

ELECTROSTEEL CASTINGS LIMITED

H.O. : G.K. Tower, 19, Camac Street, Kolkata 700 017, India
Regd. Office : Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017
Tel : +91 33-2283 9900, 7103 4400
CIN : L27310OR1955PLC000310
Web : www.electrosteelcastings.com



11 August, 2021

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Scrip Code: 500128

Symbol: ELECTCAST

Dear Sir/ Madam,

Sub: Submission of the Annual Report of the Company for the Financial Year 2020-21, along with the Notice of the 66th Annual General Meeting of the Company, and intimation of Cut-off Date for e-voting and Book Closure and Record Date for dividend

In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has, vide its General Circulars dated 13 January, 2021 and 5 May, 2020, read with General Circulars dated 8 April, 2020 and 13 April, 2020 and the Securities and Exchange Board of India ('SEBI') has, vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021, permitted the companies to conduct Annual General Meeting ('AGM') through video conferencing ('VC') or other audio-visual means ('OAVM'), whose AGM were due to be held in the year 2020 or become due in the year 2021 on or before 31 December, 2021, without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the aforesaid Circulars, the 66th AGM of the Company is being held through VC/OAVM on Friday, 3 September, 2021 at 11:30 a.m. The deemed venue for the 66th AGM will be the Registered Office of the Company at Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017.

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed herewith, a copy of the Annual Report of the Company for the Financial Year 2020-21, along with the Notice of the 66th AGM of the Company.

In terms of the aforesaid Circulars, Notice convening the 66th AGM and Annual Report of the Company for the Financial Year 2020-21 are being despatched only through electronic mode (e-mail) to the Members who have registered their e-mail IDs with the Depository Participant(s) / Company. The Annual Report and the Notice have also been uploaded in the 'Investors' section on the website of the Company at www.electrosteel.com.

Please be informed that the Company has fixed Friday, 27 August, 2021 as the Cut-off Date to determine the entitlement of voting rights of the Members eligible to vote either through remote e-voting or through e-voting during the AGM. The Company has engaged the services of National Securities Depository Limited ('NSDL') as the Agency to provide e-voting platform to the Members of the Company.

The remote e-voting period will commence from Tuesday, 31 August, 2021 (9:00 a.m., IST) and end on Thursday, 2 September, 2021 (5:00 p.m., IST).

Further, as intimated vide our letter dated 20 May, 2021, the Board of Directors, at its meeting held on 20 May, 2021, has, inter alia, recommended a dividend of Rs. 0.25 (25%) per Equity Share of

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face value of Re. 1/- each for the Financial Year ended 31 March, 2021, to the Members of the Company for their approval at the 66th AGM.

Further, please note that the Register of Members and Share Transfer Book shall remain closed from 28 August, 2021 to 3 September, 2021 (both days inclusive) for the purpose of determining the Members eligible to receive the aforesaid dividend.

The aforesaid dividend, if declared by the Members at the 66th AGM, will be paid subject to deduction of income tax at source ('TDS'). The dividend on Equity Shares, if approved by the Members, will be credited/despached on or after 3 September, 2021, to those Members whose names shall appear in the Register of Members of the Company as on the close of business hours on Friday, 27 August, 2021 (Record Date), and in respect of the shares held in dematerialized form, the dividend will be paid to Members whose names are furnished by NSDL and Central Depository Services (India) Limited as beneficial owners as on the Record Date.

This is for your information and records.

Thanking you.

Yours faithfully,
For Electrosteel Castings Limited


Indranil Mitra
Company Secretary



Encl.: As above

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66th Annual Report 2020-21



**ELECTROSTEEL
CASTINGS LIMITED**

Corporate Information

Chairman	Mr. Pradip Kumar Khaitan
Directors	Mr. Binod Kumar Khaitan Mr. Amrendra Prasad Verma Dr. Mohua Banerjee Mr. Rajkumar Khanna Mr. Shermadevi Yegnaswami Rajagopalan Mr. Vyas Mitre Ralli
Managing Director	Mr. Umang Kejriwal
Joint Managing Director	Mr. Mayank Kejriwal
Whole-time Directors	Mr. Uddhav Kejriwal Mr. Mahendra Kumar Jalan
Chief Executive Officer and Whole-time Director	Mr. Sunil Katial
Executive Director (Group Finance) & CFO	Mr. Ashutosh Agarwal
Company Secretary	Mr. Indranil Mitra
Auditors	Singhi & Co., Chartered Accountants
Solicitors	Khaitan & Co. LLP, Kolkata
Bankers	Axis Bank Limited Bank of India Export-Import Bank of India HDFC Bank Limited ICICI Bank Limited IDBI Bank Limited IDFC First Bank Limited IndusInd Bank Limited Punjab National Bank SBM Bank (India) Limited Standard Chartered Bank State Bank of India Yes Bank Limited
Works	Khardah, West Bengal Haldia, West Bengal Bansberia, West Bengal Elavur, Tamil Nadu
Corporate Office	G. K. Tower, 19 Camac Street, Kolkata 700 017 Tel.: 033 2283 9990 Fax: 033 2289 4339 E-mail ID: companysecretary@electrosteel.com Website : www.electrosteel.com
Registered Office	Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017
Corporate Identification Number	L27310OR1955PLC000310

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Report of the Directors

Dear Members,

Your Directors take pleasure in presenting the Sixty Sixth Annual Report together with Audited Annual Financial Statements (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended 31 March, 2021.

FINANCIAL RESULTS

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenue from Operations	2,236.12	2,479.89	3,470.56	2,711.04
Earnings Before Interest, Taxes, Depreciation, Amortisation and Exceptional Item	285.45	396.18	489.09	399.22
Less: Finance Costs	183.83	219.90	210.63	227.58
Less: Depreciation and Amortisation Expense	52.67	52.74	91.19	57.15
Profit Before Exceptional Item & Tax	48.95	123.54	187.27	114.49
Less: Exceptional Item	-	-	244.23	-
Profit / (Loss) Before Tax	48.95	123.54	(56.96)	114.49
Less: Tax Expense	5.71	24.95	40.32	28.20
Profit / (Loss) After Tax	43.24	98.59	(97.28)	86.29
Share of Profit / (Loss) in Associates and Joint Ventures	-	-	5.41	75.19
Profit / (Loss) After Tax including share of Associate and Joint Ventures	43.24	98.59	(91.87)	161.48
Attributable to:				
Owners of the Parent	-	-	(145.88)	161.06
Non-Controlling Interest	-	-	54.01	0.42
Other Comprehensive Income (Net of Tax)	25.85	(0.09)	147.33	12.60
Total Comprehensive Income	69.09	98.50	55.46	174.09
Attributable to:				
Owners of the Parent	-	-	1.48	173.67
Non-Controlling Interest	-	-	53.98	0.42
Opening balance in Retained Earnings	636.49	517.07	920.51	739.59
Closing Balance in Retained Earnings	668.38	636.49	763.02	920.51

DIVIDEND

The Directors are pleased to recommend a dividend of Rs. 0.25 per Equity Share of face value of Re. 1 each for the Financial Year ended 31 March, 2021. This dividend is subject to the approval of the Members of the Company, at their ensuing Annual General Meeting ('AGM'). If approved, the total outlay on account of dividend for the Financial Year 2020-21 would amount to Rs. 10.82 Crore.

The Company had declared dividend of Rs. 0.30 per Equity Share of face value of Re. 1 each for the Financial Year ended 31 March, 2020.

INVESTOR EDUCATION AND PROTECTION FUND

Transfer of Dividend to Investor Education and Protection Fund

In terms of the provisions of Section 124 of the Companies Act, 2013 ('Act'), read together with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereof ('IEPF Rules'), the Company has transferred Rs. 11,79,866 (Rupees Eleven Lakh Seventy Nine Thousand Eight Hundred and Sixty Six Only) to the IEPF, during the Financial Year 2020-21, being unpaid/unclaimed dividend amounts relating to the Financial Year 2012-13.

Pursuant to the provisions of the IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31 March, 2020 (as on the date of closure of previous financial year) on the website of the Company (www.electrosteel.com).

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

In terms of the provisions of Section 124(6) of the Act, read with the relevant Rules made thereunder, 1,21,798 Equity Shares of the Company, in respect of which dividend was unpaid or unclaimed for the Financial Year 2012-13 and onwards, has been transferred to the Demat Account of the IEPF Authority maintained with National Securities Depository Limited, during the Financial Year 2020-21.

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

Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared for the Financial Year 2013-14 and onwards has not been paid or claimed by the Members for 7 (seven) consecutive years or more. Members are advised to visit the web-link <https://www.electrosteel.com/investor/iepf-suspense-account.php>.

TRANSFER TO RESERVES

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

OPERATIONS

During the year under review, the production of Ductile Iron (DI) Pipes was 2,65,892 MT, as against 3,09,404 MT in the previous year. The production of Cast Iron (CI) Pipes at Elavur was 37,413 MT as against 38,206 MT in the previous year.

The Financial Year 2020-21 was one of the most challenging year in the history of our organisation. Despite numerous issues presented by the ongoing Global Pandemic caused by the coronavirus ('COVID-19'), the Company's people delivered strong result, mainly in last three quarters of the Financial Year 2020-21. All the management cadres, frontline employees and factory workers of the Company have put up a strong show to minimize impact of this global crisis.

DI Fittings & Accessories produced 13,988 MT of DI Fittings in 2020-21 as against 12,667 MT in 2019-20. Overall performance like production, productivity, product variety & quality and despatch, etc., have been improved at both Khardah and Haldia locations of Fittings Plant. Both Domestic and Export despatch of Fittings from both Haldia and Khardah Plants have increased in spite of more than two months' lockdown on account of COVID-19.

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

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



Report of the Directors (Contd.)

MATERIAL CHANGES AND COMMITMENTS

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

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

Further, there has been no change in the nature of the Company's business, but the manner in which operations and functioning had to be done had to be altered to adhere to the COVID-19 restrictions and directions like social distancing, no gathering of personnel, replacing physical interface with customers, implementing work from home, restricted travel, etc.

IMPACT OF COVID-19 OUTBREAK

The Company had lost production of about two months of DI Pipe in first quarter of Financial Year 2020-21 due to nationwide lockdowns and restrictions imposed by the Government of India.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms an integral part of this Report and gives details of the industry structure, developments, opportunities, threats, performance and state of affairs of the Company's business, internal controls and their adequacy, risk management systems including a section on 'Risk Management' and other material developments during the Financial Year 2020-21, and is annexed as Annexure 1.

FUTURE PROSPECTS

With the growth of economy, India's urbanization trends have scope to significantly accelerate in coming years. Water and sewerage infrastructure development in Indian urban and rural sector has been the key engine of growth acceleration for the DI Pipe Industry. Further, the country faces huge task of transporting drinking water with a limited treatment facility and inadequate transmission and distribution network. Rapidly growing urban centers also have limited infrastructure for waste water disposal. As a whole, the Indian water and waste water market is having a CAGR of about 10%.

To bring in improvement and greater sustainability of the water supply infrastructure, the Jal Jeevan Mission, mainly aimed at rural and sub-urban water supply, could mean doubling of spending on water related infrastructure creation over the coming years. For urban water supply, Central Government as well as the respective State Governments have initiated a number of major urban development schemes to transform the urban scenario of the country, resulting in large investment in the Water Supply & Sewerage System. In this direction, AMRUT Yojna (Atal Mission for Rejuvenation and Urban Transformation) is a major initiative. Under AMRUT, 500 Small Cities are undergoing infrastructure revamping.

The sewerage and waste water disposal sector is also witnessing increasing fund flow to make our cities cleaner. Considerable fund is being allocated under the 'Namami Gange' Scheme where cities on the bank of river Ganga and its tributaries will have modern Waste Water conveyance and treatment facilities to make the rivers clean. Similar schemes are coming up in Southern and Western India.

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

SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 50,02,00,000/- comprising of 50,02,00,000 Equity Shares of Re. 1.00 each. During the year under review, there has been no change in the Authorised Share Capital of the Company.

The Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 43,29,54,709/- comprising of 43,29,54,709 Equity Shares of Re. 1.00 each. During the year under review, the Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. During the year under review, there has been no change in the Issued, Subscribed and Paid-up Share Capital of the Company. As on 31 March, 2021, the Company had no outstanding instruments convertible into Equity Shares of the Company.

CREDIT RATING

India Ratings and Research (Ind-Ra) has placed the Company's Long-Term Issuer Rating of 'IND A-' on Rating Watch Positive (RWP) and for short term borrowings as "IND A2+" on Rating Watch Positive (RWP). The Outlook was Stable.

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

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

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

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

The Internal Auditor of the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating system, accounting procedures and policies at all locations of the Company. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. Based on the Internal Audit Reports, process owners take corrective actions in their respective areas and thereby strengthen the controls. The Report is presented before the Audit Committee for review at regular intervals.

DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Audited Annual Consolidated Financial Statements forming part of the Annual Report have been prepared in accordance with the Companies Act, 2013 ('the Act'), Indian Accounting Standards (Ind AS) 110 – 'Consolidated Financial Statements' and Indian Accounting Standards (Ind AS) 28 – 'Investments in Associates and Joint Ventures', notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.



Report of the Directors (Contd.)

The Company had the following Subsidiaries and Joint Ventures as on 31 March, 2021:

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

During the year under review, Srikalahasthi Pipes Limited ceased to be an Associate Company on 17 September, 2020 and became a Subsidiary from 18 September, 2020.

A Report on the highlights of the performance of each of the Company's subsidiaries, associates and joint ventures and their contribution to the overall performance of the Company for the Financial Year ended 31 March, 2021, pursuant to the provisions of Section 134(3) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in Annexure 2 to this Report. The statement containing salient features of financial statement of subsidiaries, associate companies and joint ventures, for the Financial Year ended 31 March, 2021, pursuant to the said Section, read with Rule 5 of the said Rules, are given along with the Standalone Financial Statements.

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

STATUS OF AMALGAMATION OF SRIKALAHASHTHI PIPES LIMITED WITH THE COMPANY

The proposed Amalgamation of Srikalahasthi Pipes Limited ('SPL') with and into the Company and their respective shareholders and creditors, was approved by the Board of Directors of both the said companies, at their respective meetings held on 5 October, 2020 and was subject to the necessary approvals and observations/representations of regulatory and statutory authorities, such as, the Competition Commission of India ('CCI'), the concerned Stock Exchanges, the Securities and Exchange Board of India ('SEBI'), the concerned Registrar of Companies, the concerned Regional Directors of the Ministry of Corporate Affairs, the concerned Official Liquidator, the Income Tax authorities, the concerned National Company Law Tribunals ('NCLT/s'), other sectoral regulators or authorities, as may be required by the NCLTs.

Further, the companies had filed an application with the CCI for its approval to the proposed Amalgamation of SPL with and into the Company. The CCI has accorded its approval to the said proposed Amalgamation on 27 November, 2020.

Both, SPL and the Company, had filed respective applications with the Stock Exchanges, i.e., the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE'), for their respective approvals to the aforesaid draft Scheme of Amalgamation, under applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), read with applicable SEBI Circulars. The Stock Exchanges have issued their respective Observation Letters, dated 25 February, 2021, to the respective applications made by SPL and the Company, in accordance with the said Regulations, incorporating thereof comments by SEBI. Both the Stock Exchanges have conveyed 'no adverse observations' and 'no-objection', respectively, to the respective applications filed by both the said companies.

Upon receipt of the aforesaid Observation Letters from NSE and BSE, both, SPL and the Company, have filed applications with the concerned NCLTs, seeking directions for calling and conducting meetings of their respective creditors or class of creditors, or of the members or class of members, as the case may be.

The Application filed by SPL was initially heard on 19 March, 2021, by the Hon'ble NCLT, Amravati Bench, whereby the said Bench had reserved its Orders. Thereafter, the NCLT, Amravati Bench, vide its Order dated 30 April, 2021, has directed that the meetings of shareholders and creditors of SPL be held on 16 June, 2021 for, inter alia, approving the Scheme.

On Application filed by the Company, the NCLT, Cuttack Bench, at its hearing held on 10 May, 2021, has directed the matter to be listed on 9 June, 2021 for passing of Order.

Upon obtaining requisite approvals, via, requisite majority (as defined in the applicable provisions of the Act, read with applicable SEBI Circulars) of the respective members (i.e., equity shareholders) and creditors (both, secured and unsecured) of the Company and SPL, and upon receipt of representations, if any, from the aforesaid regulatory and statutory authorities, the companies will make final application(s) with the NCLT(s) for sanctioning the Scheme of Amalgamation of SPL with and into the Company, in accordance with the applicable provisions of the Companies Act, 2013 and such other laws, if any, as may be applicable for the time being in force.

The concerned NCLT(s) may, thereafter, pass an Order sanctioning the Scheme of Amalgamation of SPL with and into the Company, with such directions, as it may deem necessary and as may be required under the law.

REPORT ON CORPORATE GOVERNANCE

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

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

MEETINGS OF THE BOARD

During the Financial Year 2020-21, 5 (five) Board Meetings were held, the details of which are given in the Corporate Governance Report, forming part of this Report and annexed as Annexure 3.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board had, based on the recommendation of Nomination and Remuneration Committee ('NRC'), appointed Mr. Sunil Katial (DIN: 07180348), Chief Executive Officer, as an Additional Director (Whole-time) on the Board of the Company, with effect from 1 April, 2020. Mr. Sunil Katial had been appointed as a Whole-time Director of the Company from the said date, for a term of 3 (three) consecutive years, subject to the approval of appointment and regularisation by the Members of the Company at the 65th Annual General Meeting ('AGM') of the Company. An affirmation had been received from Mr. Katial that he is not debarred or disqualified from being appointed as Director of companies/holding the office of director



Report of the Directors (Contd.)

pursuant to any order of the SEBI, Ministry of Corporate Affairs or any such statutory authority. The Company had also received a notice under Section 160 of the Act from a Member proposing his appointment as a Whole-time Director of the Company. In addition, Mr. Sunil Katial continued to be the Chief Executive Officer of the Company.

Mr. Ram Krishna Agarwal (DIN: 00416964), Independent Director, has resigned from the Board of the Company, with effect from 8 June, 2020, due to his pre-occupations with various professional and social commitments. Mr. Ram Krishna Agarwal has also confirmed that there were no other material reasons other than the above, for his aforesaid resignation. The Board places on record its appreciation and gratitude for the valuable contributions made by him during his tenure as Director on the Board of the Company.

Further, the Board, based on the recommendation of NRC, had appointed Mr. Rajkumar Khanna (DIN: 05180042), as an Additional Director (Non-Executive and Independent) of the Company with effect from 15 June, 2020. Mr. Rajkumar Khanna had been appointed as an Independent Director of the Company from the said date for a term of 5 (five) consecutive years, subject to the approval of appointment and regularisation by the Members of the Company at the 65th AGM of the Company. An affirmation had been received from Mr. Khanna that he is not debarred or disqualified from being appointed as Director of companies/holding the office of director pursuant to any order of the SEBI, Ministry of Corporate Affairs or any such statutory authority. The Company had also received a notice under Section 160 of the Act from a Member proposing his appointment as an Independent Director of the Company.

The Members of the Company, at the 65th AGM of the Company held on 15 September, 2020, have approved the appointments of Mr. Sunil Katial (DIN: 07180348) as the Chief Executive Officer and Whole-time Director of the Company, with effect from 1 April, 2020, for a term of 3 (three) consecutive years and of Mr. Rajkumar Khanna (DIN: 05180042), as an Independent Director of the Company, for a period of 5 (five) consecutive years, with effect from 15 June, 2020.

Mr. Amrendra Prasad Verma (DIN: 00236108) was appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 22 December, 2016. Mr. Verma's existing term will expire on 21 December, 2021. The Board, based on the recommendation of NRC and performance evaluation by it, at its meeting held on 20 May, 2021, has re-appointed Mr. Verma as an Independent Director of the Company for a second term of five consecutive years with effect from 22 December, 2021, subject to the approval of re-appointment by the Members of the Company at the ensuing AGM of the Company. An affirmation has been received from Mr. Verma that he is not debarred or disqualified from being appointed as Director of companies/holding the office of director pursuant to any order of the SEBI, Ministry of Corporate Affairs or any such statutory authority. The Company has also received a notice under Section 160 of the Act from a Member proposing his appointment as an Independent Director of the Company and the same has been included in the Notice of the forthcoming AGM.

Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000) and Mr. Uddhav Kejriwal (DIN: 00066077), retire by rotation at the forthcoming AGM and being eligible, have offered themselves for re-appointment.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of annual accounts for the Financial Year ended 31 March, 2021, the applicable accounting standards have been followed and there were no material departures requiring any explanation;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that

are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared annual accounts on a 'going concern' basis;
- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INDEPENDENT DIRECTORS

Declaration by Independent Directors

Mr. Pradip Kumar Khaitan, Mr. Binod Kumar Khaitan, Mr. Amrendra Prasad Verma, Dr. Mohua Banerjee and Mr. Rajkumar Khanna, Independent Directors, have given declarations that they meet the criteria of independence as laid down in the Act and the Listing Regulations.

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

DETAILS OF BOARD COMMITTEES & ADOPTION OF POLICIES

There are 7 Board Committees as on 31 March, 2021, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Banking and Authorisation Committee, Amalgamation Committee and Governance Committee.

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

The Banking and Authorisation Committee comprised of Mr. Binod Kumar Khaitan as the Chairman, with Mr. Shermadevi Yegnaswami Rajagopalan, Mr. Mayank Kejriwal and Mr. Uddhav Kejriwal, as its members as on 31 March, 2021. The terms of reference for the Committee include taking various decisions pertaining to the opening or closing of bank and demat accounts of the Company, change in authorised signatories for operation of different bank and demat accounts, subscribing/purchasing/selling/dealing in securities of Companies other than related parties and availing broking services, making loans from time to time to Subsidiary Companies/Joint Ventures/Associates for its working capital requirement, giving guarantee or providing security to any bank in connection with fund based/non-fund based facilities including loan(s) made to Subsidiary Company/Joint Venture/Associate Company by such bank and any other work related to day-to-day operations of the Company.

During the year under review, the Board of Directors, at its meeting held on 5 October, 2020, have constituted a Committee, designated as the Amalgamation Committee, comprising of Mr. Binod Kumar Khaitan as the Chairman, with Mr. Uddhav Kejriwal, Mr. Mahendra Kumar Jalan and Mr. Sunil Katial as its members. There was no change in the composition of the Committee, as on 31 March, 2021. The terms of reference for the Committee, inter-alia, includes to exclusively oversee



Report of the Directors (Contd.)

and control entire work relating to the said proposed Scheme of Amalgamation and to appoint such external agencies as may be necessary for this purpose, with powers to authorise Mr. Mayank Kejriwal, Joint Managing Director, Mr. Mahendra Kumar Jalan, Whole-time Director, Mr. Sunil Katial, Chief Executive Officer and Whole-time Director, Mr. Ashutosh Agarwal, Executive Director (Group Finance) and CFO, Mr. Indranil Mitra, Company Secretary and Mr. Raj Kumar Agarwal, General Manager (Finance and Accounts) of the Company, to sign and execute such papers including but not limited to any application, petition, affidavit and any other document as might be necessary from time to time and file the same before various authorities in the name of and on behalf of the Company, in relation to the said proposed Scheme of Amalgamation and to settle any question or difficulty, which might arise and give any directions necessary for obtaining approval of and giving effect to the Scheme of Amalgamation, as and when required including taking of all necessary steps, and to perform various other related acts.

The Governance Committee comprised of Mr. Binod Kumar Khaitan as the Chairman, with Mr. Mahendra Kumar Jalan and Dr. Mohua Banerjee, as its members as on 31 March, 2021. The terms of reference for the Committee, inter-alia, include formulating a governance policy and recommending it to the Board for approval, assisting the Board in its ongoing oversight of the quality of governance in the Company and its subsidiaries, monitoring the developments in governance practices of the Company and its subsidiaries and report appropriately to the Board, with recommendations, advising the Board or any committees of the Board of any corporate governance issues in the Company and its subsidiaries, which the Committee determines has a negative impact on the Company's ability to safeguard or improve shareholder value and carrying out any other function as is decided by the Board of Directors of the Company from time to time.

Vigil Mechanism

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

Nomination and Remuneration Policy

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

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

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

Corporate Social Responsibility Policy

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

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

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

FORMAL ANNUAL EVALUATION OF PERFORMANCE

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

- A. The Board evaluated the roles, functions and duties performed by the Independent Directors (IDs) of the Company. Each ID was evaluated by all other Directors but not by the Director being evaluated. The Board also reviewed the manner in which IDs follow guidelines of professional conduct as specified in Schedule IV to the Act. The adherence to Section 149 of the Act, the aforesaid Schedule IV, the Listing Regulations and other applicable provisions of law by the IDs were also reviewed by the Board.
- B. Performance review of all the Non-Independent Directors of the Company was made on the basis of the activities undertaken by them, expectations of Board, level of participation, roles played by them, leadership qualities and their overall performance and contribution in the development and growth of the business and operations of the Company.
- C. The Board evaluated the performance of its Committees on the basis of the processes and procedures followed by them for discharging their functions & duties as per their respective terms of references and as assigned by the Board and laws applicable, their independence from the Board and on the effectiveness of the suggestions and recommendations made by them to the Board. The Board observed the size, structure and expertise of the Committees to be appropriate and in compliance with the Act and the Listing Regulations.
- D. The Board evaluated its own performance on the basis of its composition having the right mix of knowledge, skills and expertise required to drive organizational performance and conduct of its affairs effectively, monitoring of Company's performance along with the ability to understand and deal with factors having a significant bearing, developing suitable strategies and business plans at appropriate time and monitoring its effectiveness, implementation of policies and procedures for proper functioning of the Company, frequency of its meetings, efforts made by the Board Members to keep themselves updated with the latest developments in areas.



Report of the Directors (Contd.)

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

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

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

The statement pertaining to particulars of employees including their remuneration as required to be reported under the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] (the Rules) are provided in Annexure 5A to this Report. However, as per the provisions of Section 136 of the Act, the Reports and Accounts for the Financial Year 2020-21 are being sent to the Members and others entitled thereto, excluding this statement. The said statement is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

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

AUDITORS AND AUDITORS' REPORT

M/s. Singhi & Co., Chartered Accountants (Firm Registration Number: 302049E), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 62nd Annual General Meeting ('AGM') till the conclusion of the 67th AGM of the Company.

