		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	277.34	277.34
Cash and Cash Equivalents	-	88.68	88.68
Other Bank balances	-	8.61	8.61
Investments in mutual fund units	0.42	-	0.42
Investments in Joint Venture net of Accumulated Impairment	-	6.96	6.96
Investments in Unquoted Government Securities	-	0.01	0.01
Other financial assets	-	75.17	75.17
Total financial assets	0.42	456.77	457.19
Financial liabilities			
Trade payables	-	422.88	422.88
Borrowing	-	2,220.17	2,220.17
Preference shares	-	12.00	12.00
Lease Liability	-	1.47	1.47
Other financial liabilities	-	8.46	8.46
Total financial liabilities	-	2,664.98	2,664.98

Notes to Consolidated Financial Statements for the year ended March 31, 2022**42.2 Fair Value Measurement****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
Investments in quoted mutual fund					
As at March 31, 2022	5	0.52	-	-	0.52
As at March 31, 2021	5	0.42	-	-	0.42

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.

43 Financial Instrument Risk, Management, Objectives & Policies**43.1 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.

43.2 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.

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

43.2 Credit risk (Contd...)

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, 2022, sales to a customer approximated Rs 306.08 Crore (or 10.81 % of net revenue) and during the year ended March 31, 2021, sales to such customer approximated Rs 266.05 Crore (or 10.57% of net revenue). Accounts receivable from such customer approximated Rs 9.84 Crore (or 5.89% of total receivables) at March 31, 2022 and Rs 38.77 Crore (or 13.98% of total receivables) at March 31, 2021. 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, 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
Carrying amount	166.97	102.86	269.83

ii) As at March 31, 2021 (Rs In Crore)

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Gross carrying amount	377.47	111.33	488.80
Credit loss rate	26.53%	16.21%	24.18%
Expected Credit Loss / Doubtful Receivable	100.13	18.05	118.18
Carrying amount	277.34	93.28	370.62

Reconciliation of Expected Credit Loss / Doubtful Receivable (Rs In Crore)

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Loss allowance as on April 1, 2020	95.36	19.97	115.33
Changes in loss allowance	4.77	(1.92)	2.85
Loss allowance as on March 31, 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

43.3 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.

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

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, 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	5.22	0.02	
Total	2,109.97	363.15	0.04

(Rs In Crore)

As at March 31, 2021	Payable Upto 31.03.2022	01.04.2022 to 31.03.2025	After 31.03.2025
Trade Payables	422.88	-	-
Borrowings	1,207.44	1,003.86	8.87
Lease liability	1.19	0.28	-
Preference Shares	12.00	-	-
Other Financial liabilities	8.43	0.03	-
Total	1,643.51	1,004.14	8.87

43.4 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.

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 group 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 @ 1 Year MCLR on the Outstanding amount on that/those, date(s) for which the company fails to pay the installment as per the schedule & it's sensitivity analysis is as under :-

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)

Particular	Outstanding Amount as on March 31, 2021	Interest for the period ended as on March 31, 2021	Increase in Interest by 1%	Decrease in Interest by 1%
Union Bank of India	21.19	0.30	0.00	(0.00)

Notes to Consolidated Financial Statements for the year ended March 31, 2022
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 unhedge foreign currency risk at the end of reporting period are as follows: (In Crore)

Particulars	As at March 31, 2022	
	USD	Euro
Financial assets		
Trade receivables	0.68	-
Net exposure to foreign currency risk (assets)	0.68	-
Financial liabilities		
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)

(In Crore)

Particulars	As at March 31, 2021	
	USD	Euro
Financial assets		
Trade receivables	0.67	-
Net exposure to foreign currency risk (assets)	0.67	-
Financial liabilities		
Trade payables	0.19	0.00
Net exposure to foreign currency risk (liabilities)	0.19	0.00
Net exposure to foreign currency risk	0.48	(0.00)
Net Exposure In Indian Currency	34.83	(0.07)

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.

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, 2022	
	Rupee / USD	Rupee / Euro
Impact on Profit / (Loss)		
Increase by 5%	2.35	(0.02)
Decrease by 5%	(2.35)	0.02

(Rs In Crore)

Particulars	As at March 31, 2021	
	Rupee / USD	Rupee / Euro
Impact on Profit / (Loss)		
Increase by 5%	1.74	-
Decrease by 5%	(1.74)	-

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

44 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.

(Rs In Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share capital	12.74	12.74
Other Equity	(1,095.10)	(1,055.12)
Total Equity	(1,082.36)	(1,042.38)