The para wise responses of the management to the opinion/remarks/observations made in the Independent Auditors' Report on the financial statements of the Company for the year ended 31 March, 2021 are given below:

1. As regards the Qualified Opinion expressed by the Auditors in their Report under para (a) under the head 'basis for qualified opinion' and its consequential references made in para nos. 2 (d), (e), (g) and (j)(i) under the head 'Report on Other Legal and Regulatory Requirements' of their Report and para (I)(b) and (II)(a) of the Annexure A to the Auditors' Report of even date, attention is drawn to Note no. 47 of the Standalone Financial Statement, which are self-explanatory;
2. With respect to the Qualified Opinion expressed by the Auditors in their Report under para (b) under the head 'basis for qualified opinion', attention is drawn to Note no. 8A.2 of the Standalone Financial Statement, which are self-explanatory;
3. With respect to the Qualified Opinion expressed by the Auditors in their Report under para (c) under the head 'basis for qualified opinion', attention is drawn to Note no. 49 of the Standalone Financial Statement, which are self-explanatory;
4. On the Auditors' observation made in para (I)(a) of the Annexure A to the Auditors' Report of even date, your Directors wish to inform that all necessary steps are being taken to regularise the maintenance of proper records for furniture and fixtures.

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

MAINTENANCE OF COST RECORDS AND AUDIT THEREOF

The Company is required to maintain cost records for Pig Iron, DI Pipe, DI Fittings, CI Pipe, Coke, Sponge Iron, Power Generating units and Ferro Alloy Product – Si. Mn for every Financial Year, as specified by the Central Government under Section 148(1) of the Act, and accordingly, such accounts and records are made and maintained in the prescribed manner. Further, pursuant to Section 148 of the Act, read together with the Companies (Cost Records and Audit) Rules, 2014, as amended, the Company is required to carry out audit of the cost accounting records of the Company. M/s. S G & Associates (Firm Registration Number: 000138), Cost Accountants, Kolkata, were appointed as the Cost Auditors of the Company for Financial Year 2020-21.

The Cost Audit Report and a Compliance Report for the Financial Year 2019-20 were filed on 9 September, 2020.

M/s. S G & Associates, Cost Accountants, Kolkata, has been re-appointed as Cost Auditors for Financial Year 2021-22 for all the applicable units and products of the Company. The remuneration proposed to be paid to them for the Financial Year 2021-22 requires ratification of the shareholders of the Company. In view of this, the ratification for payment of remuneration to the Cost Auditors is being sought at the ensuing AGM.

SECRETARIAL AUDITOR

In terms of Section 204 of the Act and Rules framed thereunder, M/s. K. Arun & Co., Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the Financial Year 2020-21. The report of the Secretarial Auditor is annexed as Annexure 6 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITOR

In terms of the provisions of Section 138 of the Act, M/s. Ernst & Young LLP were appointed as the Internal Auditor of the Company for the Financial Year 2020-21. The Audit Committee, in consultation with the Internal Auditor, formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, inter-alia, reviews the Internal Audit Reports.

The Board has re-appointed M/s. Ernst & Young LLP, as the Internal Auditor of the Company, for the Financial Year 2021-22, under the provisions of Section 138 of the Act.

PUBLIC DEPOSITS

During the Financial Year 2020-21, the Company has not accepted any deposit within the meaning of Sections 73 and 76 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014.

LOANS, INVESTMENTS, GUARANTEES & SECURITIES

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in Note no. 54.3 to the Standalone Financial Statements of the Company.

ANNUAL RETURN

Pursuant to Section 92(3), read with Section 134(3)(a), of the Act, a copy of the Annual Return of the Company as on the Financial Year ended 31 March, 2020, in Form No. MGT-7, can be accessed on the website of the Company, at <https://www.electrosteel.com/admin/pdf/AnnualReturn-MGT-7-31March2020.pdf>.

Further, pursuant to Section 92(3) of the Act, the Annual Return of the Company as on the Financial Year ended 31 March, 2021, will be duly uploaded on the website of the Company, at <https://www.electrosteel.com/investor/shareholder-information-annual-return.php>, upon filing of the same with the Registrar of Companies, under Section 92(4) of the Act.



Report of the Directors (Contd.)

BUSINESS RESPONSIBILITY REPORT

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

Mr. Mahendra Kumar Jalan, Whole-time Director of the Company, has been authorized by the Board of Directors of the Company to oversee the implementation of the Business Responsibility Policy. Mr. Ashutosh Agarwal, Executive Director (Group Finance) and CFO, is designated as the Business Responsibility Head.

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

The Company has in place a Policy in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. In compliance with the provisions of the said Act, an Internal Complaints Committee is in place to redress complaints received regarding sexual harassment. The Company has not received any complaint of sexual harassment during the Financial Year 2020-21.

RELATED PARTY TRANSACTIONS

The Company has entered into contracts/arrangements with the related parties during the Financial Year 2020-21, which were in the ordinary course of business and on arm's length basis. Thus, provisions of Section 188(1) of the Act were not applicable on the Company and the disclosure in Form AOC-2 is not required. However, your attention is drawn to the Related Party disclosure in Note no. 54 of the Standalone Financial Statements.

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

There were no materially significant related party transactions entered into by the Company during the year, which may have a potential conflict with the interest of the Company at large. There were no pecuniary relationship or transactions entered into by any Independent Director with the Company during the year under review.

RISK MANAGEMENT POLICY

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

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

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

DISCLOSURE ON THE COMPLIANCE OF SECRETARIAL STANDARDS

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

OTHER DISCLOSURES

During the year under the review:

- i) There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016, involving the Company; and
- ii) The Company had not entered into any one-time settlement with any Bank or any Financial Institution.

ACKNOWLEDGEMENT

Your Directors record their sincere appreciation for the assistance and co-operation received from the banks, financial institutions, government authorities, and other business associates and stakeholders. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers, especially during the unprecedented COVID-19 pandemic environment.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 20 May, 2021

Pradip Kumar Khaitan
Chairman
DIN: 00004821



Management Discussion and Analysis Report

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Overview

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

Industry Outlook

The world is now regaining normalcy after the initial disastrous effect of COVID-19 pandemic. Though the pandemic had slowed down the pace of economic growth considerably, India had handled the pandemic well. A very ambitious vaccination programme, one of the biggest vaccine drive in the world is already helping India to make a strong bounce back to the growth path again.

Water to common people is now getting very high priority from the present Government, the policy makers and the media. The rising concern about future availability of fresh water as well as the deterioration in drinking water quality had prompted the Government of India to already initiate a massive programme termed as "Nal Se Jal" and access to drinking water for all is now a declared priority. As declared by the Prime Minister, an amount of Rs. 3.5 lakh crores will be spent in coming 5 years to achieve this target. The Jal Shakti Ministry has set a target of "Har Ghar Nal se Jal" by 2024 under the Jal Jeevan Mission. The Government is planning an aggressive target of providing piped water to all households by 2024. This indeed is a massive challenge given the sheer numbers involved – 150mn households across 0.5mn+ villages will have to be brought under the scheme over the next five years. Considering above aspects, time bound completion of schemes is being monitored by Jal Shakti Ministry to achieve the goal of providing tap connection to every rural household. Significant priority to cover water quality affected habitations is also taken up under Jal Jeevan Mission. Apart from the above, the State Governments' spending on water is expected to increase to fulfill the mission. At the same time, the world demand for DI Pipes are also gradually looking up after the pandemic.

The Drinking Water and Sewerage Sector

It is widely acknowledged that the Indian economy is one of the fastest growing economy in the world now. With economic upliftment, rapid urbanization is taking place all over India, where villages are being transformed to towns, towns into cities and cities into megacities. As a result, the demand for water has been increasing rapidly in the past few decades. There is no doubt that the "Har Ghar Nal se Jal" programme under the Jal Jeevan Mission will greatly augment the governmental spending on water supply, particularly piped supply of surface water in usable form. At the same time, disposal need of used water is also growing simultaneously, warranting more investment in the sewerage and waste water sector.

DI Pipe in view of its inherent features, like, high mechanical strength, better pressure bearing ability, higher corrosion & abrasion resistance, easy laying and long service life, is the preferred choice over other types of pipes for water and sewerage transportation.

« Irrigation Sector

India is a big country and has a non-uniform pattern of rainfall. The rainfall is seasonal in nature and India has comparatively lower storage capacity to store the rain runoff. As a result, vast areas of the country is dependent on irrigation for sustain farming activity and food production. Until recent past, irrigation in India was mainly canal based. But due to problems being faced for land acquisition and to minimize transmission loss due to percolation and evaporation, the Government is stressing more and more on piped irrigation, thus, creating huge scope for use of DI Pipes in irrigation network. A number of states have already started implementing piped irrigation projects and more piped irrigation is expected to come in near future.

« Industrial Water

It is the rapidly increasing diverse industrial activities, which is fuelling India's economic growth. Most industries need large quantity of water to run. Thus, the pipe demand for industrial water supply is also growing with more industrialization. In most of the cases, water is to be brought from a distance, which needs long pipelines to carry bulk water.

As a result, the Indian pipe business for industrial water and waste water is growing rapidly and the demand for ductile iron pipes, in particular, is on a rise due to its high dependability and high durability.

« Demand Drivers for DI Pipes

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

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

« FY 2020-21 vs. FY 2019-20

The Company's Revenue from Operations was reported at Rs. 2,236.12 Crore during the year under review as compared to Rs. 2,479.89 Crore reported in the previous year. There was a decrease of around 22.12% in Export Sales from Rs. 1,024.06 Crore in 2019-20 to Rs. 797.56 Crore in 2020-21. The Company's profit in 2020-21 was Rs. 43.24 Crore as against profit of Rs. 98.59 Crore in 2019-20. All the said reductions were mainly due to the lockdowns and restrictions imposed for over two months on account of the Global Pandemic caused by the ongoing coronavirus ('COVID-19') situation in the first quarter.

B. PRODUCT WISE PERFORMANCE

« Ductile Iron (DI) Pipes

The Ductile Iron Pipe Plant produced 2,65,892 MT of DI Pipes during the Financial Year 2020-21 compared to 3,09,404 MT in the Financial Year 2019-20. The production was lower mainly in the first quarter when business was impacted due to lockdowns and restrictions imposed for over two months on account of the Global Pandemic caused by the ongoing



Management Discussion (Contd.)

COVID-19 situation. Performance strongly improved subsequently during remaining part of the Financial Year taking into consideration numerous strategic decisions by the Management and exemplary performance by all employees and workers of the organization.

The main raw materials used in the production of DI Pipes are Iron Ore and Coke. Iron Ore is mainly procured from Odisha and Jharkhand and Coke is captively produced at Haldia for which coking coals are imported mainly from Australia. The DI Pipes produced by the Company are sold in India and globally to nearly 90 countries spread over 5 continents.

« Cast Iron (CI) Pipes

The Cast Iron Pipe Plant, with a total capacity of 90,000 TPA, produced 37,413 MT of CI Pipes during the Financial Year 2020-21 compared to 38,206 MT in the Financial Year 2019-20. The production was marginally lower compared to the previous year due to suspension of production because of the lockdowns and restrictions imposed in the first quarter and business slowdown thereafter, as the demand for Cast Iron Pipes remained low.

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

« DI Fittings & Accessories

The Company produced 13,988 MT of DI Fittings in the Financial Year 2020-21 as against 12,667 MT in the Financial Year 2019-20. Despite more than 2 months' lockdowns and restrictions imposed and business slowdown thereafter, the Company could recover performance in the later periods because the Company's teams were focusing on forward looking efforts and initiatives for higher productivity and utilization of capacity at its Haldia and Khardah Works and improving the performance of these divisions.

« Power Plant

The Company's newly installed 5 MW capacity Turbo generator at its Haldia Works using the potentials of generation of steam from the waste gases of Coke Oven Plant is functioning well and providing cheaper power support to enhance performance of Ferro Alloys Products (Si.Mn) at Haldia Works and as well as establishing overall environment and energy conservation improvement. In 2020-21, the new power plant has generated 17.73 million units.

With the new Power Plant, Haldia has generated 101.43 million units of power, out of which 23.48 million units were transmitted to SEB grid in 2020-21 as against 89.28 million units generation and transmission of 28.15 million units in 2019-20.

« Captive Coke Oven Plant

The Coke Oven Plant, with a total capacity of 2,25,000 TPA at Haldia, produced 1,50,468 MT of Metallurgical Coke in 2020-21 as against 1,65,413 MT in 2019-20, mainly for captive consumption in Blast Furnace at Khardah Works. The production was lower compared to previous year because of lockdowns and stringent restrictions imposed due to COVID-19 situation.

Moreover the production was restricted to the captive requirement level mainly because of post COVID slow-down in the market. The primary raw material for producing Coke that is Coking Coal was imported mainly from Australia.

« Ferro Alloy Plant

The Company's newly installed Ferro Alloy Plant at Haldia Works has produced Prime SiMn. 9,928 MT in 2020-21. Production was lower in the first quarter when the country went into lockdown. The plant commissioned in July, 2019 with SiMn. product and produced 6,277 MT in 2019-20.

« Raw Materials Management

The Company's manufacturing facilities are spread across four locations in India. Presently, the business model consists

of integrated production facilities which include Sinter Plant, Coke Oven Plant, Blast Furnace, Pig Iron Plant, Sponge Iron Plant, Fittings Plant and Captive Power Plant. The Company has also commissioned Ferro Alloys Manufacturing facility at Haldia. The integrated manufacturing facility helps the Company to minimise the production cost as the Company strongly believes that cost competitiveness is a key component of success. The Company continuously endeavors to improve the cost competitiveness by adopting various innovative and cost saving measures in the operations.

The Ministry of Mines, Government of India, accorded the approval under Section 5(1) of the Mines and Minerals (Development and Regulation) Act, 1957 for grant of mining lease over an area of 192.50 ha in Village - Dirsumburu of Kodolibad forest in District - West Singhbhum, Jharkhand in the year 2006. The Company had received 1st stage forest clearance and 2nd stage forest clearance is pending with Ministry of Environment, Forest & Climate Change (MOEFCC) since September, 2014. As per amended MMDR Act, 2015, the sunset date of lease execution was 11 January, 2017. The Company filed a writ petition before the Hon'ble High Court of Jharkhand on 10 January, 2017, praying, inter-alia, for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order, being not averse in granting relief with respect to cut off date, admitted the said petition and the matter is pending before the Court.

« Exports

The Financial Year 2020-21 has been unprecedented because of the coronavirus pandemic. The economic fallout has been tremendous with extended lockdowns imposed in India in the first quarter and intermittent lockdowns imposed in various countries at different times. Different countries around the world were suffering at different levels, but, all were undoubtedly affected by the pandemic.

The Company has kept exports running even during the lockdown by making shipments from stock. The Companies' customers could get our products to complete their projects creating strong goodwill with all stakeholders in the international market. Although new projects have been slow due to lack of funding of water and sewage projects, the Company has been able to continue the export activities although in a slightly subdued manner. The sharp increase in ocean freight and raw material cost has further added pressure but exchange rate depreciation has slightly helped the Company.

The Company has managed to do well in the EU, Middle East and the Gulf and US but markets in South Asia, South East Asia and Africa have been slow due to lack of demand. The Company is seeing the pandemic as an opportunity to cut cost, gain market share and emerge stronger.

« Quality and Approvals

The Company is committed to provide consistent quality products and services since it loaded its first consignment, 26 years back. Electrosteel products have been certified by globally renowned and respected certifying bodies, like, BSI (UK), DVGW (Germany), UL (USA), FM (USA), BV (Italy), OVGW (Austria), IGH (Croatia), SASO (Saudi Arabia), etc.

Respected auditors from the certifying bodies have been visiting Electrosteel Manufacturing facility every year, since decades, to verify the system and products, as a part of their surveillance audit. Considering the changed situation due to COVID-19, most of the audits are now being performed vide virtual means. Recently, auditors from UL (USA), FM (USA) and DVGW (Germany) have audited our plants through virtual mode. We are glad to share that the Company has passed all the audits successfully.

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



Management Discussion (Contd.)

C. OPPORTUNITIES AND THREATS

« Opportunities

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

« Threats

Though the 'Jal Jeevan Mission' has been launched with good intention, the water and waste water sector may face a financing gap as more consistent funding and persistent monitoring is required to achieve the goal. Proper and timely allocations of budgetary resources, more efficient project implementation and greater contributions from water users have to be ensured to maintain sustainability.

A real matter of concern is the increasing cost of raw materials as the market price is not escalating at the same pace, putting stress over the bottom line. Higher input and overhead cost, increasingly expensive pipe transportation/shipping logistics, is creating pressure on margins.

The export market continues to be very challenging due to slow down of world economy in the pandemic situation. Anti-dumping/Anti-subsidy duties imposed on Indian DI Pipes by European Commission in EU countries has put us in a difficult spot.

On the other side, a number of new DI Pipe manufacturers have entered into fray in recent years, making the DI Pipe market more complex with a negative effect on the overall profitability.

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

D. RISKS AND CONCERNS

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

E. FINANCIAL PERFORMANCE

The highlight of the operations for the year ended 31 March, 2021 and 31 March, 2020 are as under:

a) Financials

(Rs. in Crore)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Gross Sales & Income from Operations	2,236.12	2,479.89
Profit before Interest, Depreciation & Exceptional Items	285.45	396.18
- Finance Expenses	183.83	219.90
- Depreciation	52.67	52.74
Profit before Tax	48.95	123.54
Tax Expenses	5.71	24.95
Profit after Tax	43.24	98.59

b) Company's Sales mix

(Rs. in Crore)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Revenue from sale of Product		
D.I. Spun Pipes	1,470.06	1,746.59
D.I. Fittings	210.19	208.02
C.I. Spun Pipes	197.71	183.61
Others	345.21	296.27

Other Financial Matters

During the year:

1. Net Worth of the Company increased to Rs. 2,604.65 Crore as at 31 March, 2021 from Rs. 2,548.55 Crore as at 31 March, 2020.
2. Gross Fixed Assets including Work in Progress & Capital Advances as at 31 March, 2021 increased to Rs. 3,089.44 Crore from Rs. 3,073.95 Crore as at 31 March, 2020.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

G. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

The Company has been accredited with Social Accountability (SA) 8000 certification from British Standard Institute (BSI). The SA 8000:2014 audit was conducted successfully by BSI for the Financial Year 2020-21 and recommended for continuation of the Certificate. The Company is taking initiatives to maintain TPM excellence on a continuous basis.



Management Discussion (Contd.)

« Safety & Health

Safety and Health management is the foremost priority of the Company, which is under integrated OH&S management system. This management system provides good practices that an organization needs to implement and to demonstrate compliance with the legal requirements and other requirements related to Occupational Health and Safety.

The Company has set its objective for “Zero Accident” & “Zero Health Impairment”. For achieving this target, the OH&S management system of the Company always evaluates its existing system and upgrade present system as per requirement of process of plant operation and statutory compliances.

The Company:

- has established, implemented and maintained an ongoing proactive process to assess work hazards for all routine and non-routine activities through analysis of HIRA for assessment of OH&S risks and other risks. Safe Operating Procedures (SOPs) have been prepared to eliminate hazard and reduction of OH&S risks.
- have formed department-wise safety committees by equal participation of staff and workmen representatives. Safety committee meetings are organized on monthly basis to mitigate work place hazards in time bound program.
- evaluate the OH&S performance and determine the effectiveness of the OH&S management system through monitoring and measuring the key characteristics of safety and health related issues periodically at different levels.
- has formulated on-site emergency plan and conduct mock-drill for emergency situation to prepare for hassle free control in real situation.
- has arranged health check-up activities for all level of employees at regular interval as per statutory requirement to prevent health impairment.
- has formulated and is maintaining ‘COVID PROTOCOL’ for their employees and visitors with regular monitoring. The Company also conducts periodical awareness programme on COVID.
- has a system of imparting various training to workmen and staff for improving safety skills and increase awareness. These trainings’ efficacy is reviewed through proper feedback system.
- has conducted plant inspection on a regular basis by senior officials along with OH&S management team to identify electrical, fire and other hazards and to restore the same on a time bound mitigation program.
- has conducted safety audit through external competent authority for assessing our ongoing safety management system and implements suggestions for further improvement.
- organizes Work Zone Monitoring at regular interval to review the status and keep it updated as per requirement for proper health management.
- celebrates **National Safety Day/Week/Month** in every year through various activities to enhance safety awareness among all level of employees.
- has received ‘**EXCELLENCE AWARDS – SILVER PLUS IN SAFETY HEALTH AND ENVIRONMENT**’ from State Productivity Council- West Bengal.

Being an ISO 45001:2018 and SA 8000:2014 certified company, the Company is always maintaining good practices of OH&S system and enhancing performance of the OH&S management system in order to always improve overall performance level with the OH&S policy and objectives.

« Environment

Sustainability is the main focus in the effective Environmental Management System of the Company. The Company is committed to provide cleaner and greener environment through sustainable development in every sphere of plant

operation. The Company has carried out various steps to achieve a cleaner environment some of which are:

- Aspect and potential impact of all activities are considered to identify the environmental risk level. Operational control procedures have been prepared and maintained to reduce risk level. Life-cycle prospective are also considered for each process starting from procurement of raw materials to the end use of the product.
- Eco-friendly advanced techniques have been implemented to the possible extent for reduction of natural resource consumption as well as replacing hazardous materials by non-hazardous materials.
- Ambient air monitoring stations have been installed at strategic locations to determine the ambient air quality in and around the factory premises and improvement measures are also taken, if needed.
- Exploring new areas in plant operation for maximum utilization of treated water to increase recycling of water. Parameters of discharged water are always monitored as per statutory guidelines.
- Monitoring and measuring activities are carried out for all key characteristics of the environmental parameters to assess the impact of same in and around the factory premises towards a cleaner environment.
- Plantation of saplings are carried out throughout the year in and around the factory premises to increase the foliage area and to provide greener environment in the locality including plant area.
- Environmental awareness programmes are conducted to increase the environmental awareness focusing on the Company's Environmental Policy. On-the-job training is also imparted for implementation of continual improvement of process, technology, etc. Proper feedback system for training efficacy is also maintained.
- Celebration of World Environment Day is being carried out every year and various competitions are held, to increase awareness towards environment.
- TPM initiatives are also implemented in plant levels to improve the work environment condition through kaizens and good housekeeping practices.
- The Company has an established communication system to evaluate the effectiveness of existing Environmental Management practices time to time through internal audits of ISO 14001 and monthly review by top management.

◀ **Waste Minimization**

The Company's well defined waste management cell is taking all initiatives for handling of waste in environmentally safe manner following all the guidelines of regulatory authority. Operational control procedures are followed during storing, handling and transporting of hazardous and non-hazardous waste.

Some of the important initiatives are:

- Some of the process waste has been re-utilized in another process as raw materials without compromising the quality of the product. These helped to reduce the consumption of raw materials and fuel. It also promotes conservation of natural resources.
- Packing wastes are utilized for different purposes as a part of the process of recycling waste.
- Exploring more areas to introduce 4R Technology (Reuse, Recycle, Reprocess, Reduce) for handling of waste towards cleaner environment.

The Company, being an ISO 14001 certified Company, complies with all the criteria mentioned in the management system and is also committed to implement good environmental practices in line with Environmental Policy.

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

CSR activity for the Company is a setup of planned activities, taking into consideration the capabilities of the Company with



Management Discussion (Contd.)

a target on significant impact to inspire and excite its local community, responding to the pandemic and building upon its longstanding commitment in near vicinities. The initiative of the Company is to strengthen its operating foundation and being engaged in ongoing efforts to contribute to the Society by enhancing corporate values.

The Company takes into account issues related to external stakeholders and also various range of programs that aim at social and environmental topics. The Company's Code of Conduct anchors its ethics and compliance affairs. It also creates and implements community based initiatives to solve issues in areas, like, education for children, environmental conservation, external cooperation, healthcare and animal welfare, keeping in mind the local culture and society.

«« **Electrosteel Initiatives**

- ❖ At the outset of the COVID-19 pandemic, the Company had addressed to the food insecurity, provided essential health care supplies and supported health care workers and vulnerable populations in nearby vicinity.
- ❖ Setting of drinking water kiosks in local area during the summer season.
- ❖ Providing assistance to promote local culture and festivals.
- ❖ Carrying out development work in local schools and sports clubs to promote education and sports activities.
- ❖ Providing medical help through Charitable Medical Centers.
- ❖ Motivating local poor but bright students and distribution of educational kits amongst school children.
- ❖ Arranging regular Blood Donation and Medical Camps through agencies and helping local people with Blood Cards as and when required.
- ❖ Distribution of clothes/blankets to downtrodden people of local area.
- ❖ Providing financial help to people against their appeals.

Implementation of CSR activities is in compliance with the Companies Act, 2013 & OPE guidelines to meet the CSR objectives and also based on the feedback from its stakeholders, customers and the local community.

«« **Information Technology**

The Company has embraced Qlik Sense which is a complete data analytics platform that sets the benchmark for a new generation of analytics. With its one-of-a-kind associative analytics engine, sophisticated AI, and high performance cloud platform, it will empower everyone in the Company to make better decisions daily, creating a truly data-driven enterprise.

The Company has set up disaster recovery site for SAP ERP as a part of its business continuity plan. This will ensure that the organization is ready to handle any future disasters in an organized manner, reducing the implications of such disaster. Live drill was conducted to verify whether the solutions are applicable and effective.

The Company has also implemented secure Virtual Private Network so that employees and end users can access SAP and other data remotely and work from home in this pandemic situation. Two factor authentication has been enforced to add an extra layer of security to improve online account access security.

H. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

- i. Operating Profit Margin (%) witnessed a decrease from around 14% in the Financial Year 2019-20 to around 11% in the Financial Year 2020-21 and Net Profit Margin (%) from around 4% to around 2%.
- ii. Return on Net Worth witnessed a decrease from around 4% in the Financial Year 2019-20 to around 2% in the Financial Year 2020-21.

I. OUTLOOK

Electrosteel Castings is the pioneer in bringing the first manufacturing technology of Ductile Iron Pipes and Fittings in India, in 1994. The group has the maximum capacity to produce DI Pipes, DI Fittings and Cast Iron Pipes in India. Electrosteel is also known for innovation and for adding diversity in its product lines. The Company was instrumental in developing various classes of pipes and various types of protective coatings and huge range of fittings. On the strength of quality, comparable to any other prime international manufactures, Electrosteel Castings DI Pipes and Fittings are accepted in Europe, Africa, Middle East, Far East and in USA. The Government of India has announced the “Nal se Jal” scheme. This scheme aims to provide piped water supply to every household in India by 2024. With this outlook, the Company is hopeful of having comfortable order position in domestic and export market in the Financial Year 2021-22.

CAUTIONARY STATEMENT

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



Risk Management

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

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

« Economic Risk

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

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

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

« Competitor Risk

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

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

« Industrial Risk

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

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

The crucial factors in the smooth operation of the plant includes good public relations and liaisoning with statutory bodies, union leaders, community and opinion makers. The Company through its highly professional team of Management has been successful in maintaining an excellent labour relation over the years. As a consequence of such harmonious relations, the Company has grown by leaps and bounds over the years and will continue to do so over the coming years. Recently, the Company has revised the food prices to share the financial burden of the Company by arriving at a long term settlement with unions for a period of three years from 1 October, 2020 to 30 September, 2023 amicably.

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

« Environmental Risk

Environmental risks are associated with any regulatory and non-compliance of environmental requirement conditions that are arising from the Company's plant activities. Environmental risk may occur for non fulfillment of the expected need and expectation of interested parties considering the business ethics. So detection of risk level and its mitigation plan is the main objective in effective Environmental Management System.

It is an integral part of the Company's effective Environment Management System to analyze all the activities and sub activities and its related risk in an established effective method. Best practice engineering methodology and operational control procedures are implemented to handle the environmental risk. Operational control procedures are maintained appropriately in order to ensure compliance with legal and other requirements. Operational Control Procedures are evaluated periodically for further updating for implementing environmental friendly procedures in plant activities.

The main focus of the Company's effective Environment Management System is sustainability in every sphere of the Company's activities considering the life cycle perspectives of all activities from procurement stage to end of life of product. Sustainable use of natural resources, use of green fuel and implementation of environmental friendly waste handling systems lead to a cleaner and greener environment in and around the Company's premises.

Monitoring and measuring the key characteristics of environmental parameters are another integral part in effective Environmental Management System. Evaluation of results are signifying the effectiveness of pollution control devices and also compliance status of statutory requirements. The Company has well established waste management procedures where the 4R (Reduce, Reuse, Recycle, Reprocess) techniques are implemented from long before to handle the waste in environmentally safe manner and also to obey the legal directives from time to time.

Environment Management Cell is well supported by engineering departments for updating the existing pollution control devices and implementing suitable techniques for any stringent requirements in near future or any changing circumstances including developments in legal requirements. Plantation of saplings are carried out all over the year to increase the foliage areas in and around the Company premises. Environmental awareness programme is carried out in coordination with training department throughout the year not only to increase the awareness but also focusing



Management Discussion (Contd.)

on the Company's Environmental Policy towards a greener environment. Being a ISO 14001:2015 certified Company, Environmental Management System of the Company has adopted good practices that an organization needs, to eliminate all the environmental risks.

A well established communication mechanism is always maintained for resources needed to implement and maintain the good practices for effective Environmental Management System.

Regular periodical review of Environmental Management System at different levels up to Top Management are there to keep this system properly effective to eliminate any risk.

«« Foreign Exchange Risk

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

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

«« Payment Risk

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

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: 20 May, 2021

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Annexure – 2

Report on Performance and Financial Position of the Subsidiaries and Joint Ventures of the Company for the year ended 31 March, 2021

There are 12 Subsidiaries and 2 Joint Venture (JV) companies of the Company as on 31 March, 2021. The performance and financial position of these Subsidiaries and JVs of the Company and their contribution to the overall performance of the Company for the Financial Year ended 31 March, 2021 are summarised below:

A. SUBSIDIARIES

1. Electrosteel Algeria SPA, Algeria

Electrosteel Algeria SPA is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Algeria and other African countries. This subsidiary has made a profit of DZD 4.92 million on a total income of DZD 31.74 million during the year under review as compared to a profit of DZD 41.33 million on a total income of DZD 75.79 million during the previous year. The Financial Year 2021-22 is expected to remain challenging due to COVID-19.

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

Electrosteel Castings (UK) Ltd. is a wholly owned subsidiary engaged in marketing and selling the products of the Company in United Kingdom. This subsidiary has made loss of GBP 1,80,788 on a turnover of GBP 10.60 million during the year under review as compared to a profit of GBP 2,02,942 on a turnover of GBP 14.68 million during the previous year. The Financial Year 2021-22 is expected to remain challenging due to COVID-19.

3. Electrosteel Castings Gulf FZE, UAE

Electrosteel Castings Gulf FZE is a wholly owned subsidiary engaged in marketing and selling the products of the Company in United Arab Emirates and other Middle-East countries. This subsidiary has earned a profit of AED 19,18,012 on a total income of AED 22.11 million during the year under review as compared to a profit of AED 26,80,068 on a total income of AED 19.99 million during the previous year. The outlook of the Company for the next Financial Year 2021-22 appears positive.

4. Electrosteel Doha for Trading LLC, Qatar

Electrosteel Doha for Trading LLC is a subsidiary engaged in marketing and selling the products of the Company in Qatar. The Company holds 49% stake and controlling interest in this subsidiary. This subsidiary has made a profit of QAR 63,11,313 on a total income of QAR 92.38 million during the year under review as compared to a profit of QAR 71,90,103 on a total income of QAR 77.99 million earned in the previous year. The outlook of the Company for the next Financial Year 2021-22 appears positive.

5. Electrosteel Europe SA, France

Electrosteel Europe SA is a wholly owned subsidiary engaged in marketing and selling the products of the Company in France, Spain, Italy, Portugal, Poland and other countries located in Mainland Europe. This subsidiary has earned a profit of Euro 8,94,278 on a total income of Euro 59.28 million during the year under review as compared to a profit



Subsidiaries and Joint Ventures (Contd.)

of Euro 5,29,658 on a total income of Euro 67.60 million during the previous year. The Financial Year 2021-22 will remain challenging due to the COVID-19 pandemic in Europe and other parts of the world.

6. Electrosteel Trading, S.A., Spain

Electrosteel Trading S.A. is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Spain. This subsidiary has earned a profit of Euro 8,926 on a turnover of Euro 2.18 million during the year under review as compared to a profit of Euro 12,681 on a turnover of Euro 2.57 million during the previous year. The outlook of the Company for the Financial Year 2021-22 in respect of profitability is expected to be breakeven.

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

Electrosteel USA, LLC is a wholly owned subsidiary and this entity along with its wholly owned subsidiary, i.e., WaterFab LLC is engaged in marketing and selling the products of the Company in USA. This subsidiary has made a consolidated profit of USD 1,58,507 on a consolidated total income of USD 6.12 million during the year under review as compared to a consolidated profit of USD 1,07,171 on a consolidated total income of USD 6.14 million during the previous year. The outlook of the Company for the Financial Year 2021-22 in respect of volume and profitability is expected to be positive.

8. Electrosteel Brasil LTDA Tubos e Conexoes Duteis, Brazil

Electrosteel Brasil LTDA Tubos e Conexoes Duteis is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Brazil and other South American markets. There has been no activity through this subsidiary during the Financial Year 2020-21.

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

Electrosteel Bahrain Holding WLL (formerly known as Electrosteel Bahrain Holding SPC Company) was incorporated as a wholly owned subsidiary to act as the holding company. Electrosteel Bahrain Holding WLL incorporated a subsidiary, Electrosteel Bahrain Trading WLL (i.e., step down subsidiary of the Company). This subsidiary mainly caters to the Saudi Arabia and Bahrain market. This subsidiary has made a consolidated profit of BHD 39,754 on a turnover of BHD 2.98 million as compared to profit of BHD 1,62,033 on a turnover of BHD 5.34 million during the previous year. The Financial Year 2021-22 is expected to remain challenging due to COVID-19.

10. Srikalahasthi Pipes Limited, India

Srikalahasthi Pipes Limited ('SPL'), a subsidiary of the Company, is a leader in the manufacture of Ductile Iron Pipes in South India. SPL has reported a gross operating revenue of Rs. 1,502.58 Crores during the Financial Year 2020-21 as against Rs. 1,662.90 Crores achieved in the previous year. SPL reported earnings before interest, tax, depreciation and amortization of Rs. 237.36 Crores and profit after tax of Rs. 103.75 Crores during the Financial Year 2020-21. The reduction in turnover for the year is due to closure of the plant consequent to COVID-19 pandemic.

Phase I of expansion plans envisaged by SPL to install new Mini Blast Furnace, additional hot blast stoves, raw material handling system, though delayed, has reached to the stage of completion. However, due to 2nd wave of the pandemic, the proposed capital shutdown for the commissioning of new blast furnace may get slightly further delayed for mobilization of resources required for the commissioning of new MBF and the date of shut down will be intimated later.

Further, in connection with augmenting the production capacity of DI Pipes to 4,00,000 TPA in line with blast furnace production capacity, facilities like zinc coating machine for finishing line 3, new induction furnace in place of existing induction furnace 2, up gradation of converter will be taken up during the capital shutdown for

commissioning of new blast furnace. Upon completion of these facilities, the capacity of DI Pipe Plant also will be increased to 4,00,000 TPA.

SPL is having comfortable order book for supply of Ductile Iron Pipes. Ductile Iron Pipe is the safest and most suitable pipe for transportation of water not only in urban cities but also in rural India. SPL is hopeful that Central and State Governments will continue to give priority and remain committed in respect of ongoing and future water supply, sewerage and irrigation and other projects in the country. With enhanced production capacity, SPL should be able to serve more customers and will command more market share.

SPL is presently listed with both BSE Limited and the National Stock Exchange of India Limited.

B. JOINT VENTURES

1. Domco Private Limited, India

The status of Domco Private Limited, a JV entity, has been covered under Note no. 8.2 of the Notes on Consolidated Financial Statements for the year ended 31 March, 2021.

2. North Dhadhu Mining Company Private Limited, India

The status of North Dhadhu Mining Company Private Limited, a JV entity, has been covered under Note no. 8.3 of the Notes on Consolidated Financial Statements for the year ended 31 March, 2021.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 20 May, 2021

Pradip Kumar Khaitan
Chairman
DIN: 00004821



Report on Corporate Governance of the Company

for the year ended 31 March, 2021

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

1. Company's philosophy on Corporate Governance in brief

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

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

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

2. Board of Directors

2.1 Composition and Category of Directors and number of other Directorship and Committee Positions and the names of the listed entities in which the Director is a Director and the category of such Directorship held as on 31 March, 2021

The Board of Directors of the Company consisted of 12 (twelve) members as on 31 March, 2021, which comprised of:

- Five Independent, Non-Executive Directors, including one Independent Woman Director;
- Three Promoter, Executive Directors;
- Two Non-Independent, Non-Executive Directors; and
- Two Non-Promoter, Executive Directors.

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

The composition of the Board as on 31 March, 2021 was in accordance with the provisions of the Act and the Regulation 17 of the Listing Regulations. The details of each member of the Board as on 31 March, 2021 are provided herein below:

Name of the Director	Number of Directorship(s) in other public limited companies ¹	No. of committee positions in other public limited companies ²		Directorship in other listed entities (Category of Directorship)
		Chairperson	Member	
Independent, Non-Executive Directors				
Mr. Pradip Kumar Khaitan DIN: 00004821	7	2	5	Dalmia Bharat Limited (Independent, Non-Executive) India Glycols Limited (Independent, Non-Executive) Graphite India Limited (Independent, Non-Executive) Emami Limited (Independent, Non-Executive) CESC Limited (Non-Independent, Non-Executive) Firstsource Solutions Limited (Non-Independent, Non-Executive)
Mr. Binod Kumar Khaitan DIN: 00128502	1	1	1	The Phosphate Co. Ltd. (Non-Independent, Non-Executive)
Mr. Amrendra Prasad Verma DIN: 00236108	4	4	6	Solar Industries India Limited (Independent, Non-Executive) SIS Limited (Independent, Non-Executive)
Dr. Mohua Banerjee (Woman Director) DIN: 08350348	1	–	–	Srikalahasthi Pipes Limited (Independent, Non-Executive)
Mr. Rajkumar Khanna ⁶ DIN: 05180042	1	–	1	Srikalahasthi Pipes Limited (Independent, Non-Executive)

**Corporate Governance** (Contd.)

Name of the Director	Number of Directorship(s) in other public limited companies ¹	No. of committee positions in other public limited companies ²		Directorship in other listed entities (Category of Directorship)
		Chairperson	Member	
Non-Independent, Executive Directors (Managing Directors & Whole-time Directors)				
Mr. Umang Kejriwal DIN: 00065173	2	–	–	–
Mr. Mayank Kejriwal DIN: 00065980	5	–	–	Srikalahasthi Pipes Limited (Executive)
Mr. Uddhav Kejriwal DIN: 00066077	2	–	–	–
Mr. Mahendra Kumar Jalan DIN: 00311883	–	–	–	–
Mr. Sunil Katial ⁷ DIN: 07180348	–	–	–	–
Non-Independent, Non-Executive Directors				
Mr. Shermadevi Yegnaswami Rajagopalan DIN: 00067000	–	–	–	–
Mr. Vyas Mitre Ralli DIN: 02892446	–	–	–	–

Notes :

1. Excludes Directorships/Chairpersonships in Associations, Private Limited Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Act and Alternate Directorships.
2. Only Audit Committee and Stakeholders' Relationship Committee of Indian Public Companies have been considered for committee positions.
3. None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31 March, 2021 have been made by the Directors.
4. Mr. Umang Kejriwal and Mr. Mayank Kejriwal are brothers. Mr. Mayank Kejriwal is the father of Mr. Uddhav Kejriwal. Apart from this, none of the other Directors are in any way related to any other Director.
5. Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Director of the Company, with effect from 8 June, 2020, due to resignation.
6. Mr. Rajkumar Khanna (DIN: 05180042) had been appointed as an Additional (Independent) Director of the Company, with effect from 15 June, 2020. The shareholders of the Company, at their 65th Annual General Meeting, have approved the appointment of Mr. Khanna as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 15 June, 2020.
7. Mr. Sunil Katial (DIN: 07180348) had been appointed as an Additional (Whole-time) Director of the Company, with effect from 1 April, 2020. The shareholders of the Company, at their 65th Annual General Meeting, have approved

the appointment of Mr. Sunil Katial as the Chief Executive Officer and Whole-time Director of the Company, with effect from 1 April, 2020.

2.2 Attendance of Directors at the Board Meetings during the Financial Year ended 31 March, 2021 and at the last Annual General Meeting

During the Financial Year ended 31 March, 2021, 5 (five) Board Meetings were held and the gap between any two consecutive meetings held during the year did not exceed 120 days. However, there was a gap of 122 days between the Board Meetings held on 13 February, 2020 and 15 June, 2020, in accordance with the relaxations granted due to the COVID-19 pandemic, vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19 March, 2020 and Ministry of Corporate Affairs' General Circular No. 11/2020 dated 24 March, 2020. The attendance details of each Director at the Board Meetings held during the year and at the last Annual General Meeting ('AGM') are provided below:

Name of the Director	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at the last AGM held on 15 September, 2020
Mr. Pradip Kumar Khaitan	5	5	No
Mr. Binod Kumar Khaitan	5	4	Yes
Mr. Ram Krishna Agarwal ¹	0	0	N.A.
Mr. Amrendra Prasad Verma	5	5	Yes
Dr. Mohua Banerjee	5	5	No
Mr. Rajkumar Khanna ²	4	4	Yes
Mr. Umang Kejriwal	5	4	No
Mr. Mayank Kejriwal	5	5	No
Mr. Uddhav Kejriwal	5	5	No
Mr. Mahendra Kumar Jalan	5	4	No
Mr. Sunil Katial ³	5	5	No
Mr. Shermadevi Yegnaswami Rajagopalan	5	5	No
Mr. Vyas Mitre Ralli	5	5	Yes

Notes :

1. Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Director of the Company, with effect from 8 June, 2020.
2. Mr. Rajkumar Khanna (DIN: 05180042) has been appointed as an Independent Director of the Company, with effect from 15 June, 2020.
3. Mr. Sunil Katial (DIN: 07180348) has been appointed as the Chief Executive Officer and Whole-time Director of the Company, with effect from 1 April, 2020.

2.3 Information placed before the Board

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

During the Financial Year 2020-21, information as mentioned in Schedule II (Part A) to the Listing Regulations was placed before the Board for its consideration, to the extent it was applicable and relevant.

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



Corporate Governance (Contd.)

2.4 Details of Meeting-wise attendance of Board Members

Date of the Board Meeting	Board Strength	No. of Directors Present
15 June, 2020	11	11
13 August, 2020	12	10
5 October, 2020	12	11
12 November, 2020	12	12
12 February, 2021	12	12

2.5 Details of shares/convertible instruments held by the Non-Executive or Independent Directors of the Company as on 31 March, 2021 are as follows:

Name of the Director	No. of shares held
Mr. Pradip Kumar Khaitan	Nil
Mr. Binod Kumar Khaitan	2,000
Mr. Amrendra Prasad Verma	Nil
Dr. Mohua Banerjee	Nil
Mr. Rajkumar Khanna	Nil
Mr. Shermadevi Yegnaswami Rajagopalan	10,100
Mr. Vyas Mitre Ralli	5,000

Notes:

- None of the Non-Executive or Independent Directors hold any convertible instruments and/or Stock Options of the Company as on 31 March, 2021.
- Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Director of the Company, with effect from 8 June, 2020.

2.6 Details of familiarization programmes imparted to the Independent Directors

The details of familiarization programme imparted to the Independent Directors is hosted on the website of the Company at the web-link <https://www.electrosteel.com/admin/pdf/1613636990familiarisation-programme-for-id.pdf>. Further, at the time of appointment/re-appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her roles, functions and responsibilities, etc. The terms and conditions of appointment of the Independent Directors are also disclosed on the website of the Company.

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

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

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

Name of the Director	Core Skills/Expertise/Competencies
Mr. Ram Krishna Agarwal ¹	a) Finance and Accounting b) Corporate Governance and Ethics c) Compliance and Legal / Regulatory Experience d) Risk Management
Mr. Amrendra Prasad Verma	a) Finance and Accounting b) Corporate Governance and Ethics c) Risk Management
Dr. Mohua Banerjee	a) Sales and Marketing
Mr. Rajkumar Khanna	a) Industry / Sector related knowledge b) Finance and Accounting c) Corporate Governance and Ethics d) Sales and Marketing
Mr. Umang Kejriwal	a) Industry / Sector related knowledge b) Finance and Accounting c) Operations and Management Experience d) Corporate Governance and Ethics e) Strategy Development, Planning and Implementation f) Human Resources Management g) Risk Management
Mr. Mayank Kejriwal	a) Industry / Sector related knowledge b) Finance and Accounting c) Operations and Management Experience d) Corporate Governance and Ethics e) Strategy Development, Planning and Implementation f) Human Resources Management
Mr. Uddhav Kejriwal	a) Industry / Sector related knowledge b) Finance and Accounting c) Operations and Management Experience d) Corporate Governance and Ethics e) Strategy Development, Planning and Implementation f) Human Resources Management
Mr. Mahendra Kumar Jalan	a) Industry / Sector related knowledge b) Operations and Management Experience c) Sales and Marketing
Mr. Sunil Katial	a) Industry / Sector related knowledge b) Operations and Management Experience c) Strategy Development, Planning and Implementation
Mr. Shermadevi Yegnaswami Rajagopalan	a) Operations and Management Experience b) Finance and Accounting c) Corporate Governance and Ethics d) Compliance and Legal / Regulatory Experience
Mr. Vyas Mitre Ralli	a) Industry / Sector related knowledge b) Operations and Management Experience c) Corporate Governance and Ethics

Note:

1. Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Director of the Company, with effect from 8 June, 2020.



Corporate Governance (Contd.)

2.8 Confirmation as regards independence of Independent Directors

The Independent Directors of the Company have confirmed that:

- a) they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and
- b) in terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

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

Mr. Ram Krishna Agarwal (DIN: 00416964), Independent Director, has resigned from the Board of Directors of the Company, due to his pre-occupations with various professional and social commitments, with effect from 8 June, 2020.

Mr. Ram Krishna Agarwal has also confirmed that there are no other material reasons other than the above, for his aforesaid resignation.

3. Audit Committee

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

The Committee comprised of the following Directors as its members, as on 31 March, 2021:

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

Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Member of the Committee, due to his resignation from the directorship of the Company, with effect from 8 June, 2020.

Mr. Rajkumar Khanna (DIN: 05180042) has been inducted as a Member of the Committee with effect from 13 August, 2020.

The representatives of Statutory Auditors, Internal Auditors as well as the Executives heading the Finance, Accounts and other Departments of the Company are invited to attend meetings as and when required by the Committee. All members of the Audit Committee are financially literate and have accounting and related financial management expertise. Mr. Binod Kumar Khaitan, the Chairperson of the Committee, was present at the 65th Annual General Meeting of the Company held on 15 September, 2020 to answer queries raised by the shareholders. The Company Secretary acts as the Secretary to the Audit Committee. During the year under review, the Board had accepted all the recommendations of Audit Committee.

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

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

- ii. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- iii. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- iv. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Monitoring and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with Internal Auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate;



Corporate Governance (Contd.)

- xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- xxi. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- xxii. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;
- xxiii. To perform such other functions as may be necessary or appropriate for the performance of its duties;
- xxiv. Review the following information:
 - a) Management Discussion and Analysis of financial condition and results of operations;
 - b) Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by the management;
 - c) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - d) Internal Audit Reports relating to internal control weaknesses;
 - e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
 - f) The statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.

During the Financial Year 2020-21, 5 (five) Audit Committee meetings were held on 15 June, 2020, 13 August, 2020, 5 October, 2020, 12 November, 2020 and 12 February, 2021. The gap between any two consecutive meetings did not exceed 120 days. However, there was a gap of 122 days between the Audit Committee Meetings held on 13 February, 2020 and 15 June, 2020, in accordance with the relaxation granted due to the COVID-19 pandemic, vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19 March, 2020. Attendance at the meetings held during the year is given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	5	4
Mr. Pradip Kumar Khaitan	5	5
Mr. Ram Krishna Agarwal ¹	0	0
Mr. Amrendra Prasad Verma	5	5
Mr. Mahendra Kumar Jalan	5	4
Mr. Rajkumar Khanna ²	3	3

Notes:

1. Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Director of the Company and as a Member of the Audit Committee, with effect from 8 June, 2020.
2. Mr. Rajkumar Khanna (DIN: 05180042) has been inducted as a Member of the Committee with effect from 13 August, 2020.

4. Nomination & Remuneration Committee

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

The Committee comprised of the following Directors as its members, as on 31 March, 2021:

Mr. Binod Kumar Khaitan, Chairman – Independent Director

Mr. Pradip Kumar Khaitan – Independent Director

Mr. Shermadevi Yegnaswami Rajagopalan – Non Independent, Non-Executive Director

Mr. Rajkumar Khanna – Independent Director

Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Member of the Committee, due to his resignation from the directorship of the Company, with effect from 8 June, 2020.

Mr. Rajkumar Khanna (DIN: 05180042) has been inducted as a Member of the Committee with effect from 13 August, 2020.

All members of the NRC are Non-Executive Directors. Mr. Binod Kumar Khaitan, Independent Director, acts as the Chairperson of the Committee and was present at the 65th Annual General Meeting of the Company held on 15 September, 2020 to answer shareholder queries.

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

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees;
- ii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iii. devising a policy on diversity of board of directors;
- iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- vi. recommend to the board, all remuneration, in whatever form, payable to senior management;
- vii. to carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;
- viii. to perform such other functions as may be necessary or appropriate for the performance of its duties.

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



Corporate Governance (Contd.)

During the Financial Year 2020-21, 3 (three) NRC meetings were held on 15 June, 2020, 12 November, 2020 and 12 February, 2021. Attendance at the meetings held during the year is provided below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	3	3
Mr. Pradip Kumar Khaitan	3	3
Mr. Ram Krishna Agarwal ¹	0	0
Mr. Shermadevi Yegnaswami Rajagopalan	3	2
Mr. Rajkumar Khanna ²	2	2

Notes :

1. Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Director of the Company and as a Member of the Nomination and Remuneration Committee, with effect from 8 June, 2020.
2. Mr. Rajkumar Khanna (DIN: 05180042) has been inducted as a Member of the Committee with effect from 13 August, 2020

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

Evaluation of Non-Executive Directors

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

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

Evaluation of Independent Directors

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

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

5. Stakeholders' Relationship Committee

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

The Stakeholders' Relationship Committee comprised of the following Directors as its members, as on 31 March, 2021:

Mr. Binod Kumar Khaitan, Chairman – Independent Director

Mr. Mayank Kejriwal – Joint Managing Director

Mr. Vyas Mitre Ralli – Non-Independent, Non-Executive Director

Mr. Mahendra Kumar Jalan – Whole-time Director

Mr. Binod Kumar Khaitan, Independent, Non-Executive Director is the Chairperson of the Committee. Mr. Khaitan was present at the 65th Annual General Meeting of the Company held on 15 September, 2020 to answer shareholder queries. Mr. Indranil Mitra, Company Secretary and Compliance Officer, acts as the Secretary to Stakeholders' Relationship Committee.

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

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, issue of fresh/duplicate debenture certificate, general meetings, etc.
- ii. Review of measures taken for effective exercise of voting rights by shareholders.
- iii. To oversee the performance of the Registrar & Share Transfer Agent of the Company.
- iv. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- v. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- vi. To review and monitor implementation and compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- vii. To recommend measures for the overall improvement of the quality of investor services and related matter.
- viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ix. To perform such other functions as may be necessary or appropriate for the performance of its duties.

During the Financial Year 2020-21, 4 (four) Stakeholders' Relationship Committee meetings were held on 15 June, 2020, 13 August, 2020, 12 November, 2020 and 12 February, 2021. Attendance at the said meetings are provided below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	4	3
Mr. Mayank Kejriwal	4	4
Mr. Vyas Mitre Ralli	4	4
Mr. Mahendra Kumar Jalan	4	3

At the beginning of the year under review, there was no complaint remaining unresolved. During the period under review, 9 (nine) investor complaints were received by the Registrar & Share Transfer Agent of the Company, which were duly resolved to the satisfaction of the shareholders.

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

6. Corporate Social Responsibility Committee

The composition and terms of reference of the Corporate Social Responsibility ('CSR') Committee are in accordance with the provisions of Section 135 of the Act. As on 31 March, 2021, the CSR Committee of the Company was headed by Mr. Shermadevi Yegnaswami Rajagopalan, Non-Executive Director, as the Chairman, with Mr. Pradip Kumar Khaitan, Independent Director and Mr. Umang Kejriwal, Managing Director, as other members of the Committee.



Corporate Governance (Contd.)

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

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount of expenditure to be incurred on the CSR activities.
- Monitor the CSR Policy of the Company from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the Financial Year 2020-21 forms a part of the Report of the Directors.