45 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
Parent									
Electrotherm (India) Limited	Current Year	88.76%	(960.72)	134.59%	(54.32)	100.00%	0.39	134.93%	(53.93)
	Previous Year	86.99%	(906.79)	127.90%	63.30	92.41%	1.34	126.89%	64.64
Subsidiaries									
- Indian									
Hans Ispat Limited	Current Year	14.05%	(152.03)	20.99%	(8.47)	0.00%	-	21.19%	(8.47)
	Previous Year	13.77%	(143.56)	-26.29%	(13.01)	7.59%	0.11	-25.32%	(12.90)
Electrotherm Services Limited	Current Year	0.39%	(4.20)	-0.07%	0.03	0.00%	-	-0.08%	0.03
	Previous Year	0.41%	(4.23)	0.02%	0.01	0.00%	-	0.02%	0.01
Shree Ram Electro cast Limited	Current Year	3.37%	(36.47)	0.02%	(0.01)	0.00%	-	0.03%	(0.01)
	Previous Year	3.50%	(36.46)	-0.14%	(0.07)	0.00%	-	-0.14%	(0.07)
ET Elec-Trans Limited	Current Year	0.14%	(1.48)	0.02%	(0.01)	0.00%	-	0.03%	(0.01)
	Previous Year	0.14%	(1.48)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
- Foreign									
Jinhua Indus Enterprises Limited	Current Year	0.27%	(2.87)	0.20%	(0.08)	0.00%	-	0.20%	(0.08)
	Previous Year	0.27%	(2.79)	-0.12%	(0.06)	0.00%	-	-0.12%	(0.06)
Jinhua Jahari Enterprises Limited	Current Year	-0.15%	1.58	-0.27%	0.11	0.00%	-	-0.28%	0.11
	Previous Year	-0.14%	1.48	-1.39%	(0.69)	0.00%	-	-1.35%	(0.69)
Joint Venture									
Bhaskarpara Coal Company Limited	Current Year	-0.64%	6.97	-0.02%	0.01	0.00%	0	-0.03%	0.01
	Previous Year	-0.67%	6.96	0.04%	0.02	0.00%	0	0.04%	0.02
Elimination	Current Year	-6.18%	66.86	-55.45%	22.38	0.00%	0.00	-55.99%	22.38
	Previous Year	-4.27%	44.49	0.00%	(0.01)	0.00%	0.00	-0.02%	(0.01)
Group as a Whole	Current Year	100.00%	(1082.36)	100.00%	(40.36)	100.00%	0.39	100.00%	(39.97)
	Previous Year	100.00%	(1042.38)	100.00%	49.49	100.00%	1.45	100.00%	50.94

Notes to Consolidated Financial Statements for the year ended March 31, 2022
46 Ageing of Trade Receivable and Trade Payable
(a) Trade Receivable
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
Total	71.48	37.54	13.26	20.17	14.43	112.14	269.02
Less: Provision for Expected Credit Loss / Doubtful Receivable							
- on Other Parties							(102.05)
Total Trade Receivables							166.97

As at March 31, 2021

(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	85.02	126.03	28.70	21.80	15.47	0.32	277.34
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	0.01	0.72	0.09	95.17	95.99
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	4.14	4.14
Total	85.02	126.03	28.71	22.52	15.56	99.63	377.47
Less: Provision for Expected Credit Loss / Doubtful Receivable							
- on Other Parties							(100.13)
Total Trade Receivables							277.34

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

(b) Trade Payables

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	0.21	-	-	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	-	-	-	-	-	-
Total	99.33	243.82	13.93	4.76	24.67	386.51

As at March 31, 2021

(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	0.57	26.95	12.64	0.05	-	40.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	45.41	219.73	89.49	5.00	23.04	382.67
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	45.98	246.68	102.13	5.05	23.04	422.88

47 Corporate Social Responsibility (CSR)

Details of CSR expenditure:

(Rs in Crore)

Particulars	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	1.66	1.33
b) Amount approved by the Board to be spent during the year	1.66	1.33

c) 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
Total	1.38	0.28

d) Amount spent during the year ended on March 31, 2021:

(Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	-	-
In Cash	-	1.33
Total	-	1.33

Notes to Consolidated Financial Statements for the year ended March 31, 2022
e) Details related to spent / unspent obligations:

(Rs in Crore)

Particulars	March 31, 2022	March 31, 2021
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.	0.11	0.33
ii) Paver & curbing work of road and hazardous waste treatment at village Palodia	0.06	-
iii) Contribution to Trust	-	1.00
iv) Unspent amount in relation to:		
- Ongoing project	1.38	-
- Other than ongoing project"	0.11	-
Total	1.66	1.33

f) Details of ongoing project and other than ongoing project as on March 31, 2022
(i) In case of S. 135(6) (Ongoing Project)

(Rs in Crore)

Particulars	March 31, 2022
Opening Balance	
- With Group	-
- In Separate CSR Unspent A/c	-
Amount required to be spent during the year	1.38
Amount spent during the year	
- From Group's bank A/c	-
- From Separate CSR Unspent A/c	-
Closing Balance	
- With Group *	1.38
- In Separate CSR Unspent A/c	-

**deposited subsequent to year end.*
(ii) In case of S. 135(5) (Other than ongoing project)

(Rs in Crore)

Particulars	March 31, 2022
Opening Balance	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-
Amount required to be spent during the year	0.28
Amount spent during the year	0.17
Closing Balance	0.11

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, 2022		As at March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of loans
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties Associate	0.16	100.00	0.16	100.00
Total	0.16	100.00	0.16	100.00

Notes to Consolidated Financial Statements for the year ended March 31, 2022**49 Events occurred after the Balance Sheet Date**

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the consolidated 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 30, 2022, 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: 22124095AKHJKY2228

Place : Ahmedabad
Date : 30th May 2022

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

Shailesh Bhandari
Managing Director
DIN:- 00058866

Place : Ahmedabad
Date : 30th May 2022

Suraj Bhandari
Whole Time Director
DIN:- 07296523





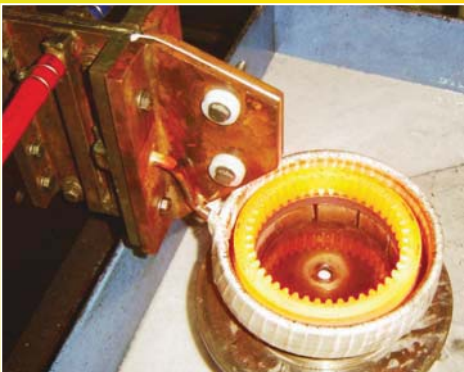
Melting



Refining



Casting



Heating & Hardening



Air Pollution Control Equipment



Transformers



TMT Bar



Ductile Iron Pipe



Electric Vehicle

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