During the Financial Year 2020-21, 2 (two) CSR Committee meetings were held on 15 June, 2020 and 13 August, 2020. Attendance at the meetings held during the year is provided below:

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

7. Remuneration of Directors

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

Further, the Board of Directors of the Company at its meeting held on 20 May, 2021, has approved the payment of commission to the Non-Executive Directors, including Independent Directors, as mentioned hereinunder.

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

Details of remuneration paid to Directors for the Financial Year 2020-21

- Remuneration paid to Independent & Non-Executive Directors:

(In Rupees)

Name of the Director	Sitting Fees ¹	Commission paid/payable ²	Total
Mr. Pradip Kumar Khaitan	6,50,000	7,00,000	13,50,000
Mr. Binod Kumar Khaitan	6,70,000	7,00,000	13,70,000
Mr. Ram Krishna Agarwal ³	0	0	0
Mr. Amrendra Prasad Verma	5,70,000	7,00,000	12,70,000
Dr. Mohua Banerjee	3,00,000	7,00,000	10,00,000
Mr. Rajkumar Khanna ⁴	4,60,000	7,00,000	11,60,000
Mr. Shermadevi Yegnaswami Rajagopalan	3,50,000	7,00,000	10,50,000
Mr. Vyas Mitre Ralli	3,50,000	7,00,000	10,50,000
Total	33,50,000	49,00,000	82,50,000

Notes :

- The amount of sitting fees for attending Board and Audit Committee meeting was Rs. 50,000 per meeting and for the meeting of Independent Directors of the Company, the sitting fees was fixed at Rs. 50,000 per meeting. The fees for attending any other meeting was fixed at Rs. 20,000 per meeting. The Directors are also entitled to reimbursement of expenses for participation in Board and other meetings.

2. The Members at the 63rd AGM of the Company held on 14 September, 2018 had approved payment and distribution of Commission amongst Directors (other than Executive Directors) for a period of 5 years commencing from 1 April, 2019, in such amounts or proportions and in such manner as may be decided by the Board, within the ceiling of 1% per annum of the net profits of the Company computed in the manner referred to in Section 198 of the Act.
3. Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Director of the Company, with effect from 8 June, 2020.
4. Mr. Rajkumar Khanna (DIN: 05180042) has been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 15 June, 2020.

ii. Remuneration paid to Executive Directors:

(In Rupees)

Name of the Director & Designation	Salary	Perquisites	Commission paid/ payable	Total	Service Contract, etc.
Mr. Umang Kejriwal, Managing Director	1,80,00,000	1,10,04,805	–	2,90,04,805	Tenure of 5 years w.e.f. 1 April, 2017
Mr. Mayank Kejriwal, Joint Managing Director	3,00,000	5,69,793	–	8,69,793	Tenure of 5 years w.e.f. 1 April, 2017
Mr. Uddhav Kejriwal, Whole-time Director	1,00,75,000	92,57,450	–	1,93,32,450	Tenure of 5 years w.e.f. 16 June, 2018
Mr. Mahendra Kumar Jalan, Whole-time Director	55,18,065	1,17,29,274	–	1,72,47,338	Tenure of 5 years w.e.f. 22 January, 2020
Mr. Sunil Katial, Chief Executive Officer and Whole-time Director	74,04,000	1,43,94,032	–	2,17,98,032	Tenure of 3 years w.e.f. 1 April, 2020
Total	4,12,97,065	4,69,55,354	–	8,82,52,418	

Notes:

1. The appointments of Mr. Umang Kejriwal, Mr. Mayank Kejriwal, Mr. Uddhav Kejriwal and Mr. Mahendra Kumar Jalan can be terminated by either party by giving 1 (one) months' notice in writing and that of Mr. Sunil Katial can be terminated by either party by giving 3 (three) months' notice in writing. There is no separate provision for payment of severance fees.
2. Mr. Sunil Katial has been appointed as the Chief Executive Officer and Whole-time Director for a period of 5 (five) years with effect from 1 April, 2020.
3. No Stock Options have been granted to any Executive Directors of the Company.

8. Subsidiary Companies

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

The Company does not have any material unlisted subsidiary companies, except Electrosteel Europe S.A, as on 31 March, 2021.



Corporate Governance (Contd.)

9. General Body Meetings

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

Year	Location	Date	Time	Whether special resolutions passed
2019-20	The meeting was held via Video conferencing (VC) / Other Audio Visual Means (OAVM). The deemed venue of the meeting was Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017	15 September, 2020*	11.30 A.M.	Yes, 1 (One)
2018-19	Rathod Colony, Rajgangpur Sundergarh, Odisha - 770 017	20 September, 2019	11.30 A.M.	Yes, 4 (Four)
2017-18	Rathod Colony, Rajgangpur Sundergarh, Odisha - 770 017	14 September, 2018	11.30 A.M.	Yes, 9 (Nine)

*M/s. Bihani Rashmi & Co., Chartered Accountants, was appointed as the Scrutinizer for scrutinizing the voting process (through remote e-voting and e-voting at the Meeting) for and at the AGM held on 15 September, 2020 and submitting Report thereon.

b. There was no special resolution passed last year through postal ballot.

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

10. Means of Communication

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

11. General Shareholder Information

a) Date, time and venue of the next Annual General Meeting	3 September, 2021, at 11.30 A.M., via Video Conferencing (VC) / Other Audio Visual Means (OAVM). The deemed venue of the meeting will be Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, India
b) Financial Year	1 April, 2020 to 31 March, 2021
c) Dividend payment date	Dividend for the Financial Year ended 31 March, 2021, if any, declared by the shareholders at the ensuing AGM will be paid to the shareholders on or after 3 September, 2021.
d) Listing at Stock Exchanges Equity Shares & its Stock Codes at Stock Exchanges	a) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (Scrip Code – 500128)

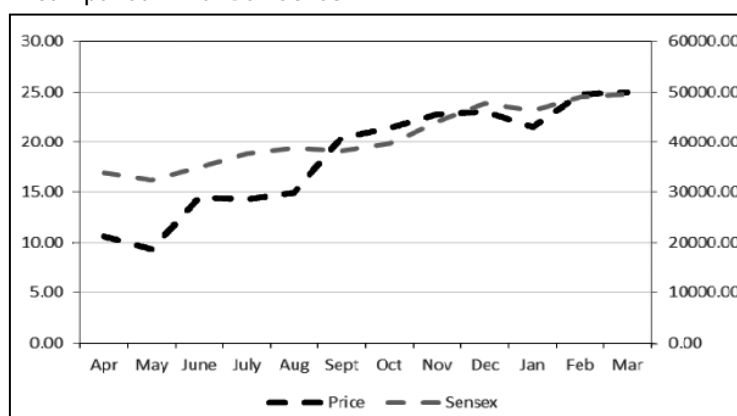
	b) National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (Symbol – ELECTCAST) ISIN for Equity Shares - INE086A01029
e) Listing Fee to Stock Exchanges	Annual Listing Fees have been paid to BSE and NSE within stipulated timelines.

f) Market Price data for the Scrip of the Company during the Financial Year 2020-21:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (Rs.)	Low Price (Rs.)	Volume (No.)	High Price (Rs.)	Low Price (Rs.)	Volume (No.)
Apr-20	12.25	7.56	3,68,469	12.20	9.00	35,05,746
May-20	11.25	8.90	2,33,086	10.50	8.75	26,33,612
Jun-20	16.40	9.33	25,91,087	16.40	9.30	2,06,13,438
Jul-20	17.61	13.85	29,00,110	17.55	14.00	2,17,43,119
Aug-20	17.45	14.27	15,60,411	16.95	14.30	1,51,79,055
Sep-20	21.62	14.00	28,41,314	21.60	14.60	3,60,36,879
Oct-20	27.00	16.65	49,75,614	27.00	16.50	4,46,58,040
Nov-20	23.50	19.30	17,79,396	23.50	19.10	1,40,45,231
Dec-20	25.40	20.35	27,23,896	24.80	20.30	2,85,69,395
Jan-21	24.30	20.95	18,90,559	24.30	20.95	1,59,09,851
Feb-21	25.65	20.90	16,58,520	25.75	20.85	1,61,14,038
Mar-21	27.95	23.20	22,12,569	28.00	23.20	1,85,90,288

g) Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty for the Financial Year 2020-21:

i) In comparison with BSE Sensex #

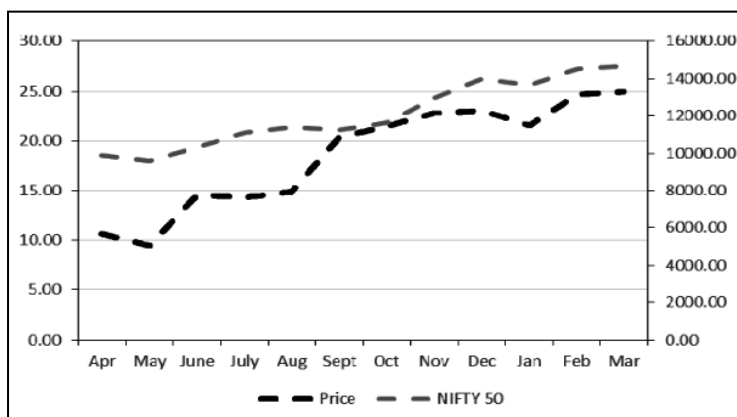


Monthly Closing prices of the Scrip and monthly Closing indices have been taken from BSE Limited website.



Corporate Governance (Contd.)

ii) In comparison with NSE Nifty #



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

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

k) Distribution of shareholding as on 31 March, 2021:

Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Shares held
Upto 500	37626	69.07	6465526	1.49
501 to 1,000	7045	12.93	6178608	1.43
1,001 to 2,000	4191	7.69	6892564	1.59
2,001 to 3,000	1489	2.73	3911657	0.90
3,001 to 4,000	829	1.52	3063656	0.71
4,001 to 5,000	748	1.37	3587677	0.83
5,001 to 10,000	1193	2.19	9129244	2.11
10,001 and Above	1351	2.48	393725777	90.94
Total	54472	100.00	432954709	100.00

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

l) Dematerialization of shares and liquidity	As per directives of SEBI, the Company's shares are tradable compulsorily in electronic form. The Company's shares are available for dematerialization at National Securities Depository Ltd. ('NSDL') and Central Depository Services (India) Ltd. ('CDSL'). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE086A01029. As on 31 March, 2021, 99.62% of the shares of the Company stand dematerialized.
m) Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding GDR/ADR/warrants or any convertible instruments as on 31 March, 2021.
n) Commodity price risk or foreign exchange risk and hedging activities	<p>The Company is exposed to foreign exchange risk on account of import and export transactions entered. Also, it is a sizable user of various commodities, including base metals & others, which exposes it to the price risk on account of procurement of commodities.</p> <p>The Company is proactively mitigating these risks by entering into commensurate hedging transactions with banks as per applicable guidelines, risk management plan/policies and prevailing market scenario. This is periodically reviewed by senior management team.</p> <p>The Board monitors the foreign exchange exposures on a quarterly basis and the steps taken by management to limit the risks of adverse exchange rate movement. Similarly, the management monitors commodities/raw materials whose prices are volatile and procurement is contracted considering volatility and plant requirements to minimize risk on the same.</p>

**Corporate Governance** (Contd.)

o) Plant locations:	<p>Unit 1 : 30, 48 & 49 B.T. Road, P. O. Sukchar, P.S. Khardah, Dist.: 24-Parganas (North), Kolkata - 700 115, 700 116, 700 117 West Bengal</p> <p>Unit 2 : Gummidipoondi Taluk, P.O. Elavur, District Tiruvallur, Tamil Nadu 601 201</p> <p>Unit 3 : Vill: Kashberia, P.O. Shibramnagar, Haldia, Purba Medinipur, West Bengal 721 635</p> <p>Unit 4 : Works: Chak Bansberia, Saptagram Gram Panchayat, P.O. Adconagar, Hooghly 712 121 West Bengal</p>
p) Address for Correspondence:	<p>Mr. Indranil Mitra Company Secretary Electrosteel Castings Limited G. K. Tower, 19 Camac Street, Kolkata 700 017 Phone: (033) 2283 9990 E-mail ID: companysecretary@electrosteel.com</p>

q) List of Credit Ratings

During the year, India Ratings and Research (Ind-Ra) has placed the Company's Long-Term Issuer Rating of 'IND A-' on Rating Watch Positive (RWP) and for short term borrowings as "IND A2+" on Rating Watch Positive (RWP). The Outlook was Stable.

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

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

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

An adjudication order dated 31 March, 2016 has been passed by the Securities and Exchange Board of India ('SEBI') imposing a penalty of Rs. 50 Lakh under Section 23A(a) and Rs. 50 Lakh under Section 23E of the Securities Contract (Regulation) Act, 1956 on the Company for violation of Clause 36 of the erstwhile Listing Agreement, read with Section 21 of Securities Contract (Regulation) Act, 1956. The Company had filed an appeal before the Securities Appellate Tribunal ('SAT') against the said order. However, SAT, Mumbai, vide its order, has, inter alia, dismissed the said appeal

filed by the Company and had directed the Company to deposit the penalty of Rs. 1 Crore with SEBI within 30 days thereof. Thereafter, the Company has filed a second appeal before the Hon'ble Supreme Court of India. However, in the meantime, as a bona fide gesture, the Company has deposited the aforesaid penal amount of Rs. 1 crore, under protest and without prejudice to its rights under applicable laws. As on the date of this Report, the matter is pending with the Hon'ble Supreme Court of India.

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

C. Vigil Mechanism

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

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

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

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

i) Modified opinion(s) in audit report

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

ii) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

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

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

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

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

G. Disclosure of commodity price risks and commodity hedging activities

The same has been already disclosed in this Report, at point no. 11(n), above.

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

During the Financial Year 2020-21, the Company had not raised funds through preferential allotment or qualified institutions placement.

I. Certificate from the Practicing Company Secretary

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



Corporate Governance (Contd.)

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

J. Recommendations of Committees of the Board

There were no instances during the Financial Year 2020-21, wherein the Board had not accepted recommendations made by any Committee of the Board which was mandatorily required.

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

The total fees paid by the Company for all services to the Statutory Auditor for the Financial Year 2020-21 was Rs. 74.24 Lakhs. No fee was paid by the Company for the Financial Year 2020-21 to the network firm/entity of which the Statutory Auditor was a part. Further, Electrosteel Doha for Trading LLC, a subsidiary of the Company, has paid a fees of around Rs. 5.49 Lakhs to an entity in the network firm/network entity of which the statutory auditor is a part.

Hence, the total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part, stood at Rs. 79.73 Lakhs, for the Financial Year 2020-21.

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

- a) number of complaints filed during the Financial Year 2020-21 - NIL
- b) number of complaints disposed of during the Financial Year 2020-21 - NIL
- c) number of complaints pending as on end of the Financial Year 2020-21 - NIL

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

14. The extent to which the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations have been adopted has already been disclosed in this Report, at point no. 12(D), above.

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

16. Code of Conduct

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

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

As on 31 March, 2021, there were no shares lying in the demat suspense account/unclaimed suspense account.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 20 May, 2021

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Declaration for Compliance of Code of Conduct

To
The Members of
Electrosteel Castings Limited

I hereby declare that the Company has obtained affirmation from all the members of Board of Directors and Senior Management Personnel of the Company that they have complied with the 'Code of Conduct of the Company for Board of Directors and Senior Management Personnel' in respect of Financial Year 2020-21

For Electrosteel Castings Limited

Place: Kolkata
Date: 20 May, 2021

Sunil Katial
Chief Executive Officer and Whole-time Director



Independent Auditors' Certificate

on Corporate Governance

To
The Members of
Electrosteel Castings Limited

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

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Managements' Responsibility

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

Auditor's Responsibility

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

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

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

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations during the year ended March 31,2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

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

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

(Gopal Jain)
Partner
Membership No. 59147
UDIN: 21059147AAAABF9105

Place: Kolkata
Dated: May 20, 2021



Annual Report on Corporate Social Responsibility (“CSR”) Activities for the Financial Year 2020-21

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

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

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

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

Composition of CSR Committee is disclosed at <https://www.electrosteel.com/about/board-committees.php>

CSR Policy is disclosed at <https://www.electrosteel.com/admin/pdf/1613636907CSR-policy.pdf>

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

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

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

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

6. Average net profit of the Company as per Section 135(5) : Rs. 1,707.54 lakhs

7. a) Two percent of average net profit of the Company as per Section 135(5) : Rs. 34.15 lakhs

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

c) Amount required to be set off for the Financial Year, if any : NIL

d) Total CSR obligation for the Financial Year (7a+7b-7c) : Rs. 34.15 lakhs

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 35,00,000	NIL				

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

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

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the Project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Ayurved Medical Camps and Ayurved Clinic Hospital	Clause (i) of the Schedule VII to the Companies Act, 2013; Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	No	Telangana	Hyderabad	35,00,000	No	Name: ISERVE (Institute of Scientific Research on Vedas) CSR Registration No.: -	
TOTAL						35,00,000			

(d) Amount spent in Administrative Overheads : NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 35,00,000

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

Sl. No.	Particulars	Amount (in Rs.)
i.	Two percent of average net profit of the Company as per Section 135(5)	34.15 Lakh
ii.	Total amount spent for the Financial Year	35.00 Lakh
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	0.85 Lakh
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.85 Lakh



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

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

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s) : Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset : NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. : Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

Place : Kolkata
Date : 20 May, 2021Umang Kejriwal
Managing Director
DIN: 00065173Shermadevi Yegnaswami Rajagopalan
Chairman of CSR Committee
DIN: 00067000

Annexure – 5B

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020-21 is as under:

Name of the Director	Ratio of remuneration of each Director to Median remuneration
Mr. Pradip Kumar Khaitan, Chairman, Independent Director	3.26
Mr. Binod Kumar Khaitan, Independent Director	3.31
Mr. Ram Krishna Agarwal, Independent Director (up to 8 June, 2020)	–
Mr. Amrendra Prasad Verma, Independent Director	3.07
Dr. Mohua Banerjee, Independent Director	2.42
Mr. Rajkumar Khanna, Independent Director (w.e.f. 15 June, 2020)	2.80
Mr. Shermadevi Yegnaswami Rajagopalan, Non-Executive, Non-Independent Director	2.54
Mr. Vyas Mitre Ralli, Non-Executive, Non-Independent Director	2.54
Mr. Umang Kejriwal, Managing Director	70.06
Mr. Mayank Kejriwal, Joint Managing Director	2.10
Mr. Uddhav Kejriwal, Whole-time Director	46.70
Mr. Mahendra Kumar Jalan, Whole-time Director	41.66
Mr. Sunil Katial, Chief Executive Officer and Whole-time Director	52.65

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the Financial Year 2020-21 is as under:

Name	% increase in Remuneration during the Financial Year 2020-21
Mr. Pradip Kumar Khaitan, Chairman, Independent Director	(17.18)
Mr. Binod Kumar Khaitan, Independent Director	(30.81)
Mr. Ram Krishna Agarwal, Independent Director (up to 8 June, 2020)	(100.00)
Mr. Amrendra Prasad Verma, Independent Director	(23.03)
Dr. Mohua Banerjee, Independent Director	(31.03)
Mr. Rajkumar Khanna, Independent Director (w.e.f. 15 June, 2020)	–
Mr. Shermadevi Yegnaswami Rajagopalan, Non-Executive, Non-Independent Director	(37.13)
Mr. Vyas Mitre Ralli, Non-Executive, Non-Independent Director	(25.53)
Mr. Umang Kejriwal, Managing Director	(32.20)
Mr. Mayank Kejriwal, Joint Managing Director	(21.88)
Mr. Uddhav Kejriwal, Whole-time Director	(32.05)



Name	% increase in Remuneration during the Financial Year 2020-21
Mr. Mahendra Kumar Jalan, Whole-time Director	1.64
Mr. Sunil Katial, Chief Executive Officer and Whole-time Director	0.40
Mr. Ashutosh Agarwal, Executive Director (Group Finance) and CFO	50.02
Mr. Indranil Mitra, Company Secretary	64.56

Notes :

1. Mr. Ram Krishna Agarwal (DIN: 00416964) has ceased to be a Director of the Company, with effect from 8 June, 2020, due to resignation.
 2. Mr. Rajkumar Khanna (DIN: 05180042) had been appointed as an Additional (Independent) Director of the Company, with effect from 15 June, 2020. The shareholders of the Company, at their 65th Annual General Meeting, have approved the appointment of Mr. Khanna as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 15 June, 2020. Therefore, his remuneration for the current year is not comparable with the previous year
 3. Mr. Sunil Katial (DIN: 07180348), Chief Executive Officer, had been appointed as an Additional (Whole-time) Director of the Company, with effect from 1 April, 2020. The shareholders of the Company, at their 65th Annual General Meeting, have approved the appointment of Mr. Sunil Katial as the Chief Executive Officer and Whole-time Director of the Company, with effect from 1 April, 2020.
- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2020-21: (3.72)%.
- (iv) The number of permanent employees on the rolls of Company: 1,520 as on 31 March, 2021.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- There was an average % decrease in salaries (median remuneration) of employees, other than managerial personnel in the last financial year, i.e., 2020-21, of around 3.72%, in comparison to a percentage decrease in managerial remuneration for the said financial year of around 20.51%. The remuneration of managerial personnel was as approved by the shareholders of the Company, from time to time, and/or was linked to profit, in accordance with the provisions of the Companies Act, 2013.
- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company:
- The remuneration paid was as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Place: Kolkata
Date: 20 May, 2021

Annexure – 6**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2021

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

To,
The Members,
Electrosteel Castings Limited
CIN: L27310OR1955PLC000310

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Electrosteel Castings Limited (hereinafter called “the Company”)**. The Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion, the Company has, during the audit period for the financial year ended **31st March, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2021** according to the provisions of:

- I. The Companies Act, 2013(the Act)and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act,1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings to the extent applicable to the Company;
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- VI. We, in consultation with the Company, came to a conclusion that no specific laws were directly applicable with regard to business activities of the Company during the period under review except that of the following:
 - i. The Factories Act, 1948 and Rules
 - ii. The Explosives Act, 1884



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

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

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, Committees' Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case of shorter notices, required compliances have been made thereof. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that:

During the period under review, the Company has filed an application with the Hon'ble National Company Law Tribunal, Cuttack Bench, in relation to the proposed amalgamation of Srikalahasthi Pipes Limited with the Company and their respective shareholders and creditors, prior to which necessary no objections/approvals have been received from various Statutory Authorities, including the Competition Commission of India and the Stock Exchanges.

Further, during the period under review, Mr. Ram Krishna Agarwal, Non-Executive, Independent Director of the Company, resigned from the directorship of the Company, with effect from 8th June, 2020 and whereas Mr. Sunil Harbans Lal Katial and Mr. Rajkumar Khanna have been appointed as Executive Director and Non-Executive, Independent Director of the Company, with effect from 01st April, 2020 and 15th June, 2020, respectively.

For K. Arun & Co
Company Secretaries

Arun Kumar Khandelia
Partner
FCS: 3829

C.P. No.: 2270

UDIN: F003829C000351198

Place: Kolkata
Date: 20.05.2021

Annexure – 7**BUSINESS RESPONSIBILITY REPORT****for the Financial Year ended 31 March, 2021**

[Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L27310OR1955PLC000310
2.	Name of the Company	Electrosteel Castings Limited
3.	Registered address	Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017
4.	Website	www.electrosteel.com
5.	E-mail ID	companysecretary@electrosteel.com
6.	Financial Year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 24311; Ductile Iron Pipes & Cast Iron Pipes NIC Code: 24311; Ductile Iron Fittings
8.	Key products / services that the Company manufactures / provides	Company is engaged in manufacturing following key products: 1) Ductile Iron Pipes 2) Ductile Iron Pipe Fittings 3) Cast Iron Pipes
9.	Total number of locations where business activity is undertaken by the Company a) Number of International Locations b) Number of National Locations	NIL 4 (manufacturing activity). The details are given in the Corporate Governance Report, forming part of this Annual Report.
10.	Markets served by the Company	The Company's products have national as well as global presence.

Section B: Financial Details of the Company

1.	Paid-up Capital (INR)	Rs. 4,329.55 Lakh
2.	Total Turnover (INR)	Rs. 2,23,611.59 Lakh
3.	Total Profit after Taxes (INR)	Rs. 4,324.11 Lakh
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after taxes	Rs. 35 Lakh, i.e., 0.81 %
5.	List of activities in which expenditure in 4 above has been incurred	The same has been detailed out in the Annual Report on CSR Activities, annexed to the Board's Report, marked as Annexure 4 thereto, forming part of this Annual Report



Business Responsibility Report (Contd.)

Section C: Other Details

1.	Does the Company have any Subsidiary Company / Companies?	Yes, the Company has 12 (twelve) Subsidiaries.
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company?	No, the Subsidiary Companies do not participate in the BR initiatives of the Company.
3.	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company?	Other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, do not participate in the BR initiatives of the Company.

Section D: BR (Business Responsibility) Information

Mr. Mahendra Kumar Jalan, Whole-time Director of the Company, has been authorized by the Board of Directors of the Company to oversee the implementation of the Business Responsibility Policy. Mr. Ashutosh Agarwal, Executive Director (Group Finance) and CFO, is designated as the Business Responsibility Head.

1. Details of Director / Directors responsible for BR

a) Details of the Director / Directors responsible for implementation of the BR policy / policies

1.	DIN	00311883
2.	Name	Mr. Mahendra Kumar Jalan
3.	Designation	Whole-time Director

b) Details of the BR head

No.	Particulars	Details
1.	DIN (if applicable)	Not Applicable
2.	Name	Mr. Ashutosh Agarwal
3.	Designation	Executive Director (Group Finance) and CFO
4.	Telephone Number	+91-33-22839990/ 71034400
5.	E-mail ID	ashutosh@electrosteel.com

2. Principle-wise (as per NVGs) BR Policy / policies

The BR Policy of the Company is based on the National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs) issued by the Ministry of Corporate Affairs, Government of India.

The NVGs provide the following 9 (nine) principles:

Principle 1: Ethics, Transparency and Accountability [P1]	Principle 6: Environment [P6]
Principle 2: Products Lifecycle Sustainability [P2]	Principle 7: Policy Advocacy [P7]
Principle 3: Employees' Well-being [P3]	Principle 8: Inclusive Growth [P8]
Principle 4: Stakeholder Engagement [P4]	Principle 9: Customer Value [P9]
Principle 5: Human Rights [P5]	

a) Details of Compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Policies formulated by the Company conform to applicable national laws and standards. The policies are based on and are in compliance with the applicable regulatory international standards and requirements.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The BR Policy has been signed by the Chairman of the Company.								
5.	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	Mr. Mahendra Kumar Jalan, Whole-time Director of the Company, has been authorized by the Board of Directors of the Company to oversee the implementation of the Business Responsibility Policy. Mr. Ashutosh Agarwal, Executive Director (Group Finance) and CFO, is designated as the Business Responsibility Head.								
6.	Indicate the link for the policy to be viewed online?	The BR Policy can be viewed at: https://www.electrosteel.com/admin/pdf/1608017904-business-responsibility-policy.pdf For further reference on various policies, the same can be viewed in link, as mentioned in the following notes:								
		6a		6b	6c	6d			6e	
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Evaluation has been carried out internally by the Company.								

Notes to the Clause 2(a)(6):

6(a) - Code of Conduct of the Company: <https://www.electrosteel.com/admin/pdf/1608017827code-of-conduct-49.pdf>
Vigil Mechanism/Whistle Blower Policy: <https://www.electrosteel.com/admin/pdf/1613636847Vigil-Mechanism-Whistle-Blower-Policy.pdf>

6(b) - Vigil Mechanism/Whistle Blower Policy: <https://www.electrosteel.com/admin/pdf/1613636847Vigil-Mechanism-Whistle-Blower-Policy.pdf>



Business Responsibility Report (Contd.)

6(c) – Corporate Social Responsibility ('CSR') Policy: <https://www.electrosteel.com/admin/pdf/1613636907CSR-policy.pdf>
Vigil Mechanism/Whistle Blower Policy: <https://www.electrosteel.com/admin/pdf/1613636847Vigil-Mechanism-Whistle-Blower-Policy.pdf>

6(d) - Vigil Mechanism/Whistle Blower Policy: <https://www.electrosteel.com/admin/pdf/1613636847Vigil-Mechanism-Whistle-Blower-Policy.pdf>

6(e) - <https://www.electrosteel.com/admin/pdf/1613636907CSR-policy.pdf>

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not applicable.

3. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:** The Board of Directors of the Company, annually assess the BR Performance of the Company.
- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?** – The Company's Business Responsibility Report, which forms part of the Annual Report for the Financial Year 2020-21, can be viewed from the Company's website, www.electrosteel.com.

Section E: Principle-wise Performance

Principle 1

- 1) **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?** – Yes, the Policy relating to ethics, bribery and corruption covers only the Company. This Policy does not extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others. However, the Company encourages them to participate in the BR initiatives of the Company.

The Company strives to maintain the highest standards of ethics in all spheres of its business activities. Apart from BR Policy, the Company has following policies dealing with ethics, transparency and accountability:

Code of Conduct: Code of Conduct is formulated to ensure that all Directors and senior management personnel act within limits of authority conferred upon them and they function in the best interest of the Company and all stakeholders. This Code is applicable to each member of the Board of Directors of the Company, as well as employees in the grade of General Managers and above of the Company, or such members of the 'Senior Management' of the Company or such other employees of the Company as may be designated as member of the Senior Management for the purpose of this Code by the Managing Director of the Company, from time to time.

Vigil Mechanism / Whistle Blower Policy: Vigil Mechanism Policy covers malpractices and events which have taken place / suspected to have taken place, misappropriation of monies, manipulations, negligence causing danger to public health and safety, misuse or abuse of authority, fraud or suspected fraud, leak/suspected leak of UPSI, violation of Company rules, and other matters or activity by which the Company's interest is affected and formally reported by whistle blowers. This policy provides a channel to the Directors and employees to report to the management concerns about unethical behavior, actual or suspected fraud and / or any instances of leak / suspected leak of UPSI and / or violation of the Code of Conduct or Policy. The mechanism also provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

- 2) **How many stakeholder complaints have been received in the Financial Year under review and what percentage was satisfactorily resolved by the management?** – During the Financial Year, 9 (nine) shareholder complaints were

received and resolved by the Company. No complaints were pending as on 31 March, 2021. All complaints received, were resolved, by the Company, to the satisfaction of the shareholders.

Principle 2

1) **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities –**

- a) Presently, most of the restrained joints developed and used in Ductile Iron Pipe water infrastructure require weld bead at the pipe end. The Company has developed a restrained joint (clamp ring) which can perform without any weld bead. Hence, this joint has demonstrated a new opportunity to the customer to get rid of the hassles of making weld bead especially for the pipes need to be cut at site. The Company has secured a patent for this invention.
- b) "Safe Drinking water for All" - The Company vide its policy is committed to serve the global population through a sustainable water conveying system. The Company, as a backward integration to its sustainable supply chain, has developed its indigenous seal coating paint, Electroline ES1212, to coat the internal cement mortar lined surface of pipes. The purity of drinking water conveyed through these pipes are ensured and demonstrated through a vigorous test protocol formulated in accordance with BS6920. This paint is approved by WRAS (UK) and ACS (France) for its water potability.
- c) The Company has developed Electrolock restrained flexible joint which is designed to have a self-restraining mechanism to perform without any external concrete thrust block. Thus, this joint helps the customer in reducing the consumption of sand and cement in water infrastructure. Performance of this joint is appreciated and certified by globally renowned certifying bodies, like, British Standard Institute (BSI, UK), DVGW (Germany) and OVGW (Austria).

2) **Does the Company have procedures in place for sustainable sourcing (including transportation)? –** For sustainable sourcing, the Company has taken various steps including backward integration, which comprises greenfield and brownfield expansions, e.g., Sinter Plant, Sponge Iron Plant, Coke Oven Plant, Power Plant from waste heat recovery, Ferro Alloy and DI Fittings & Accessories, upgrading and expanding manufacturing capacities, exploring alternate source for procurement of critical raw material and increasing efforts on R&D. In addition, cost control measures are ongoing process. The Company enters into contracts for bulk quantity preferably with direct sources or authorized distributors as well as keeps on exploring alternate sources of supply. Transporter with fleet dedicated for the Company is engaged for moving from Haldia key inputs required at Khardah plant, viz., Coke and PCI coal for MBF, Low VM Coal for sinter, Sponge Iron, Ferro Alloy, by-products, like, coke fines, etc.

(a) **If yes, what percentage of your inputs was sourced sustainably?**

71.99% of inputs were sourced sustainably during the Financial Year 2020-21.

3) **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors? –** The Company sources its goods at competitive prices in this world market as global village but preference is given to local suppliers, if possible, without compromising on business interest. Over the period, the Company has developed many suppliers to produce goods of required standards in self and national interest. Besides goods suppliers, the Company has enlisted number of local people as contractors and service providers for various job works and labour contracts, thereby, supporting communities surrounding the place of its work.

4) **Does the Company have a mechanism to recycle products and waste?** Yes, the Company has a mechanism to recycle products and waste.



Business Responsibility Report (Contd.)

- a) The products declared as "Reject" at the factory are cut to small pieces and are re-melted in the Furnace. 100% of the rejected products are recycled.
- b) The slag generated in the blast furnace is used in making Slag Cement.
- c) Almost 96% of the water used in the plant is recycled through our Effluent Treatment Plant.

Principle 3

- 1) **Total number of permanent employees** – 1,520, as on 31 March, 2021
- 2) **Total number of employees hired on temporary / contractual / casual basis** – 18, as on 31 March, 2021
- 3) **Number of permanent women employees** – 14, as on 31 March, 2021
- 4) **Number of permanent employees with disabilities** – 1, as on 31 March, 2021
- 5) **Do you have an employee association that is recognized by management** – No
- 6) **Percentage of permanent employees who are members of this recognized employee association** – Not Applicable
- 7) **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year –**

No.	Category	No of complaints filed during the Financial Year	No of complaints pending as on end of the Financial Year
1.	Child labour/ forced labour/ involuntary labour	Nil	Not Applicable
2.	Sexual harassment	Nil	Not Applicable
3.	Discriminatory employment	Nil	Not Applicable

- 8) **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? –**
 - (a) **Permanent Employees** : 100%
 - (b) **Permanent Women Employees** : 100%
 - (c) **Casual/Temporary/Contractual Employees** : 100%
 - (d) **Employees with Disabilities** : 100%

Principle 4

- 1) **Has the Company mapped its internal and external stakeholders? Yes / No** – Yes, the Company has mapped its internal and external stakeholders. The Company recognises employees, business associates (network of suppliers, stockists and dealers, etc.), customers, shareholders / investors, communities surrounding our operations and regulatory authorities as its key stakeholders.
- 2) **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?** – The Company understands that all its stakeholders are not equal and some of its stakeholders are disadvantaged, vulnerable and marginalized.
- 3) **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?** – The Company proactively engages with and responds to safeguard the interest

of those stakeholders that are disadvantaged, vulnerable and marginalized. The Company, through its Corporate Social Responsibility ('CSR') initiatives and other regular programmes / initiatives, works towards the benefit of its disadvantaged, vulnerable and marginalized stakeholders. The CSR initiatives taken by the Company have been detailed out in the Annual Report on CSR activities, which has been annexed to the Board's Report, marked as Annexure – 4, forming part of this Annual Report.

Principle 5

- 1) **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?** – Apart from the Company's BR Policy, the Company, under its Code of Conduct, advises all its Directors and Senior Management Executives to practice a Code of giving highest respect for humans and human values and promote the same, in general. Though the said Policy and Code covers only the Company and its employees, the Company continuously strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights. The Company strictly prohibits any unfair / unjust treatment to any human and violation of human rights.
- 2) **How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?** – No complaint was received pertaining to human rights violation during the past Financial Year. Details of complaints received from shareholders have been dealt in clause 2 of Principle 1.

Principle 6

- 1) **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?** – The Policy related to Principle 6 cover only the Company. However, the Company encourages that the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others should follow the underlying standard stated under this principle.
- 2) **Does the Company has strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage, etc.** – With the objective to sustain clean and green environment in and around the factory and improve it with time, the Company has a strong and very effective Environment Management System that looks after all the environmental issues. Company's strategies / initiatives addressing global environmental issues have been given in various sections of the Annual Reports of the Company. Annual Reports of the Company are available at <https://www.electrosteel.com/investor/annual-reports.php>.
- 3) **Does the Company identify and assess potential environmental risks? Y / N** – Yes, the Company identifies and assesses potential environmental risks. Environmental risks are defined as those potential adverse situations which may come from any regulatory and environmental non-compliances arising out of the operation of the Company's plant activities. This may impact the Company's image and also generate financial liabilities. This can be combination of different situations together also.
- 4) **Does the Company has any project related to Clean Development Mechanism?** – The Company has developed a 12 MW Waste Heat Recovery based Power Plant at Haldia as a CDM Project. It is reducing around 78000 T of CO2 emission annually. It has been registered with UNFCCC (United Nations Framework Convention for Climate Change). Carbon Trading was done for emission reduction from this project with a UK based company.
- 5) **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?** – The Company has undertaken a number of major initiatives on clean technology and energy efficiency including usage of renewable energy -



- One major initiative is usage of Blast Furnace Gas (a process by-product) to replace hydrocarbon fuel, e.g., diesel oil in heat treatment furnaces, which is being implemented step by step over the last few years. Last major improvement in this regard was carried out in the Financial Year 2019-20. Next stage of improvement is under progress and is expected to be completed by June, 2021. This measure will drastically reduce fossil fuel consumption, reduce GHG emissions and reduce SOx emission.
 - Another recent major initiative on clean technology was setting up of 5 MW 2nd unit of Captive Power Plant at Haldia Works using Waste Heat Recovery Boiler, which uses the waste heat of coke oven battery no. 3. It is an addition to the existing 12 MW 1st unit of Captive Power Plant, which uses waste heat from two coke oven batteries and two Sponge Iron Kilns.
 - The Company has also taken initiatives on usage of renewable energy. Major initiatives already taken in this area are installation of a rooftop solar power generating facility on canteen building roof of the Company's unit at Khardah and solar street lights at Haldia and Bansberia Works. The capacity of the rooftop solar unit at Khardah Works was enhanced by further 6 kWp during Financial Year 2020-21.
- 6) **Are the emissions / waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?** – During the Financial Year 2020-21, emissions / waste generated were within the limits given by CPCB/SPCB.
- 7) **Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on the end of Financial Year** – No show cause / legal notice was pending as on the end of the Financial Year 2020-21.

Principle 7

- 1) **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with –**
- (a) Confederation of Indian Industry
 - (b) Engineering Export Promotion Council
 - (c) Indian Chamber of Commerce, Kolkata

- 2) **Have you advocated / lobbied through above associations for the advancement or improvement of public good?** The Company lobbied with EEPC to address the challenges faced by exporters because of the pandemic and the lockdown from 24 March, 2020, the Company took up with EEPC India, Kolkata, for the issuance of online Certificate of Origin among its several digital initiatives. As a result, EEPC India developed its online COO issuance platform and even went further with a new feature – 'CoO Wallet' to make the issuance procedure faster. Using the Wallet, one can add money in advance and use their wallet balance for obtaining multiple CoOs in future.

The Company initiated dialogue with Confederation of Indian Industry and Bengal Chamber of Commerce & Industry, Kolkata, for the swift development of a digitalized platform so that physical interaction with the Customs & Port officials are avoided by different stakeholders like Shippers / Receivers Custom Brokers during this pandemic era. The Company advocated to make the system faceless, contactless & paperless. The key objectives of the system includes:

- Anonymity in assessment for reduced physical interface between trade and customs
- Speedier customs clearances through efficient utilization of manpower
- Greater uniformity of assessment across locations
- Promoting sector specific and functional specialization in assessment.

As a result of the Company's initiative, Electronic - Out of Charge permission for import Bill of Entries as well as Electronic - Let Export Order for export Shipping Bill along with module for Electronic - Gate Passes were developed and made functional by Customs authorities.

Business Responsibility Report (Contd.)

Principle 8

- 1) **Does the Company has specified programmes / initiatives / projects in pursuit of the policy related to Principle 8?** – The Company supports the principles of inclusive growth and equitable development through not just its Corporate Social Responsibility initiatives but through its core business and various other events / initiatives.
- 2) **Are the programmes / projects undertaken through in-house team/own foundation/external NGO / government structures / any other organization?** – The Company undertakes programmes / projects directly through in-house team as well as through other external bodies / associations.
- 3) **Have you done any impact assessment of your initiative?** – Yes, the Company internally performs an impact assessment of its initiatives, from time to time and takes necessary actions, accordingly.
- 4) **Company's direct / indirect contribution to community development projects and the details of the projects undertaken** – The Company's contribution to the community development projects undertaken during the Financial Year through its CSR activities was Rs. 35,00,000/-. The details of the projects have been given out in the Annual Report on CSR Activities, annexed to the Board's Report, marked as Annexure 4 thereto, forming part of this Annual Report. Apart from this, the Company also contributes, directly or indirectly, towards development projects for the community benefit.
- 5) **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?** – Yes, the Company monitors its initiatives, from time to time, for their successful implementation.

Principle 9

- 1) **What percentage of customer complaints / consumer cases are pending as on the end of Financial Year?** – No customer complaint / consumer cases were pending as on the end of Financial Year 2020-21.
- 2) **Does the Company display product information on the product label, over and above what is mandated as per local laws?** Since it is not a packaged product, there is no product label. Marking on the product is done as recommended in the standard and it gives certain basic information. Detailed product information is given on the Company's website and in printed brochures.
- 3) **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year** – No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on the end of Financial Year 2020-21.
- 4) **Did your Company carry out any consumer survey / consumer satisfaction trends?** – Yes, the Company carried out consumer survey / consumer satisfaction trends by taking customer feedback.

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN: 00004821

Place: Kolkata
Date: 20 May, 2021



PARTICULARS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

[Information under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A) CONSERVATION OF ENERGY

- i) The steps taken or impact on conservation of energy:
 - VVVF drives have been installed in Khardah's Zinc Fume Extraction Fan, Bansberia's Coating Line and Paint Plant to reduce energy consumption of these equipment by approx. 30%.
 - Installation of energy efficient LED lights replacing conventional lamps in Ductile Iron Works and Fittings Finishing Plant at Khardah and Power Plant at Haldia have resulted in reduction of energy consumption by approx. 40% for these lighting systems.
 - All the new equipment (continuous duty) installed during the year in Khardah, Bansberia and Haldia Works have been equipped with energy efficient (IE3 class) motors.
 - Job has been taken up for reducing light diesel oil consumption in Khardah's Annealing Furnaces by approx. 4kl/day by injecting additional blast furnace gas.
 - Job is in progress for modification of Heating Ovens at Bansberia's Coating Plant to reduce fuel oil consumption.
- ii) The steps taken by the Company for utilising alternate sources of energy:
 - During the Financial Year 2020-21, 16,267 kWh solar energy was utilized at Khardah, Bansberia and Haldia Works, taken together.
 - The capacity of the rooftop solar plant at Khardah Works has been enhanced from 15 kWp to 21 kWp. Power generation has increased by average 20 kWh/day
- iii) The capital investment on energy conservation equipments:

The Company has made a total capital investment amounting to Rs. 88 lakh during the Financial Year 2020-21 on energy conservation equipment.

B) TECHNOLOGY ABSORPTION

- i) The efforts made towards technology absorption:

The Company continues to develop high-end paints for Ductile Iron Pipes and Fittings in their manufacturing facility and the quality is approved by different European laboratories.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

New joints are developed which speed up the laying process and save natural resources of mother earth. A number of imported paints are substituted by the paint developed by the Company in-house.
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
 - a) The details of technology imported – Nil
 - b) The year of import – Not Applicable

Conservation of Energy (Contd.)

- c) Whether the technology is fully absorbed – Not Applicable
 - d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof – Not Applicable
- iv) The expenditure incurred on Research and Development:
The expenditure incurred by the Company towards Research and Development during the Financial Year 2020-21 amounted to Rs. 1.30 Crore.

C) FOREIGN EXCHANGE EARNINGS & OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow is given below:

Foreign Exchange Earned:	Rs. 797.65 Crore
Foreign Exchange Outgo:	Rs. 490.68 Crore

For and on behalf of the Board of Directors

Place: Kolkata
Date: 20 May, 2021

Pradip Kumar Khaitan
Chairman
DIN: 00004821

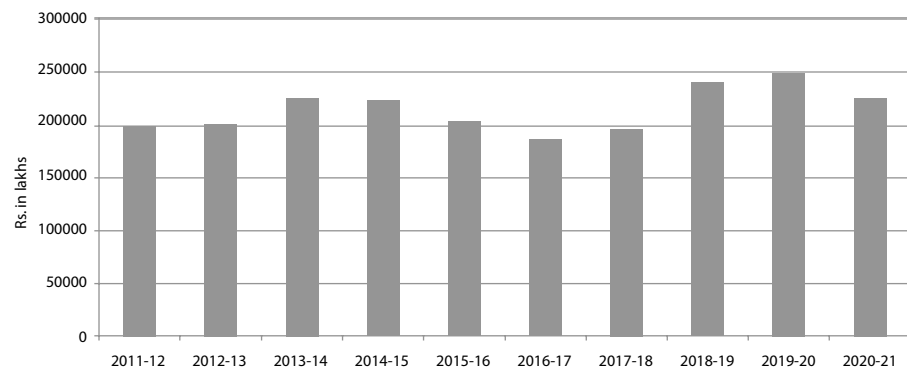


Ten Years Financial Summary

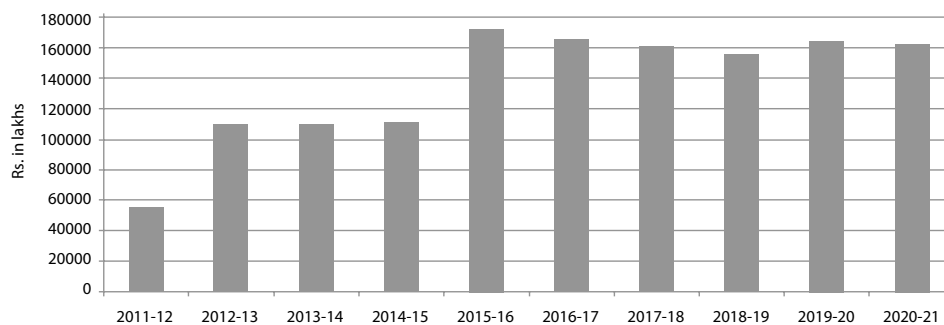
Rs. in Lakhs

Year	Revenue from Operation	Earnings before Depreciation, Finance cost and Tax Expense (EBDIT)	Interest	Depreciation	Tax	Profit after Tax	Gross Block	Net Block	Capital Employed
2011-12	195671.85	17749.38	10064.79	5426.03	-1979.72	4238.28	99166.78	55547.65	351714.07
2012-13	198231.53	28530.93	11124.18	5308.68	2375.36	9722.71	158917.71	109450.41	465227.91
2013-14	223509.05	32475.39	13581.96	5296.71	3540.88	10055.84	164668.04	109462.80	487165.21
2014-15	220328.82	30908.27	14531.62	6743.00	2366.49	7267.16	174316.05	110880.11	499985.06
2015-16	201615.28	30595.05	16907.79	6488.50	1611.74	5587.02	177804.26	171425.17	517183.25
2016-17	183207.85	37323.04	20105.16	6368.85	3120.73	7728.30	176281.82	163991.26	508003.98
2017-18	194366.44	30512.54	20231.83	5921.85	-339.78	4698.64	177964.68	160261.49	470686.16
2018-19	239060.75	-37911.95	22540.22	5481.79	-2348.16	-63585.80	178392.85	155917.87	424563.46
2019-20	247988.93	39617.60	21989.75	5274.32	2494.75	9858.78	190609.79	163284.82	432325.18
2020-21	223611.59	28545.22	18383.15	5267.21	570.75	4324.11	193164.15	161316.90	423567.42

Turnover



Net Block



Independent Auditors' Report

To The Members of Electrosteel Castings Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Electrosteel Castings Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as the "standalone financial statement")

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 , as amended (Ind As) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

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

- a) Note no. 47 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter and the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
- b) Note No. 8A.2 in respect to Company's investment amounting to Rs. 3612.61 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been

set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the Company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the previous year, has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

- c) Note No 49 in respect to carry forward of claim recoverable amounting to Rs. 1778.11 Lakhs towards the compensation claimed from the Railway Authorities as mentioned in the note. The recovery of the same is dependent on the outcome of the arbitration process and is not presently ascertainable.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, we have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.



Independent Auditors' Report *(Contd.)*

Key audit matters	How our audit addressed the key audit matter
Provision for Taxation, litigations and disclosures of contingent liabilities	
<p>The Company is exposed to different laws, regulations and interpretations thereof. The company is also subject to number of significant claims and litigations. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature.</p> <p>As on March 31, 2021, the Company has carried forward non-current income tax liabilities of Rs. 5250.71 Lakhs [Refer Note 27 to the financial statements]. Further, the Company has disclosed significant pending legal cases with respect to Kodilabad mines [Refer Note 48 to the financial statements] and other material contingent liabilities [Refer Note 53 to the financial statements].</p> <p>We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.</p>	<p>Our audit procedures included among others:</p> <ol style="list-style-type: none"> I. Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; II. Analyzed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change; III. Discussed the status of significant known actual and potential litigations with the management & noted that information placed before the board for such cases and IV. Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.
Recoverability of Government Grant	
<p>The company has been entitled for various sales tax incentives under Industrial promotion scheme issued by the State Government. The company had complied with the conditions of such scheme and incentives were accounted for in the books in earlier years. A sum of Rs. 4680.58 Lakhs (grouped under other financial assets in note no. 18) is outstanding against said incentive as on 31st March 2021.</p> <p>We determined this to be a matter of significance to our audit due to the quantum of the government grant outstanding, compliance requirement of the scheme and also because of recovery pattern of the same.</p>	<ol style="list-style-type: none"> I. Evaluating eligibility requirements of schemes and compliances by the company. II. Understanding and testing the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the grant. III. Considering the relevant notifications to ascertain the basis for determination, completion of performance obligation and assessing the appropriateness of the management estimates for accounting of government grant and timing of recognition & past receipt of the grants.

Key audit matters	How our audit addressed the key audit matter
Inventory measurement	
<p>The company deals with various types of bulk material & Finished goods such as ductile & Iron pipes, pipe fittings, coal, coke & Iron Ore etc. The total inventory of such materials amounts to Rs.59693.08 Lakhs as on March 31, 2021. (refer note no. 12).</p> <p>The measurement of these inventories involved certain estimations/assumption and also involved volumetric measurements. Measurement of some of these inventories also involved consideration of handling loss, moisture loss/gain, spillage etc. and thus required assistance of technical expertise.</p> <p>We determined this to be a matter of significance to our audit due to quantum of the amount & estimation involved.</p>	<ol style="list-style-type: none"> I. Obtained the understanding of the management with regards to internal financial controls relating of Inventory management. II. The company has deployed an independent agency for verification of bulk Materials in which our team were also present to oversee the process of entire materials being verified. We have also reviewed the internal verification process followed by the management for certain inventory items. III. We have also reviewed the report submitted by external agency and obtained reasons/explanation for such differences and also confirmed the adjustment made by the company in accordance with the policy confirmed by the Board of Directors.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the standalone financial statements

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

Independent Auditors' Report *(Contd.)*

income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh



Independent Auditors' Report *(Contd.)*

the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
 - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) The matters described in the Basis for Qualified opinion paragraph above, in the event of being decided unfavorably, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - h) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our

report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements;

- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the matters dealt with in the Basis of Qualified Opinion paragraph impact whereof are presently not ascertainable, impacts of pending litigations (Other than those already recognized in the accounts) on the financial position of the Company have been disclosed in the standalone financial statement as required in terms of the Ind AS and provisions of the Companies Act, 2013 - Refer Note No. 53 to the standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note no. 45 to the standalone financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(Gopal Jain)
Partner

Place : Kolkata
Date : May 20, 2021

Membership No. : 059147
UDIN: 21059147AAAABC8360

ANNEXURE “A” TO THE AUDITORS’ REPORT OF EVEN DATE

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

- I. a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets except in case of furniture and fixture.
- b. During the year, fixed assets have been physically verified by the management according to a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets except in respect of fixed assets located at Parbatpur Coal Block for reasons stated in Note No. 47(a). As informed, no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except as detailed below: (Refer Note no. 5.3 & 5.4 of the standalone financial statements)

(Amount Rs. In Lakhs)

Nature of Immovable Properties	No. of cases	Gross Block	Net Block
Freehold Land	1	335.81	335.81
Freehold Land	1	1889.04	1889.04

- II. a. As informed, the inventories of the Company except for materials in transit, finished goods lying with third parties and inventories lying at Parbatpur Coal Block for reasons stated in Note no. 47(a), have been physically verified by the management at the reasonable intervals. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books as per the policy followed by the company.
- b. As the Company’s inventory of raw materials comprises mostly of bulk materials such as Coal, Coke, Iron ore, Manganese ore etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. Considering the above, in our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- III. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- IV. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.
- V. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- VI. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company’s products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- VII. a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Sales-tax, Goods and Services tax, Duty of customs, Duty of excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.
- According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees’ State Insurance, Income-tax, Sales Tax, Goods and Service tax, Duty of customs, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b. According to the records maintained by the company, the details of disputed dues of sales tax, income tax, customs duty, goods & service tax, excise duty, service tax, and Cess, if any, as at 31st March, 2021, are as follows:

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

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the Amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax/ VAT	63.97	2010-12	Commercial Taxes Tribunal, Ranchi
		5832.79	2007-09, 2010-11, 2015-16, 2017-18	West Bengal Appellate & Revisional Board
		319.37	2013-15	Additional Commissioner, Commercial Taxes, West Bengal
		58.06	2004-05, 2014-16	Joint Commissioner (Appeal) Sales Tax, Dhanbad Circle, Dhanbad
		13.24	2009-10	Hon'ble Jharkhand High Court
		787.37	2012-14	Deputy Commissioner, Sales Tax, Bokaro Circle, Bokaro
Central Excise Act	Excise Duty	11.86	2005-06	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
		10.77	2008-2009	Additional Director General, Director of Revenue Intelligence, New Delhi
		1910.34	2002-2003 to 2004-2005, 2005-2007	Commissioner of Goods & Service Tax & Central Excise
Central Excise Act	Service Tax	20.29	2004-05 to 2007-08	Hon'ble Madras High Court
		470.84	2007-2008 to 2011-2016	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
		149.70	2006-2012	Commissioner of Central Excise, Chennai II Commissionerate
		377.76	2002-2003 to 2006-2007	CGST & Cx Khardha Division Kolkata North Commissionerate
		1246.85	2016-17	Director General of G.S.T. Intelligence, Zonal Unit, Patna.
The Income Tax Act, 1961	Income Tax	1062.34	2015-16 & 2016-17	CIT (Appeals)

VIII. In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution and banks during the year. The company has not borrowed any funds from the government or through debentures during the year.

IX. IX. In our opinion and according to the information and explanations given to us, the company did not raise any money

by way of initial public offer or further public offer (including debt instruments), however term loans raised during the year have been utilized for the purposes for which they were raised.

X. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.

XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

XV. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

(Gopal Jain)
Partner

Place : Kolkata
Date : May 20, 2021

Membership No. : 059147
UDIN: 21059147AAAABC8360

ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to the standalone financial statements of Electrosteel Castings Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to the standalone financial statements.

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

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Gopal Jain)
Partner

Place : Kolkata
Date : May 20, 2021

Membership No. : 059147
UDIN: 21059147AAAABC8360



Standalone Balance Sheet as at March 31, 2021

(Amount Rs. in lakhs)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	15,88,69.16	16,07,89.28
(b) Capital work-in-progress	50	11,55,88.99	11,65,41.67
(c) Other Intangible assets	6	1,40.96	1,36.76
(d) Right-of-use assets	7	23,06.78	2,358.78
(e) Investments in subsidiaries, associates and joint ventures	8	5,18,97.69	5,18,97.69
(f) Financial Assets			
(i) Investments	8A	45,72.13	21,20.41
(ii) Loans	9	14,67.24	13,16.50
(iii) Other financial assets	10	52,26.47	55,50.00
(g) Other non-current assets	11	5,04.22	5,54.09
		34,05,73.64	34,12,65.18
Current assets			
(a) Inventories	12	6,69,86.06	6,13,55.11
(b) Financial Assets			
(i) Investments	13	-	0.52
(ii) Trade receivables	14	5,38,53.57	6,37,78.18
(iii) Cash and cash equivalents	15	37,46.23	22,23.55
(iv) Bank balances other than (iii) above	16	50,49.29	40,42.40
(v) Loans	17	11,88.40	13,17.27
(vi) Other financial assets	18	1,81,88.94	1,88,84.01
(c) Other current assets	19	60,39.59	56,26.04
		15,50,52.08	15,72,27.08
Total Assets		49,56,25.72	49,84,92.26
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	43,29.55	43,29.55
(b) Other Equity	21	25,61,35.84	25,05,25.16
		26,04,65.39	25,48,54.71
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	6,68,66.94	7,01,30.07
(ii) Lease liabilities	23	3,53.44	4,67.87
(b) Provisions	24	28,99.70	28,10.77
(c) Deferred tax liabilities (Net)	25	2,31,42.17	2,42,56.77
(d) Other non-current liabilities	26	43,77.05	53,43.12
(e) Non-current tax liabilities (Net)	27	52,50.71	51,57.78
		10,28,90.01	10,81,66.38
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	28	6,07,74.70	6,03,91.31
(ii) Lease liabilities	23	2,30.65	1,22.29
(iii) Trade payables	29		
(a) Total Outstanding dues of Micro enterprises and small enterprises: and		1,27.10	1,61.85
(b) Total Outstanding of creditor other than Micro enterprises and small enterprises		3,36,70.44	3,30,65.17
(iv) Other financial liabilities	30	1,51,78.29	2,60,12.21
(b) Other current liabilities	31	2,08,83.75	1,45,09.94
(c) Provisions	32	11,71.70	12,08.40
(d) Current Tax Liabilities (Net)	33	2,33.69	-
		13,22,70.32	13,54,71.17
Total Equity and Liabilities		49,56,25.72	49,84,92.26

Significant accounting policies and other accompanying notes (1 to 60) form an integral part of the standalone financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 20, 2021

Indranil Mitra
Company Secretary

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Ashutosh Agarwal
Executive Director
(Group Finance) & CFO

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

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

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(Amount Rs. in lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue From Operations	34	22,36,11.59	24,79,88.93
Other Income	35	48,56.18	37,61.22
Total income		22,84,67.77	25,17,50.15
EXPENSES			
Cost of materials consumed	36	10,37,01.42	11,18,41.99
Purchases of stock-in-trade	37	31,99.60	31,66.87
Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	32,32.14	(5,57.40)
Employee benefits expense	39	1,70,55.77	1,71,93.30
Finance costs	40	1,83,83.15	2,19,89.75
Depreciation and amortisation expense	41	52,67.21	52,74.32
Other expenses	42	7,27,33.62	8,04,87.79
Total expenses		22,35,72.91	23,93,96.62
Profit before tax		48,94.86	1,23,53.53
Tax expense :	43		
Current tax		17,96.30	13,51.26
Deferred tax		(11,54.54)	11,59.68
Related to earlier year		(71.01)	(16.19)
Profit for the year		43,24.11	98,58.78
Other Comprehensive Income	44		
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		1,21.23	3.39
b) Equity instruments through other comprehensive income		25,04.14	(14.46)
(ii) Income tax relating to items that will not be reclassified to profit or loss	43.2	(39.94)	2.46
B Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year (net of tax)		25,85.43	(8.61)
Total Comprehensive Income for the year		69,09.54	98,50.17
Earnings per equity share of par value of Re. 1 each.	51		
(1) Basic (Rs.)		1.00	2.36
(2) Diluted (Rs.)		1.00	2.36

Significant accounting policies and other accompanying notes (1 to 60) form an integral part of the standalone financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 20, 2021

Indranil Mitra
Company Secretary

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Ashutosh Agarwal
Executive Director
(Group Finance) and CFO

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

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

**Standalone Statement of changes in Equity** for the year ended March 31, 2021

A. Equity Share Capital	Amount (Rs. in lakhs)
Balance as at April 1, 2019	40,54.82
Changes during the year	2,74.73
Balance as at March 31, 2020	43,29.55
Changes during the year	-
Balance as at March 31, 2021	43,29.55

Note: During the year, the company had issued Nil (previous year 27472526) numbers of equity shares at a premium of Nil (previous year Rs. 17.20 each) (full figure) on preferential basis.

B. Other Equity**As at March 31, 2021**

(Amount Rs. in lakhs)

Particulars	Reserve & Surplus					Retained Earnings	Items of Other Comprehensive Income Equity Instrument through Other Comprehensive Income	Total
	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium	General Reserve				
Balance as at April 01, 2020	41,48.28	(14,86.46)	8,38,30.26	10,10,07.51		6,36,48.77	(6,23.20)	25,05,25.16
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	43,24.11	24,94.70	68,18.81
Re-measurement of defined benefit plans (net of tax)	-	-	-	-	-	90.72	-	90.72
Dividend on Equity shares	-	-	-	-	-	(12,98.86)	-	(12,98.86)
Transferred to Retained Earnings on disposal of Equity shares through OCI	-	-	-	-	-	52.37	(52.37)	-
Balance as at March 31, 2021	41,48.28	(14,86.46)	8,38,30.26	10,10,07.51	6,68,17.11	18,19.13	25,61,35.83	

Standalone Statement of changes in Equity for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Particulars	Reserve & Surplus					Retained Earnings	Items of Other Comprehensive Income		Total
	Capital Reserve	Capital Reserve on Amalgamation	Securities Premium	General Reserve	Equity Instrument through Other Comprehensive Income		Comprehensive Income		
Balance as at April 1, 2019	41,48.28	(14,86.46)	7,91,04.99	10,10,07.51	5,17,07.50	(6,12.05)		23,38,69.77	
Other Comprehensive Income for the year (net of tax)	-	-	-	-	98,58.78	(11.15)		98,47.63	
Re-measurement of defined benefit plans (net of tax)	-	-	-	-	2.54	-		2.54	
Remeasurement impact of opening Deferred Tax Liability on adoption of New Tax Regime	-	-	-	-	20,79.95	-		20,79.95	
Transfer from Debenture Redemption Reserve to Retained Earnings	-	-	-	-	-	-		-	
On issuance of 27472526 equity shares during the year	-	-	47,25.27	-	-	-		47,25.27	
Balance as at March 31, 2020	41,48.28	(14,86.46)	8,38,30.26	10,10,07.51	6,36,48.77	(6,23.20)		25,05,25.16	

Refer Note no. 21 for nature and purpose of reserves.

Significant accounting policies and other accompanying notes (1 to 60) form an integral part of the standalone financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner

(Membership No. 059147)

Kolkata

May 20, 2021

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Ashutosh Agarwal
Executive Director
(Group Finance) & CFO

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

Indranil Mitra
Company Secretary

**Standalone Statement of Cash Flow** for the year ended March 31, 2021

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	48,94.86	1,23,53.53
Add : Depreciation and amortisation expenses	52,67.21	52,74.32
Sundry balances /Assets / Advances written off	38.07	28,20.71
Bad Debts	67.27	47.93
Credit loss allowances on trade receivables/advances/Others	95.20	41.23
Impairment in valuation of investments	-	45.05
Net (gain) /loss on Fair valuation of Current Investments	-	0.15
Profit/(Loss) on sale / discard of Fixed Assets (Net)	2,50.12	2,14.85
Finance cost	1,83,83.15	2,19,89.75
	2,89,95.88	3,04,34.00
Less : Interest income	12,59.44	11,49.29
Bad Debts realised	-	89.58
Dividend income from investments	13,52.14	11,58.79
Net gain/(loss) on derecognition of financial assets at amortised cost	0.12	29.71
Fair Valuation of derivative instruments through Profit & Loss	5,60.56	(6,65.97)
Unrealised foreign exchange fluctuation and translation	(7,93.18)	13,15.23
Profit / (Loss) on sale of Current Investment	0.27	(14.94)
Profit on sale of Non Current Investment	16.63	-
Provisions / Liabilities no longer required written back	6,63.16	63.46
Operating Profit before Working Capital changes	2,59,36.74	3,96,62.37
Movements in working capital		
Less : Increase/(Decrease) in Inventories	56,30.95	50,12.63
Increase/(Decrease) in Trade Receivables	(79,13.96)	10,93.23
Increase/(Decrease) in Loans & Advances, other financial and non-financial assets	(7,07.61)	1,62.42
(Increase)/Decrease in Trade Payables, other financial and non financial liabilities and provisions	(74,66.98)	91,39.49
Cash generated from Operations	3,63,94.34	2,42,54.60
Less : Direct Taxes paid (Net)	14,36.19	4,70.82
Net cash flow from Operating Activities (A)	3,49,58.15	2,37,83.78
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	(27,83.95)	(54,67.46)
Realisation of Property, Plant and Equipment, Intangible Assets	60.14	22.46
Sale of Investment in Associate, Subsidiary and Joint Venture	-	1.50
Sale of Current Investment	0.79	60.20
Sale of Non Current Investment	69.05	-
Interest received	12,34.72	11,83.48
Dividend received	13,52.14	11,58.79
Movement in bank balances other than cash and cash equivalents	(6,83.36)	14,12.21
Net Cash flow from Investing Activities (B)	(7,50.47)	(16,28.82)

Standalone Statement of Cash Flow for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from preferential issue of Equity Shares	-	50,00.00
Proceeds/(Repayment) from short term borrowings (net)	12,12.92	(41,81.26)
Repayment of Long term borrowings	(3,75,95.20)	(1,16,44.33)
Proceeds from Long term borrowings	2,36,00.00	60,00.00
Interest and other borrowing cost paid	(1,85,41.79)	(2,06,81.64)
Interest paid on Lease Liability	(61.28)	(73.22)
Dividend paid	(12,98.86)	-
Net cash flow from Financing Activities (C)	(3,26,84.21)	(2,55,80.45)
D. Net increase / (decrease) in Cash and Cash equivalents (A+B+C)	15,23.47	(34,25.49)
E. Cash and Cash equivalents at the beginning of the year	22,23.55	56,47.38
F. Add/(Less): Unrealised exchange gain/(loss) on bank balances	(0.79)	1.66
G. Cash and Cash equivalents at the end of the year	37,46.23	22,23.55

Note :

- (a) The above Statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as notified under Companies Act, 2013.
- (b) Ind AS 7 Cash flow statements requires the entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet of liabilities arising from financing activities, to meet the disclosure requirements.

Particulars	As at 31.03.2020	Cash Flows	Non Cash Changes		As at 31.03.2021
			Foreign Exchange Movement, Amortised Cost & Other Adjustments	Current/Non-current classification	
Borrowings-Non Current	7,01,30.07	88,00.00	2,55.09	(1,23,18.22)	6,68,66.94
Other Financial Liabilities	2,26,92.32	(2,27,95.20)	1,02.88	1,23,18.22	1,23,18.22
Borrowings-Current	6,03,91.31	12,12.92	(8,29.53)	-	6,07,74.70

Significant accounting policies and other accompanying notes (1 to 60) form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 20, 2021

Indranil Mitra
Company Secretary

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Ashutosh Agarwal
Executive Director
(Group Finance) & CFO

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

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



Notes to Standalone Financial Statements for the year ended March 31, 2021

1 Corporate Information

Electrosteel Castings Limited ('the Company') is a public limited company in India having its corporate office in Kolkata in the State of West Bengal and registered office at Rajgangpur, District: Sundergarh in the State of Odisha and is engaged in the manufacture and supply of Ductile Iron (DI) Pipes, Ductile Iron Fittings (DIF) and Cast Iron (CI) Pipes as its core business and produces and supplies Pig Iron, in the process. It also produces Metallurgic Coke, Sinter and Power for captive consumption. The company caters to the needs of Water Infrastructure Development. The Company's shares are listed on National Stock Exchange of India Limited and BSE Limited. The Board of Directors have approved the financial statements for the year ended March 31, 2021 and authorised for issue on May 20, 2021.

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

The spread of COVID-19 pandemic has severely impacted businesses around the globe, including India. The Company's operations and financial results for the first quarter were adversely impacted due to stoppage of operations for more than two months' full lock down due to outbreak of COVID-19 pandemic. Thereafter it took nearly another two months for attaining back full production level. The management has considered various internal and external sources of information up to the date of approval of the standalone financial statements by the Board of Directors in determining the impact of pandemic on the various elements of standalone financial statements. The management has also evaluated its liquidity position for the next year and used the principles of prudence in applying judgments, estimates & assumptions and based on the current estimates, it expects to fully recover the carrying amount of various non current & current assets. However considering the uncertainties involved, the eventual outcome of impact of the pandemic may be different from those estimated as on the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes in future economic conditions.

2A Recent Accounting Developments

2A.1 The Ministry of Corporate Affairs ("MCA") notifies new Accounting Standards or amendments to the existing Accounting Standards. There is no such notification by the MCA as on the Balance sheet date which would have been applicable to the company w.e.f April 01, 2021.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable to the company from April 1, 2021. The amendments are extensive and the company is in the process of evaluating the same and effect to them, as required by law, will be given from April 01, 2021.

3. Statement of compliance and Significant Accounting Policies

3.1 Statement of Compliance

These financial statements, excepting as stated in note no. 47, have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Basis of Preparation

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

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

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

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes (net of recoverable taxes), inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. For major projects, interest and other costs incurred on / related to borrowings to finance such projects or fixed assets during construction period and related pre-operative expenses are capitalized. Expenditure on Blast Furnace/Coke Oven Battery Relining is capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss when incurred.

Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, construction and erection materials, advances etc. Such items are classified to the appropriate categories of PPE when completed and ready for intended use.

The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

Depreciation and Amortization

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method in respect of Plant and Equipments and Office Equipments at all location of the Company except Elavur Plant of the Company and on written down value method on all other assets including Plant and Equipments and Office Equipments at Elavur Plant. Certain Plant and Equipment's have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the mother plant / fixed assets.

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

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components.

Railway siding constructed on Government land is amortised over the period of 10 years in terms of agreement.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the useful lives as estimated for other assets considered for depreciation are as follows:

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 *(Contd.)*

Category	Useful life
Buildings	
Non-Factory Building (RCC Frame Structure)	60 Years
Factory Building	30 Years
Roads	
Carpeted Roads-RCC	10 Years
Carpeted Roads-other than RCC	5 Years
Non-Carpeted Roads	3 Years
Plant and machinery	
Other than Continuous Process Plant	15 Years
Sinter Plant, Blast Furnace, Coke Oven	20 Years
Coke Oven Battery Relining	5 Years
Blast Furnace Relining	2 Years
Pipe Moulds (specified size)	3 to 15 Years
Power Plant	40 Years
Computer equipment	
Servers and networks	6 Years
Others	3 Years
Furniture and fixtures, Electrical Installation and Laboratory Equipment's	10 Years
Office equipment	5 Years
Vehicles	
Motor cycles, scooters and other mopeds	10 Years
Others	8 Years

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

3.3 Intangible Assets

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

Accordingly, right to use wagons acquired under "Wagon Investment Scheme", cost of computer software packages (ERP and others) and mining rights are allocated / amortized over a period of 10 years, 5 years and available period of mining lease respectively.

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

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

3.4 Derecognition of Tangible and Intangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.5 Leases**(i) Company as a lessee**

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. the contract involves the use of an identified asset.
2. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
3. the Company has the right to direct the use of the asset.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(ii) Company as a lessor

1. Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

2. Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Financial Assets and Financial Liabilities

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

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



Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

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

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

(i) Cash and cash equivalents

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

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

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

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

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

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

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

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

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

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

(vi) Equity Instruments measured at FVTOCI and FVTPL

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

(vii) Investment in Subsidiaries, Associates and Joint Ventures

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

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(viii) Derivative and Hedge Accounting

The company enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset, at fair value through profit or loss. Transaction costs attributable are also recognized in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

(ix) Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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

(x) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

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

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

(xi) Financial Guarantee Contracts

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



Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost, and includes appropriate portion of overheads.

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

Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete under the Turnkey Contracts undertaken by the Company.

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

3.9 Foreign Currency Transactions

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

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

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

The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

3.10 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

3.12 Employee Benefits

Short Term Benefits

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

Other Long Term Employee Benefits

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

Post Employment Benefits

The Company operates the following post employment schemes:

— Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

— Defined Contribution Plan

Defined contribution plans such as provident fund etc. are charged to the statement of profit and loss as and when incurred. Contribution to Superannuation fund, a defined contribution plan is made in accordance with the company's policy and is recognised in the Statement of profit and loss.

3.13 Revenue

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

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognized for expected returns in relation to sales made corresponding assets are recognized for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.



Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

3.14 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.15 Non-current assets (or disposal groups) held for sale and discontinued operations

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

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

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

3.16 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit/(loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

3.19 Segment Reporting

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

The Company has identified one reportable segment "Pipes and all other activities revolve around the main business" based on the information reviewed by the CODM.

3.20 Business Combination

Common control business combination where the Company is transferee, is accounted using the pooling of interest method. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised other than those adjustments that are made to harmonise accounting policies. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statement of the transferor company. The excess between the amounts of consideration paid over the share capital of the transferor company is recognised and disclosed as capital reserve on business combination.

The financial information in the financial statements in respect of prior periods is restated from the beginning of the preceding period in the financial statements if the business combination date is prior to that date. However, if business combination date is after that date, the financial information in the financial statements is restated from the date of business combination.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Depreciation / amortization and impairment on property, plant and equipment / intangible assets.

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

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher an asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.2 Impairment on Investments in Subsidiaries, Associates and Joint Ventures

Investments in Subsidiaries, Associates and Joint Ventures are being carried at cost or deemed cost. The company has tested for impairment at year end based on the market value where the shares are quoted, P/E ratio of similar sector company along with premium/discount for



Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

nature of holding and Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

4.3 Right-of-use assets and lease liability

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

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

4.4 Claims and Compensation

Claims including insurance claims / arbitration claim are accounted for on determination of certainty of realisation thereof. Compensation receivable against acquisition of coal mine (refer note no. 47) pending final acceptance or settlement thereof even though has not been given effect to, as amount expected to be realised in this respect has been considered to be covering the carrying amount of the relevant assets and other recoverables.

4.5 Impairment allowances for on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience.

4.6 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

5. Property, Plant and Equipment :

(Amount Rs. in lakhs)

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Live Stock	Total
Gross Block									
As at April 1, 2020	11,99,63.35	1,33,82.75	4,83,04.80	2,38.78	10,48.16	4,36.31	33,63.20	1.11	18,67,38.46
Additions	-	9,29.40	23,79.69	52.72	56.35	40.75	-	-	34,58.91
Disposal	-	-	(9,16.52)	(0.78)	(98.11)	(6.92)	-	-	(10,22.33)
As at March 31, 2021	11,99,63.35	1,43,12.15	4,97,67.97	2,90.72	10,06.40	4,70.14	33,63.20	1.11	18,91,75.04
Accumulated Depreciation									
As at April 1, 2020	-	54,71.97	1,69,91.90	1,44.73	7,01.97	2,10.33	24,28.28	-	2,59,49.18
Charge for the period	-	8,17.51	35,97.35	18.89	1,06.22	51.2	4,79.69	-	50,70.86
Disposal	-	-	(6,25.73)	(0.53)	(82.64)	(5.26)	-	-	(7,14.16)
As at March 31, 2021	-	62,89.48	1,99,63.52	1,63.09	7,25.55	2,56.27	29,07.97	-	3,03,05.88
Net carrying amount									
As at March 31, 2021	11,99,63.35	80,22.67	2,98,04.45	1,27.63	2,80.85	2,13.87	4,55.23	1.11	15,88,69.16

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Railway Siding	Live stock	Total
Gross Block									
As at April 1, 2019	11,99,63.35	1,18,78.19	4,04,16.80	2,28.26	10,32.62	3,90.73	33,63.20	1.11	17,72,74.26
Additions	-	15,05.63	85,56.87	10.70	64.57	49.11	-	-	1,01,86.88
Disposal	-	(1.07)	(6,68.87)	(0.18)	(49.03)	(3.53)	-	-	(7,22.68)
As at March 31, 2020	11,99,63.35	1,33,82.75	4,83,04.80	2,38.78	10,48.16	4,36.31	33,63.20	1.11	18,67,38.46
Accumulated Depreciation									
As at April 1, 2019	-	46,32.67	1,38,56.97	1,21.28	5,94.83	1,64.75	19,47.18	-	2,13,17.68
Charge for the period	-	8,39.30	35,50.81	23.61	1,44.19	46.59	4,81.10	-	50,85.60
Disposal	-	-	(4,15.88)	(0.16)	(37.05)	(1.01)	-	-	(4,54.10)
Other Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	54,71.97	1,69,91.90	1,44.73	7,01.97	2,10.33	24,28.28	-	2,59,49.18
Net carrying amount									
As at March 31, 2020	11,99,63.35	79,10.78	3,13,12.90	94.05	3,46.19	2,25.98	9,34.92	1.11	16,07,89.28

Notes :

- 5.1 Plant and Equipments of Rs. 4,08.73 lakhs (previous year Rs.4,09.23 lakhs) being contribution for laying the power line, the ownership of which does not vest with the Company.
- 5.2 Railway Siding represents the cost of construction of the assets for company's use over the specified period as per the terms of the agreement.
- 5.3 Freehold land includes Rs. 3,35.81 lakhs (previous year Rs.3,35.81 lakhs) in respect of which the execution of conveyance deeds is pending. Freehold land also includes Rs. 2,75.27 lakhs (previous year Rs. 2,75.27 lakhs) towards contribution in relation of Joint Venture Company "North Dhadhu Mining Company Private Limited".
- 5.4 Freehold land also includes Rs. 18,89.04 lakhs (previous year Rs.18,89.04 lakhs), acquired through merger with Mahadev Vyapar Private Limited, the transfer of the same in the name of the company is in the process.
- 5.5 Freehold land includes, land amounting to Rs.2,94,93.58 lakhs (previous year Rs.2,94,93.58 lakhs) situated at Elavur plant of the Company and are mortgaged in the favour of lender to Electrosteel Steel Limited, an erstwhile associate of the Company. (Also refer note no.8A.2)
- 5.6 Refer note no 22 to financial statements in respect of charge created against borrowings.
- 5.7 Refer note 47 dealing with coal mine assets and note no 48 in respect of Iron-ore and manganese ore mine.

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)**6. Other Intangible Assets**

(Amount Rs. in lakhs)

Particulars	Computer Softwares	Mining Rights	Right to Use under wagon investment scheme	Total
Gross Block				
As at April 1, 2020	3,56.60	8.13	8,65.14	12,29.87
Additions	31.82			31.82
Disposal	(32.87)			(32.87)
As at March 31, 2021	3,55.55	8.13	8,65.14	12,28.82
Accumulated Depreciation				
As at April 1, 2020	2,20.31	7.66	8,65.14	10,93.11
Charge for the year	25.06	0.47		25.53
Disposal	(30.78)			(30.78)
As at March 31, 2021	2,14.59	8.13	8,65.14	10,87.86
Net carrying amount				
As at March 31, 2021	1,40.96	-	-	1,40.96

Particulars	Computer Softwares	Mining Rights	Right to Use under wagon investment scheme	Total
Gross Block				
As at April 1, 2019	2,94.59	8.13	8,65.14	11,67.86
Additions	62.01	-	-	62.01
Disposal	-	-	-	-
Other Adjustments	-	-	-	-
As at March 31, 2020	3,56.60	8.13	8,65.14	12,29.87
Accumulated Depreciation				
As at April 1, 2019	2,00.03	6.12	8,65.14	10,71.29
Charge for the year	20.28	1.54	-	21.82
Disposal	-	-	-	-
Other Adjustments	-	-	-	-
As at March 31, 2020	2,20.31	7.66	8,65.14	10,93.11
Net carrying amount				
As at March 31, 2020	1,36.29	0.47	-	1,36.76

Notes :

- 6.1 Right to use Wagon represents cost incurred in connection with wagon procured under "Wagon investment Scheme" and handed over to railway authorities for their normal operations against priority over availability of the wagons for transportation as and when required.
- 6.2 Refer note no 22 to financial statements in respect of charge created against borrowings.
- 6.3 Refer note 47 dealing with coal mine assets.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

7. Right of Use

(Amount Rs. in lakhs)

Particulars	Land	Building	Total
Gross Carrying Amount			
As at April 1, 2020	19,50.40	6,91.06	2641.46
Additions		1,18.83	1,18.83
Disposal			
As at March 31, 2021	19,50.40	8,09.89	27,60.29
Accumulated Depreciation			
As at April 1, 2020	1,44.47	1,38.21	2,82.68
Charge for the period	29.32	1,41.51	1,70.83
Disposal	-	-	-
As at March 31, 2021	1,73.79	2,79.72	4,53.51
Net carrying amount			
As at March 31, 2021	17,76.61	5,30.17	23,06.78

(Amount Rs. in lakhs)

Particulars	Land	Building	Total
Gross Carrying Amount			
As at April 1, 2019			
Transfer from PPE on of adoption of Ind AS 116	19,24.39	-	19,24.39
Additions	26.01	6,91.06	7,17.07
Disposal	-	-	-
As at March 31, 2020	19,50.40	6,91.06	26,41.46
Accumulated Depreciation			
As at April 1, 2019			
Transfer from PPE on of adoption of Ind AS 116	1,15.78	-	1,15.78
Charge for the period	28.69	1,38.21	1,66.90
Disposal	-	-	-
As at March 31, 2020	144.47	138.21	2,82.68
Net carrying amount			
As at March 31, 2020	18,05.93	5,52.85	23,58.78

Note:

- 7.1 The Company has taken land on leases for lease period ranging from 3 to 90 years. Lease term includes non-cancellable period and expected lease period.
- 7.2 Refer note no 22 to financial statements in respect of charge created against borrowings.

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)**8. Investment in Subsidiaries, Associates and Joint Ventures**

(Fully paid up except otherwise stated)

(Amount Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Holding (Nos.)	Amount	Holding (Nos.)	Amount
Investments in Equity Instruments				
Investment measured at Cost/Deemed Cost				
Quoted				
Associates				
Srikalahasthi Pipes Limited (Face value of Rs.10/- each) (up to 17.09.2020) (Refer note no. 8.1)	–	–	19301218	4,55,29.64
Subsidiary				
Srikalahasthi Pipes Limited (Face value of Rs.10/- each) (w.e.f 18.09.2020) (Refer Note no. 8.1)	19301218	4,55,29.64	–	–
		4,55,29.64		4,55,29.64
Unquoted				
Subsidiaries				
Electrosteel Europe SA (Face value of Euro 10 each)	380000	23,23.41	380000	23,23.41
Electrosteel Algeria SPA (Face value of 1637.50 Algerian Dinar each)	82500	9,14.41	82500	9,14.41
Electrosteel Castings (UK) Ltd. (Face value of GBP 1 each)	1100000	10,59.26	1100000	10,59.26
Electrosteel USA, LLC	#	14,45.60	#	14,45.60
Electrosteel Trading S.A.Spain (Face Value of Euro 10 each)	6500	45.10	6500	45.10
Electrosteel Castings Gulf FZE (Face Value of UAE Dhiram 1000000 each)	1	1,50.60	1	1,50.60
Electrosteel Brasil LTDA Tubos E Conexoes Duteis (Face Value of BRL 1 each)	150000	45.05	150000	45.05
Electrosteel Doha for Trading LLC (Face Value of QAR 1000 each)	98	14.84	98	14.84
Electrosteel Bahrain Holding WLL (formerly Electrosteel Bahrain Holding S.P.C.Company) (Face value of BHD 100 each)	2500	4,14.83	2500	4,14.83
Joint Venture				
Domco Private Limited (Face value of Rs 100/- each) (Refer note no. 8.2)	30000	30.00	30000	30.00
North Dhadhu Mining Company Pvt Ltd (Face value of Rs.10/- each) (Refer note no. 8.3)	8228053	8,22.81	8228053	8,22.81
Less: Impairment in value of Investments		(8,97.86)		(8,97.86)
		63,68.05		63,68.05
Total investment in Subsidiaries, Associate and Joint Venture #Towards 100% Capital Contribution		5,18,97.69		5,18,97.69
Aggregate amount of Quoted Investments		4,55,29.64		4,55,29.64
Aggregate amount of Market value of Quoted Investments		3,32,65.65		2,13,37.50
Aggregate amount of Unquoted Investments		63,68.05		63,68.05
Aggregate amount of Impairment in value of Investments		8,97.86		8,97.86

8.1 Nil Equity shares (previous year 7004903 equity shares) of Rs. 10/- each fully paid up equity shares of Srikalahasthi Pipes Limited have been pledged in favour of Yes Bank Limited for securing term loan given to the Company. During the year the company has obtained the control over Srikalahasthi Pipes Limited (SPL) w.e.f September 18, 2020 in line with the guidelines prescribed under Ind AS 110 "Consolidated Financial Statements" and SPL became the subsidiary of the company which was hitherto considered as an associate.

8.2 The Company has investment of Rs. 30.00 lakhs (previous year Rs. 30.00 lakhs) in equity shares and given advance of Rs. 7,00.00 lakhs (previous year Rs. 7,00.00 lakhs) against equity to Domco Private Limited (DPL), a Company incorporated in India, and has joint control (proportion of ownership interest of the Company being 50%) over DPL along with other venturers (the Venturers) in terms of the Shareholder's Agreement

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

dated March 27, 2004. The Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) against the Company against operation and mismanagement of the company inter alia on various matters including for forfeiture of the Company's investment in equity shares of the DPL. The matter was later transferred to the Company Law Board, Kolkata Bench and is now being taken up by the National Company Law Tribunal, Kolkata Bench. The Company had also inter alia filed an arbitration proceeding under Arbitration & Conciliation Act, 1996 against recovery of the said amount against which the ventures also filed their counter claims on the company. The matter is sub judice before the NCLT.

Pending final outcome of the above matter, the amounts in equity shares and advance have been fully provided for in the financial statements in the earlier years. The other venturers since not providing the financial statements of DPL, and thereby necessary disclosures could not be provided in these financial statements.

- 8.3 (a) The North Dhadhu Coal Block located in the state of Jharkhand was allocated to the Company, Adhunik Alloys & Power Limited (AAP), Jharkhand Ispat Pvt. Ltd. (JPL) and Pawanjay Steel & Power Limited (PSPL) (collectively referred to as venturers) for working through North Dhadhu Mining Company Private Limited (NDMCPL), a joint venture company. The Company has joint control (proportion of ownership interest of the Company being 48.98 %) along with other venturers represented by investment of Rs. 8,22.81 lakhs in equity shares of NDMCPL.
- (b) In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, The Ministry of Coal, Government of India had issued an order for de-allocation of North Dhadhu Coal Block and deduction of Bank Guarantee of Rs.56,03.00 lakhs issued for the same. The Company's share in the Bank Guarantee is Rs.27,45.00 lakhs. On a writ petition filed by the Company for quashing the order, stay in the matter together with encashment of bank guarantee has been granted by the Hon'ble High Court of Jharkhand. The Company has also submitted its claim for compensation which is awaiting acceptance. In the view of the management the compensation to be received in terms of ordinance is expected to cover the cost incurred by the Joint venture company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 8,22.81 lakhs in Joint venture has been provided in the earlier year. In view of stay order by High Court, no provision in the share of bank guarantee has been considered necessary.

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

8.5 Details of Subsidiaries, Associates and Joint Ventures in accordance with Ind AS 112 "Disclosure of interests in other entities":

Name of the Company	Country of Incorporation	Proportion of ownership interest/ voting rights held by the Company	
		At at March 31, 2021	At at March 31, 2020
Subsidiary			
Electrosteel Europe SA	France	100.00%	100.00%
Electrosteel Algeria SPA	Algeria	100.00%	100.00%
Electrosteel Castings (UK) Limited	United Kingdom	100.00%	100.00%
Electrosteel USA LLC	United States of America	100.00%	100.00%
Electrosteel Trading S.A, Spain	Spain	100.00%	100.00%
Electrosteel Castings Gulf FZE	United Arab Emirates	100.00%	100.00%
Electrosteel Doha for Trading (LLC)	Qatar	98.00%	98.00%
Electrosteel Brasil LTDA. Tubos e Conexoes Duteis	Brazil	100.00%	100.00%
Electrosteel Bahrain Holding WLL (formerly Electrosteel Bahrain Holding S.P.C. Company)	Bahrain	100.00%	100.00%
Srikalahasthi Pipes Limited (w.e.f 18.09.2020) (refer note no.8.1 & 57)	India	41.33%	-
Associate			
Srikalahasthi Pipes Limited (up to 17.09.2020) (refer note no.8.1 & 57)	India	-	41.33%
Joint Ventures			
North Dhadhu Mining Company Private Limited	India	48.98%	48.98%
Domco Private Limited	India	50.00%	50.00%

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

8A. Non Current Investment

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Holding (Nos.)	Amount	Holding (Nos.)	Amount
Investment designated at Fair Value through Other Comprehensive Income				
Quoted				
R.G. Ispat Limited (Face value of Rs.10/- each)*	50	0.00	50	0.00
MSTC Limited (Face value of Rs. 10/- each)	-	-	16000	12.68
		0.00		12.68
Unquoted				
Rainbow Steels Limited(Face value of Rs.10/- each)	100	0.01	100	0.01
Singardo International Pte Ltd. (Face value of SGD 1 each)	25000	21.25	25000	19.69
N Marshall Hi-tech Engineers Pvt. Ltd. (Face value of Rs.10/- each)	50000	8.58	50000	8.69
Electrosteel Steels Ltd. (Face value Rs. 10/- each) (Refer note no. 8A.1 and 8A.2)	21796000	45,42.29	21796000	20,79.34
		45,72.13		21,07.73
		45,72.13		21,20.41
Investments in Preference Shares				
Mukand Limited (0.01% Cumulative Redeemable Preference Shares face value of Rs. 10/-each)*	16	0.00	16	0.00
		-		-
Total - Non Current Investments		45,72.13		21,20.41
Aggregate amount of Quoted Investments		-		12.68
Aggregate amount of Market value of Quoted Investments		-		12.68
Aggregate amount of Unquoted Investments		45,72.13		21,07.73
Aggregate amount of Impairment in value of Investments		-		-

* figures below rounding of limit

8A.1 17334999 equity shares (previous year 17334999) of Rs 10/- each fully paid up of Electrosteel Steels Limited (ESL) have been pledged in favour of lenders of Electrosteel Steels Limited for securing financial assistance to ESL.

8A.2 The company has fair valued the equity shares of Electrosteel Steels Limited (ESL) based on the fair valuation report obtained and a gain of Rs. 24,62.95 lakhs has been accounted for in Other Comprehensive Income.

Further the notices issued by the consortium of lenders of ESL for invocation of pledge of company's investment of 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 36,12.61 lakhs was set aside by the Hon'ble High Court at Calcutta. The plea of the company for release of the pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 2,94,93.58 lakhs (previous year Rs.2,94,93.58 lakhs) of the company, situated at Elavur, Tamilnadu, were mortgaged to a lender of ESL and the lender had subsequently assigned the right of the said property to a third party although the claims of the said lender were fully settled by the ESL as per the approved Resolution Plan of NCLT. Further the third party had taken the symbolic possession of the said land in the previous year. The Company had disputed the assignment by the lender and filed an appeal before the Commercial Appellate, Hon'ble Madras High Court for deciding the appropriate forum wherein company can file the suit for release of such property. The Madras High Court has granted injunction and the matter is sub judice. Pending finalization of the matter, these assets have been carried forward at their carrying book value.

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

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Non Current Assets

9. Loans

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Loan Receivables considered good - Secured		-	-
Loan Receivables considered good -Unsecured			
Security Deposits	9.1, 9.2, 28.1, 54	14,67.24	13,16.50
		14,67.24	13,16.50
Loan Receivables which have significant increase in Credit Risk		-	-
Loan Receivables - credit impaired		63.46	-
Less : Provision		(63.46)	-
		-	-
		14,67.24	13,16.50

9.1 Movement of Provision

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	-	-
Recognised during the year	63.46	-
Reversal during the year	-	-
Balance at the end of the year	63.46	-

9.2 Security deposits includes Rs. 4,87.23 lakhs (previous year Rs. 4,87.23 lakhs) with the related parties. It also includes Rs. 5,33.95 lakhs (previous year Rs. 3,71.91 lakhs) lying with customer in terms of agreement/order towards supplies of goods.

10. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Fixed Deposit with Banks (having maturity of more than 1 year from Balance Sheet date)	10.1	52,26.47	55,50.00
		52,26.47	55,50.00

10.1 Fixed Deposits with banks include Rs. 25,46.47 lakhs (previous year Rs. 24,80.00 lakhs) which have been pledged with banks against guarantees issued by them.

11. Other Non-Current Assets

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Capital Advances		1,90.63	2,43.55
Prepaid expenses		3,07.36	3,02.13
Others	11.1	6.22	8.41
		5,04.22	5,54.09

11.1 Represents loans and advance to employees amounting to Rs. 6.22 lakhs (previous year Rs. 8.41 lakhs).

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	3,43,40.34	3,07,52.37
Raw materials in transit	46,24.32	91.84
Process stock	63,21.15	70,67.25
Finished goods [including in transit Rs. 21,97.72 lakhs (previous year Rs. 16,25.31 lakhs)]	1,36,66.25	1,60,35.26
Stock-in-trade (in respect of goods acquired for trading)	7,41.02	8,58.05
Stores and spares	72,29.59	65,09.93
Stores and spares in transit	63.39	40.41
	6,69,86.06	6,13,55.11

12.1. Refer note no. 28.1 to Financial Statements in respect of charge created against borrowings.

13. Current Investment

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Holding (Nos.)	Amount	Holding (Nos.)	Amount
Investment measured at fair value through Profit and Loss				
Investment in Equity Instruments				
Equity Shares (Quoted)				
GTL Infrastructure Ltd. (Face value of Rs 10/- each)	-	-	60000	0.45
Jyoti Structures Ltd. (Face value of Rs 2/- each)	-	-	5000	0.07
Total		-		0.52
Aggregate amount of Quoted Investments				
- In Equity Shares		-		0.52
		-		0.52
Aggregate amount of Market value of Quoted Investments				
- In Equity Shares		-		0.52
		-		0.52

14. Trade Receivables

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good - Secured		2,30,32.16	1,82,37.15
Trade Receivables considered good -Unsecured		3,08,21.41	4,55,41.03
Trade Receivables which have significant increase in Credit Risk		-	-
Trade Receivables - credit impaired		65.88	74.00
Less: Credit loss allowances on Trade Receivable	14.2	(65.88)	(74.00)
		5,38,53.57	6,37,78.18

14.1 Ageing of Trade Receivable :

Particulars	As at March 31, 2021	As at March 31, 2020
Within the credit period	4,88,95.18	5,52,86.10
1-180 days past due	43,45.14	78,81.26
More than 180 days past due	6,79.13	6,84.82
Less: Credit loss allowances on Trade Receivable	(65.88)	(74.00)
Total	5,38,53.57	6,37,78.18
Current Trade Receivable	5,38,53.57	6,37,78.18

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

14.2 Movement of Impairment allowances for doubtful debts

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	74.00	4,02.78
Recognised during the year	18.84	53.00
Reversal during the year	(26.96)	(381.78)
Balance at the end of the year	65.88	74.00

14.3 Balances of Trade Receivables including for Turnkey Contracts and retention money are subject to confirmation/reconciliation and adjustments in this respect are carried out as and when amounts thereof, if any are ascertained.

14.4 Refer note no. 28.1 to Financial Statements in respect of charge created against borrowings.

14.5 Refer note no. 54 for balances with related parties.

15. Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current and cash credit accounts	37,40.36	22,17.29
Cash on hand	5.87	6.26
	37,46.23	22,23.55

15.1 Refer note no. 28.1 to Financial Statements in respect of charge created against borrowings.

16. Bank Balances Other than Cash and Cash Equivalents

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Other balance with banks			
In Fixed Deposit Escrow account	24.1	5,36.93	5,36.93
In dividend accounts		68.26	70.66
Fixed deposits with Banks (having original maturity of more than 3 months and less than 12 months)	16.1	44,44.10	34,34.81
		50,49.29	40,42.40

16.1 Fixed Deposits with banks include fixed deposit of Rs. 44,44.10 lakhs (previous year Rs.33,03.97 lakhs) which have been pledged with banks against guarantee issued by them. Further fixed deposit includes Rs. 1,15.76 lakhs (previous year Rs. 1,30.84 lakhs) lying with customer against deposit for supplies of materials.

16.2 Refer note no. 28.1 to Financial Statements in respect of charge created against borrowings.

17. Loans

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Loan Receivables Considered Good - Secured		-	-
Loan Receivables Considered Good - Unsecured			
Security Deposits	17.1	11,88.40	13,17.27
		11,88.40	13,17.27
Loan Receivables which have significant increase in Credit Risk			
Loan Receivables- Credit impaired			
Loans and Advances to related party	54	7,00.00	7,00.00
Others		6.75	10.62
		7,06.75	7,10.62
Less: Impairment Allowances for doubtful advances	8.2 and 17.2	7,06.75	7,10.62
		-	-
		11,88.40	13,17.27

17.1 Include Rs. 11,75.04 lakhs (previous year Rs. 12,70.85 lakhs) lying with customer as security deposit in terms of agreement/order towards supplies of goods.

17.2 Movement of Allowances for doubtful advances.

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	7,10.62	7,10.62
Recognised during the year	6.75	-
Reversal during the year	10.62	-
Balance at the end of the year	7,06.75	7,10.62

17.3 Refer note no.28.1 to Financial Statements in respect of charge created against borrowings.

18. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Interest receivable		46.88	36.56
Claim receivable against coal block	47	93,16.85	93,16.85
Claim receivable against railway siding	49	17,78.11	17,78.11
Derivative Assets at fair value through profit or loss		5,27.79	-
Export incentive receivable		13,76.69	21,07.80
Incentive/Subsidy/Cess receivable		51,22.12	55,87.42
Others		20.50	57.27
		1,81,88.94	1,88,84.01

18.1 Refer note no.28.1 to Financial Statements in respect of charge created against borrowings.

19. Other Current Assets

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Advances for supply of goods and rendering of services			
- Considered Good		35,79.47	26,05.07
- Considered Doubtful	19.1	80.14	47.03
- Less: Impairment Allowances for doubtful advances		(80.14)	(47.03)
Loans and advances to employees		45.72	45.58
Balance with Government authorities	19.2	20,33.41	24,82.67
Prepaid expenses		3,80.99	4,92.72
		60,39.59	56,26.04

19.1 Movement of Allowances for doubtful advances

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	47.03	1,06.02
Recognised during the year	42.42	16.96
Reversal during the year	(9.31)	(75.95)
Balance at the end of the year	80.14	47.03

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

19.3 Refer note no. 28.1 to Financial Statements in respect of charge created against borrowings.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

20. Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Equity shares, Re. 1/- par value 500200000 (previous year 500200000) equity shares	50,02.00	50,02.00
Issued, Subscribed and Paid-up Equity shares, Re. 1/- par value 432954709 (previous year 432954709) equity shares fully paid up	43,29.55	43,29.55
	43,29.55	43,29.55

20.1 The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

20.2 During the year, the Company had issued Nil (previous year 27472526) numbers of equity shares at a premium of Nil (previous year Rs. 17.20 each) (full figure) on preferential basis.

20.3 Reconciliation of the number of equity shares outstandings :

Particulars	As at March 31, 2021	As at March 31, 2020
Number of shares at the beginning	432954709	405482183
Add: Addition during the year	-	27472526
Number of shares at the end	432954709	432954709

20.4 Shareholders holding more than 5% equity shares

(No. of Shares)

Name of shareholders	As at March 31, 2021	As at March 31, 2020
G. K. & Sons Private Ltd.	47074593	44984593
Electrocast Sales India Ltd.	41135158	37345158
Umang Kejriwal-Trustee of Sreeji Family Benefit Trust/Mayank Kejriwal -Trustee of Sreeji Family Benefit Trust	35027053	35027053
Murari Investment & Trading Company Ltd.	33203127	31027297
G. K. Investments Ltd.	24114560	21814560
Belgrave Investment Fund	22777010	-
Uttam Commercial Company Ltd.	22631774	22181774
India Opportunities Growth Fund Ltd. - Pinewood Strategy	-	26372049

21. Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve	41,48.28	41,48.28
Capital Reserve on Amalgamation	(14,86.46)	(14,86.46)
Securities Premium	8,38,30.26	8,38,30.26
General Reserve	10,10,07.51	10,10,07.51
Retained Earnings	6,68,17.11	6,36,48.77
Other Comprehensive Income Equity instrument through other comprehensive income	18,19.13	(6,23.20)
	25,61,35.83	25,05,25.16

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

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 *(Contd.)***21.2 Capital Reserve**

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

21.3 Capital Reserve on Amalgamation

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

21.4 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

21.5 General Reserve

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

21.6 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company. This includes Rs. 8,11,96.71 lakhs (previous year Rs. 8,10,43.78 lakhs) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipments and Investment in associates being measured at fair value as on the date of transition as deemed cost.

21.7 Other Comprehensive Income

Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:

- i) Items that will not be reclassified to Profit and Loss
 - a. The company has elected to recognise changes in the fair value of non-current investments (other than in subsidiaries, associates and joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
 - b. The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI and subsequently transferred to retained earnings as per the requirement of Schedule III of Companies Act 2013.
- ii) Items that will be reclassified to profit and loss.
 - a. This reserve represents the cumulative effective portion of changes in fair value of currency swap that are designated as cash flow hedge are recognised in OCI. This is reclassified to statement of Profit and Loss.

21.8 The Board of Directors at its meeting held on May 20, 2021 recommended a final dividend of Re. 0.25 per equity share of face value of Re. 1 each for the financial year ended March 31, 2021. The same amounts to Rs.10,82.39 lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

22. Borrowings

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2021		As at March 31, 2020	
		Non Current	Current	Non Current	Current
SECURED BORROWINGS					
Term loan from banks					
External Commercial Borrowing	22.1.1	–	–	–	1,65,05.65
Rupee Loan	22.1.2, 22.1.3, 22.1.4, 22.1.5, 22.1.6, 22.1.7, 22.1.8, 22.1.9, 22.1.10	5,55,84.41	76,08.41	6,34,78.18	41,20.00
Term loan from a financial institutions	22.2.1 & 22.2.2	92,12.53	15,83.33	14,55.41	4,16.67
		6,47,96.94	91,91.74	6,49,33.59	2,10,42.32
UNSECURED BORROWINGS					
Term loan from a financial institutions	22.3.1, 22.3.2, 22.3.3	–	–	51,96.48	16,50.00
Term loan from banks	22.3.1, 22.3.2, 22.3.3	20,70.00	31,26.48	–	–
		20,70.00	31,26.48	51,96.48	16,50.00
		6,68,66.94	1,23,18.22	7,01,30.07	2,26,92.32

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

- 22.1.1 External Commercial Borrowings of USD 1,39.00 million was repayable in 12 semi annual instalments from August 29, 2015 and the entire loan was repaid during the year. The interest rate ranges from 6M Libor + 400 to 500 basis points. External Commercial Borrowings was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur.
- 22.1.2 Rupee Term Loan of Rs. 1,10,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 38,59.57 lakhs (previous year Rs. 50,53.14 lakhs). The balance loan is repayable in 9 equal quarterly instalments starting from June 2021. The interest rate ranges from 8.60% p.a to 9.60% p.a. This loan was initially drawn as FCNR Loan which was converted in to Rupee Term Loan in December, 2018.
- 22.1.3 Rupee Term Loan of Rs. 50,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 23,16.98 lakhs (previous year Rs. 26,39.43 lakhs). The balance loan is repayable in 12 equal quarterly instalments starting from April 2021. The interest rate ranges from 9.50% p.a to 10.50% p.a.
- 22.1.4 Rupee Term Loan of Rs. 1,50,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 1,21,21.11 lakhs (previous year Rs. 1,28,07.35 lakhs). The balance loan is repayable in 19 structured quarterly instalments starting from June 2021. The interest rate ranges from 9.00% p.a to 10.00% p.a.
- 22.1.5 Rupee Term Loan of Rs. 50,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 45,11.13 lakhs (previous year Rs. 45,72.29 lakhs). The balance loan is repayable in 22 structured quarterly instalments starting from April 2021 . The interest rate ranges from 8.60% p.a to 9.60% p.a.
- 22.1.6 Rupee Term Loan of Rs. 4,00,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The loan was further secured by way of pledge of investment in Srikalahasthi Pipes Limited (SPL) to the extent of 15% with non disposal undertaking over remaining shares held by the company in SPL. The loan was further secured by pledge of 10% equity shares of the company held by promoter/promoter entities with non disposal undertaking over remaining shares held by them in the company. During the year the pledge and the non disposal undertaking created over the equity shares of SPL and the Company's own equity shares were released. The outstanding as on March 31, 2021 is Rs. 2,23,33.34 lakhs (previous year Rs. 3,69,73.17 lakhs). The balance loan is repayable in 34 structured quarterly installments starting from June 2021. The interest rate ranges from 11.40% p.a to 12.65% p.a.
- 22.1.7 Rupee Term Loan of Rs. 60,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 55,14.26 lakhs (previous year Rs. 55,52.79 lakhs). The balance loan is repayable in 67 structured monthly instalments starting from April 2021. The interest rate ranges from 9.15% p.a to 10.15% p.a.
- 22.1.8 Rupee Term Loan of Rs. 75,00.00 lakhs from bank is secured/to be secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 68,68.54 lakhs (previous year Nil). The balance loan is repayable in 18 structured quarterly instalments starting from September 2022. The interest rate ranges from 9.00% p.a to 9.75% p.a.
- 22.1.9 Rupee Term Loan of Rs. 50,00.00 lakhs from bank is secured/to be secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 47,42.02 lakhs (previous year Nil). The balance loan is repayable in 16 equal quarterly instalments starting from May 2022. The interest rate ranges from 9.25% p.a. to 10.25% p.a.
- 22.1.10 Rupee Term Loan of Rs. 11,00.00 lakhs from bank is secured by way of first pari passu charge over Current Assets of the company. The outstanding as on March 31, 2021 is Rs. 9,25.87 lakhs (previous year Nil). The balance loan is repayable in 18 monthly instalments starting from January 2021. The interest rate ranges from 8.00% p.a to 8.50% p.a.
- 22.2.1 Rupee Term Loan of Rs. 50,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 14,57.42 lakhs (previous year Rs. 18,72.08 lakhs). The balance loan is repayable in 7 equal quarterly instalments starting from April 2021. The interest rate ranges from 11.00% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 *(Contd.)*

(Amount Rs. in lakhs)

- 22.2.2 Rupee Term Loan of Rs.1,00,00.00 lakhs from a financial institution is secured/ to be secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 93,38.44 lakhs (previous year Nil). The balance loan is repayable in 24 structured quarterly instalments starting from September 2021. The interest rate ranges from 9.50% p.a to 10.00% p.a.
- 22.3.1 Term Loan of Rs. 33,00.00 lakhs is from a financial institution. During the year the loan has been assigned by the financial institution to a bank. The outstanding as on March 31, 2021, is Rs. 8,61.48 lakhs (previous year Rs. 15,21.48 lakhs). The balance loan is repayable in 3 Structured quarterly instalments starting from June 2021. The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 22.3.2 Term Loan of Rs. 41,00.00 lakhs is from a financial institution. During the year the loan has been assigned by the financial institution to a bank. The outstanding as on March 31, 2021 is Rs. 24,60.00 lakhs (previous year Rs. 30,75.00 lakhs). The balance loan is repayable in 6 structured quarterly instalments starting from June 2021. The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 22.3.3 Term Loan of Rs. 25,00.00 lakhs is from a financial institution. During the year the loan has been assigned by the financial institution to a bank. The outstanding as on March 31, 2021, is Rs. 18,75.00 lakhs (previous year Rs. 22,50.00 lakhs). The balance loan is repayable in 9 structured quarterly instalments starting from June 2021. The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 22.4 The outstanding balances disclosed in note 22.1 to 22.3 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

23. Lease Liabilities

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Non-Current	7, 23.1 & 42.4	3,53.44	4,67.87
Current	7, 23.1 & 42.4	2,30.65	1,22.29
		5,84.09	5,90.16

- 23.1 Lease liability represents present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

24. Provisions

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	46	23,39.72	22,50.79
Provision for mine closure and restoration charges	24.1	5,59.98	5,59.98
		28,99.70	28,10.77

- 24.1 Provision for Mines closure and restoration charges are made in terms of statutory obligations specified for the purpose and deposited in the Escrow account in terms of the stipulation made by Ministry of Coal, for Mines closure Plan. In view of cancellation of allotment of coal mines, no further provision has been considered necessary. (Refer note no. 16 and 47)

- 24.2 Movement in Mine closure and Restoration Obligation provision are provided below:

Particulars	(Amount Rs. in lakhs)
As at March 31, 2019	5,59.98
Provision during the year	–
As at April 1, 2020	5,59.98
Provision during the year	–
As at March 31, 2021	5,59.98

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current	–	–
Non current	5,59.98	5,59.98

25. Deferred Tax Liabilities

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

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax Assets	(40,10.99)	(36,35.24)
Deferred tax Liabilities	2,71,53.16	2,78,92.01
Net Deferred Tax (Assets)/Liabilities	2,31,42.17	2,42,56.77

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

Particulars	As at April 1, 2020	Charge/ (Credit) recognised in Profit or Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2021
Deferred Tax Assets:				
Fair valuation of Financial Assets	(4,60.05)	6.40	–	(4,53.65)
Merger expenses allowable u/s 35DD of the Income Tax Act, 1961	–	(77.43)	–	(77.43)
Provision for Other Items u/s 43B of Income Tax Act, 1961	(24,18.92)	(3,42.19)	–	(27,61.11)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(5,49.91)	27.37	–	(5,22.54)
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(2,36.39)	46.71	–	(1,89.68)
Derivative instruments designated at fair value through P & L	56.44	(67.12)	–	(10.68)
Remeasurement of defined benefit obligations through OCI	(26.41)	–	30.51	4.10
Total Deferred Tax Assets	(36,35.24)	(4,06.26)	30.51	(40,10.99)
Deferred Tax Liabilities:				
Fair valuation of Financial Liabilities	13,86.26	(1,18.53)	–	12,67.73
Temporary difference with respect to Property, Plant & Equipment	2,64,99.63	(6,18.20)	–	2,58,81.43
Fair valuation of Derivative instruments designated through P & L	(0.43)	0.43	–	–
Investments designated at fair value through OCI	6.55	(11.98)	9.43	4.00
Total Deferred Tax Liabilities	2,78,92.01	(7,48.28)	9.43	2,71,53.16
NET DEFERRED TAX (ASSETS)/ LIABILITIES	2,42,56.77	(11,54.54)	39.94	2,31,42.17

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2020 are given below:

Particulars	As at April 1, 2019	Charge/ (Credit) recognised due to adoption of New Tax Regime with effect from 01.04.2019 in the		Charge/ (Credit) recognised in Profit or Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2020
		Transferred to Equity	Profit & Loss			
Deferred Tax Assets:						
Fair valuation of Financial Assets	(5,35.20)	-	1,48.86	(73.71)	-	(4,60.05)
Provision for Other Items u/s 43B of Income Tax Act, 1961	(28,92.95)	-	8,09.34	(3,35.31)	-	(24,18.92)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(7,21.64)	-	2,01.88	(30.15)	-	(5,49.91)
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(5,88.99)	-	10.52	3,42.08	-	(2,36.39)
Unabsorbed Depreciation under Income Tax Act, 1961	(12,13.93)	-	3,96.36	8,17.57	-	-
Unabsorbed Business Loss under Income Tax Act, 1961	(15,07.47)	-	4,21.73	10,85.74	-	-
Derivative instruments designated at fair value through P&L A/c	(14.34)	-	4.03	66.75	-	56.44
Remeasurement of defined benefit obligations through OCI	(37.85)	-	10.59	-	0.85	(26.41)
Total Deferred Tax Assets	(75,12.37)		20,03.31	18,72.97	0.85	(36,35.24)
Deferred Tax Liabilities:						
Fair valuation of Financial Liabilities	20,83.42	-	(5,82.86)	(1,14.30)	-	13,86.26
Temporary difference with respect to Property, Plant & Equipment	3,03,97.40	(2,079.95)	(16,48.12)	(1,69.70)	-	2,64,99.63
Fair valuation of Derivative instruments designated through P&L A/c	1,98.03	-	(55.40)	(143.06)	-	(0.43)
Investments designated at fair value through OCI	10.04	-	(0.18)	-	(3.31)	6.55
Total Deferred Tax Liabilities	3,26,88.89	(20,79.95)	(22,86.56)	(4,27.06)	(3.31)	2,78,92.01
NET DEFERRED TAX (ASSETS)/ LIABILITIES	2,51,76.52	(20,79.95)	(2,83.25)	14,45.91	(2.46)	2,42,56.77

26. Other Non-Current Liabilities

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Advance from customers	26.1	42,99.96	52,48.14
Others		77.09	94.98
		43,77.05	53,43.12

26.1 Advance from customers amounting to Rs. 42,78.22 lakhs (previous year Rs. 52,31.00 lakhs) received as interest bearing advance for sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

27. Non Current Tax Liabilities (Net)

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net of advance tax)	27.1	52,50.71	51,57.78
		52,50.71	51,57.78

27.1 Includes Rs. 15,42.98 lakhs (net) [previous year Rs. 15,15.22 lakhs (net)] being interest received pertaining to Assessment Years 2003-04 to 2011-12 and AY 2014-15 & AY 2015-16 as the Income Tax Department has filed an appeal before the Calcutta High Court / Income Tax Appellate Tribunal, Kolkata against the order of the Income Tax Appellate Tribunal, Kolkata / Commissioner of Income Tax (Appeals) and the said appeals are pending.

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

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

28. Borrowings

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
SECURED			
Repayable on demand from banks	28.1		
Indian Currency		2,82,17.98	2,73,22.20
Foreign Currency		69,77.95	1,00,08.95
Suppliers Credit		1,13,49.59	59,46.64
		4,65,45.52	4,32,77.79
UNSECURED			
Repayable on demand from banks		1,15,29.18	74,31.58
Indian Currency		–	6,81.94
Foreign Currency		1,15,29.18	81,13.52
		27,00.00	90,00.00
From Body Corporates		1,42,29.18	1,71,13.52
		6,07,74.70	6,03,91.31

28.1 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non fund based) are secured by first pari passu charge by way of hypothecation of raw materials, finished goods, work in progress, consumable stores and spares, book debts/receivables and other current and non current assets of the company both present and future.

29. Trade Payables

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Payable for Goods and Services			
Total Outstanding dues of Micro enterprises and small enterprises: and	29.1	1,27.10	1,61.85
Total Outstanding of creditor other than Micro enterprises and small enterprises	29.3	3,36,70.44	3,30,65.17
		3,37,97.54	3,32,27.02

29.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information received by the company from the suppliers regarding the status under the Act.

Particulars	As at March 31, 2021	As at March 31, 2020
a) Principal & Interest amount remaining unpaid but not due as at year end	1,27.10	161.85
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) Interest accrued and remaining unpaid as at year end	0.08	0.17
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

29.2 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

29.3 Including acceptances of Rs. 65,42.27 lakhs (previous year Rs. 87,73.81 lakhs).

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 *(Contd.)*

(Amount Rs. in lakhs)

30. Other Financial Liabilities

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt			
Secured	22	91,91.74	2,10,42.32
Unsecured	22	31,26.48	16,50.00
Interest accrued but not due on borrowings		4,83.05	11,04.96
Employee related liability		12,98.39	9,81.55
Derivatives at fair value through profit & loss		-	32.77
Unclaimed dividends	30.1	68.26	70.66
Capital vendors		4,48.39	7,72.13
Others		5,61.98	3,57.82
		1,51,78.29	2,60,12.21

30.1 The same is not due for deposit to Investor Education and Protection Fund.

31. Other Current Liabilities

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Advance from customers	31.1 & 54		
From related parties		70,00.00	22,80.43
Others		44,16.89	34,93.52
Statutory Payables		94,19.72	86,95.60
Others		47.14	40.39
		2,08,83.75	1,45,09.94

31.1 Advance from customers includes Rs.75,58.70 lakhs (previous year Rs. 28,28.07 lakhs) received as interest bearing advance against sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

32. Provisions

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	46	11,71.70	12,08.40
		11,71.70	12,08.40

33. Current tax liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax liabilities (Net)	2,33.69	-
	2,33.69	-

34. Revenue From Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	22,12,52.76	24,34,49.13
Sale of services	56.91	-
Other operating revenues		
Incentive / Subsidy	22,82.89	44,02.25
Others	19.03	1,37.55
	22,36,11.59	24,79,88.93

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of products (Transferred at point in time)		
Manufacturing		
Ductile Iron pipes	14,67,22.89	17,46,58.82
Ductile Iron fittings	2,08,82.44	2,04,85.95
Cast Iron pipes	1,87,70.64	1,83,60.83
Others	3,42,87.10	2,96,27.22
Trading		
Coke and Coal	2,33.43	–
Ductile Iron pipes	2,77.05	–
Ductile Iron Fittings	1,36.12	3,16.31
Other operating revenues		
Incentive / Subsidy	22,82.89	44,02.25
Others	19.03	1,37.55
	22,36,11.59	24,79,88.93
B. Revenue from contracts with customers disaggregated based on geography#		
Within India	14,15,45.05	14,10,42.98
Outside India	7,97,64.62	10,24,06.15
	22,13,09.67	24,34,49.13
C. Revenue from contracts with customers disaggregated based on type of customer		
Government	2,25,27.39	3,02,81.62
Non Government	19,87,82.28	21,31,67.51
	22,13,09.67	24,34,49.13
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	22,13,56.77	24,34,89.22
Adjustments made to contract price on account of:		
a) Price Adjustments	47.10	40.09
	22,13,09.67	24,34,49.13

refer note no. 55

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

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 *(Contd.)*

(Amount Rs. in lakhs)

35. Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income		
On loans, deposits, overdue debts etc.	11,64.18	10,35.02
On Financial Assets measured at amortised cost	95.26	1,14.27
Dividend income		
Current investments	–	0.72
Non current investments	13,52.14	11,58.07
Net gain/(loss) on sale / redemption of Non Current investments (net)	16.63	–
Net gain/(loss) on sale / redemption of Current investments (net)	0.27	–
Net gain/(loss) on derecognition of financial assets at amortised cost	0.12	29.71
Net gain/(loss) on foreign currency transaction and translation	5,80.65	10,39.39
Bad debts realised	–	89.58
Liability / Provision no longer required written back	6,63.16	47.15
Excess provision against trade receivable/advances written back (net)	–	16.31
Miscellaneous income	9,83.77	2,31.00
	48,56.18	37,61.22

36. Cost of materials consumed

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw materials consumed	36.1	10,37,01.42	11,18,41.99
		10,37,01.42	11,18,41.99

36.1 Cost of material consumed includes Rs. 8,97.33 lakhs (previous year Rs.8,04.38 lakhs) in relation to cost of goods sold as raw materials.

37. Purchases of Stock In Trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Coke and coal	2,24.91	–
Rubber gaskets	16,76.65	21,29.94
DI Pipes	1,78.15	–
DI Fittings	1,18.17	2,75.42
Pipe fittings accessories and others	10,01.72	7,61.51
	31,99.60	31,66.87

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock		
Finished goods	1,60,35.26	1,68,68.40
Add: Trial run stock from preoperative period	–	3,46.45
Stock-in-trade (in respect of goods acquired for trading)	8,58.05	10,24.79
Process stock	70,67.25	51,63.52
	2,39,60.56	2,34,03.16
Less: Closing Stock		
Finished goods	1,36,66.25	1,60,35.26
Stock-in-trade (in respect of goods acquired for trading)	7,41.02	8,58.05
Process stock	63,21.15	70,67.25
	2,07,28.42	2,39,60.56
	32,32.14	(5,57.40)

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

39. Employee Benefits Expense

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	46	1,52,46.59	1,53,33.85
Contribution to provident and other funds	46	9,76.26	9,65.50
Staff welfare expenses		8,32.92	8,93.95
		1,70,55.77	1,71,93.30

40. Finance Costs

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense		1,60,06.95	1,75,78.97
Applicable (gain)/loss on foreign currency transactions and translation		(2,72.83)	24,77.86
Interest on Income tax		51.93	34.00
Other borrowing cost	40.2 & 42.4	25,97.10	18,98.92
		1,83,83.15	2,19,89.75

40.1 Borrowing cost capitalised during the year is Rs. 24.93 lakhs (previous year Rs. 1,27.72lakhs). The capitalisation rate has been considered at 11.30%.

40.2 Other Borrowing cost includes Rs. 61.28 lakh (previous year Rs. 73.22 lakh) towards lease obligation of Right of Use Assets.

41. Depreciation and Amortisation Expenses

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation	41.1	52,41.68	52,52.50
Amortization	6	25.53	21.82
		52,67.21	52,74.32

41.1 Depreciation includes Rs. 1,70.83 lakhs (previous year Rs. 1,66.90 lakhs) towards depreciation charge for Right of Use assets.

42. Other Expenses

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores and spare parts		1,55,88.84	1,62,15.32
Power and fuel		1,41,39.45	1,67,37.10
Material Handling Charges		23,71.25	25,94.64
Rent	42.4	9,15.23	9,23.49
Repairs to buildings		3,26.25	3,07.12
Repairs to machinery		3,21.25	4,84.56
Insurance		5,55.35	4,21.55
Rates and taxes		4,07.26	4,10.71
Other manufacturing expenses		63,92.99	60,43.30
Directors fees and commission		82.50	1,15.70
Freight & forwarding charges		1,68,02.98	1,74,66.87
Commission to selling agents		37,19.89	39,91.17
Loss on sale of fixed assets (net)		2,50.12	2,14.85
Net (gain)/loss on Derivative Instruments on fair valuation through profit and loss		1,89.83	(4,20.67)
Net Loss/(Gain) on fair valuation of Current investments through Profit and Loss (net)		-	0.15
Sundry balances/Advances written off [net off provision written back Nil (previous year Rs. 75.63 lakhs)]		38.07	5,02.36
Bad debts [net off of provision written back Nil (previous year Rs. 3,12.78 lakhs)]		67.27	47.93
Credit loss allowances on Trade Receivable/Advances/Others (net)		95.20	41.23
Capital Work In Progress written off		-	23,18.35
Impairment of non current investment		-	45.05
Miscellaneous expenses	42.1 & 42.3	1,04,69.89	1,20,27.01
		7,27,33.62	8,04,87.79

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

42.1 Miscellaneous expenses includes Auditor's Remuneration.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Audit Fees	20.00	20.00
(b) Certification charges	53.40	53.55
(c) Reimbursement of expenses	0.84	0.54

42.2 During the year, the Company has incurred Rs. 1,29.92 lakhs (previous year Rs. 1,21.75 lakhs) in the nature of salary and wages on account of research and development expenses which has been charged to Statement of Profit and Loss.

42.3 During the year, the Company has incurred Rs. 35.00 lakhs (previous year Rs.5.75 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Miscellaneous Expenses.

	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Gross amount required to be spent by the Company during the year	34.15	5.56
(b) Amount spent during the year on :		
(i) Construction / acquisition of any assets		
– In Cash	–	–
– Yet to be paid in cash	–	–
Total	–	–
(ii) On purpose other than (i) above		
– In Cash		
– Yet to be paid in cash	35.00	5.75
Total	–	–
	35.00	5.75

42.4 **Leases**

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

42.4.1 **Movement in Lease Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	5,90.16	6.06
Additions	1,18.83	6,91.06
Interest Cost accrued during the period	61.28	73.22
Deletions	–	–
Payment of lease liabilities	1,86.18	1,80.18
Balance at the end	5,84.09	5,90.16

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

42.4.2 Future Payment of Lease liabilities on an undiscounted basis

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

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	2,30.65	1,85.44
One to five years	4,77.70	5,66.05
More than five years	23,50.15	23,54.80
Total undiscounted lease liabilities	30,58.50	31,06.29
Lease liabilities included in the statement of financial position	5,84.09	5,90.16
Current Lease Liabilities	2,30.65	1,22.29
Non-Current Lease Liabilities	3,53.44	4,67.87

42.4.3 Amounts recognized in Profit or Loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on lease liabilities	61.28	73.22
Depreciation on right-of-use assets	1,70.83	1,66.90
Expense relating to short-term leases (included in other expenses)	4,96.55	4,44.50
Total	7,28.66	6,84.62

42.4.4 The weighted average incremental borrowing rate of 11.40% has been applied to lease liabilities recognised in the Balance Sheet.

43. Tax Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of the current year	17,96.30	13,51.26
In respect of prior years	(71.01)	(16.19)
Total Current tax expense recognised in the current year	17,25.29	13,35.07
Deferred tax		
In respect of the current year	(11,54.54)	14,42.93
Impact of section 115BAA of the Income Tax Act, 1961 as on April 01, 2019	-	(2,83.25)
Total Deferred tax expense recognised in the current year	(11,54.54)	11,59.68
Total Tax expense recognised in the current year	5,70.75	24,94.75

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

43.1 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	48,94.86	1,23,53.53
Income tax expense calculated at 25.168% (previous year 25.168%)	12,31.94	31,09.13
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit		
- Dividend	(3,26.90)	(2,91.65)
- Additional Business loss claimed on recomputation of Taxable Income	-	(3,96.63)
- Effect of change in tax base of revalued land	(167.19)	(1,25.40)
- Effect of other adjustments	(1,17.97)	1,93.79
- Effect of other adjustments in respect of earlier year	(71.01)	(16.19)
Add : Effect of expenses that are not deductible in determining taxable profit		
- CSR Expenditure	8.81	1.45
- Others	13.07	8.91
- Provision for diminution in value of investments	-	11.34
Income tax expense recognised in Statement of Profit and Loss	5,70.75	24,94.75

43.2 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	(9.43)	3.31
Remeasurement of defined benefit obligation	(30.51)	(0.85)
Total income tax recognised in other comprehensive income	(39.94)	2.46
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(39.94)	2.46
Items that will be reclassified to profit or loss	-	-

44. Components of Other Comprehensive Income

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans	46	1,21.23	3.39
Equity Instrument through Other Comprehensive Income		25,04.14	(14.46)
		26,25.37	(11.07)

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

45. FINANCIAL INSTRUMENTS

a) The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	5,38,53.57	5,38,53.57	6,37,78.18	6,37,78.18
Cash and cash equivalents	37,46.23	37,46.23	22,23.55	22,23.55
Bank Balances Other than Cash and Cash Equivalents	50,49.29	50,49.29	40,42.40	40,42.40
Loans	26,55.64	26,55.64	26,33.77	26,33.77
Other Financial Assets	2,28,87.62	2,28,87.62	2,44,34.01	2,44,34.01
Financial Assets measured at Fair Value through Profit and Loss Account				
Derivative Instruments	5,27.79	5,27.79	-	-
Investment in Equity Instruments	-	-	0.52	0.52
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments other than Subsidiaries, Associates and Joint Venture	4,572.13	4,572.13	21,20.41	21,20.41
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings - fixed rate	6,04,44.21	6,04,44.21	4,86,63.72	4,86,63.72
Borrowings - floating rate	7,95,15.65	7,95,15.65	10,45,49.98	10,45,49.98
Lease Liabilities	5,84.09	5,84.09	5,90.16	5,90.16
Trade Payables	3,37,97.54	3,37,97.54	3,32,39.83	3,32,39.83
Other Financial Liabilities	28,60.07	28,60.07	31,82.99	31,82.99
Financial Liabilities measured at Fair Value through Profit and Loss Account				
Derivative Instruments	-	-	32.77	32.77

b) Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- The fair value of cash and cash equivalents, current trade receivables and payables, current loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. In respect of non current trade receivables and loans, fair value is determined by using discount rates that reflect the present borrowing rate of the company.
- A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present prevailing rates for similar borrowing in the market.
- Investments (other than Investments in Associates, Joint Venture and Subsidiaries) traded in active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except in case of debentures, bonds and government securities where the net present value at current yeild to maturity have been considered. Unquoted investments in shares have been valued based on the historical net asset value as per the latest audited financial statements and wherever the same is not available, alternate available inputs are considered for the purpose of valuations.
- The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

c) Fair value hierarchy

1. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2021	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
		Quoted Price in active market	Singnificant observable inputs	Singnificant unobservable inputs
Financial Assets				
Investment in Equity Instruments (Current)	- (0.52)	- (0.52)	-	-
Investment in Equity Instruments other than Subsidiaries, Associates and Joint Venture (Non-Current)	45,72.13 (2,120.41)	- (12.68)	45,42.29 (2,079.34)	29.84 (28.39)
Derivative Instrument	5,27.79 -	- -	5,27.79 -	- -
Financial Liabilities				
Derivative Instrument	- (32.77)	- -	- (32.77)	- -

(*) Figures in round brackets () indicate figures as at March 31, 2020

2. During the year ended March 31, 2021 and March 31, 2020, there were no transfers between Level 1, Level 2 and Level 3.
3. The Inputs used in fair valuation measurement are as follows:
- Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.
 - Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.
 - Unquoted investments in equity shares have been valued based on the amount available to shareholder's as per the latest audited financial statements wherever available. Further, external observable inputs or assumptions have been used in such valuation of equity shares in other cases.

(d) Derivatives financial assets and liabilities:

The Company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

- (i) The following tables present the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Sl. No.	Underlying Purpose	Category	As at March 31, 2021		As at March 31, 2020		Currency
			No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
1	Export Receivables	Forward	32	2,03,50,376	33	2,20,59,634	USD/INR
2	Export Receivables	Forward	10	29,47,584	13	41,98,216	GBP/USD
3	Export Receivables	Forward	-	-	1	3,00,000	GBP/INR
4	Export Receivables	Forward	19	1,24,88,581	27	1,57,96,666	EURO/USD

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

Sl. No.	Underlying Purpose	Category	As at March 31, 2021		As at March 31, 2020		Currency
			No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
5	Export Receivables	Forward	7	56,43,270	9	75,92,066	EURO/INR
6	Export Receivables	Forward	2	7,50,000	3	9,81,728	SGD/USD
7	Imports & Other payables	Forward	15	1,21,58,952	16	1,06,27,617	USD/INR
8	Supplier's Credit	Option	11	1,21,46,250	3	29,91,426	USD/INR
9	External Commercial Borrowings Principal & Interest payment	Option	-	-	2	1,09,00,000	USD/INR
10	External Commercial Borrowings Interest payment	Interest Rate Swap	-	-	12	1,19,00,000	USD
11	External Commercial Borrowings Interest payment	Interest Rate Cap	-	-	3	25,50,000	USD

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

(Amount in Foreign Currency)

Nature	Currency	As at March 31, 2021	As at March 31, 2020
Payables			
ECB Payable (include accrued interest)	USD	-	1,10,52,577
Buyer's Credit / Supplier's Credit /PCFC/Acceptances (includes accrued interest)	USD	38,14,051	1,32,79,702
Imports & Other payables	USD	88,25,020	19,67,366
Imports & Other payables	EURO	90,450	1,71,444
Imports & Other payables	GBP	3,000	54,166
Imports & Other payables	AED	-	1,479
Imports & Other payables	SGD	-	16,900
Imports & Other payables	AUD	-	5,340
Receivables			
Exports & Other receivables	GBP	2,78,507	3,37,408
Exports & Other receivables	SGD	-	6,57,095
Exports & Other receivables	USD	84,38,131	1,52,42,159
Exports & Other receivables	EURO	-	15,96,996

(iii) The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one month	(17.58)	52.22
Later than one month and not later than three months	109.83	2,29.17
Later than three months and not later than one year	435.54	(314.16)
Later than one year	-	-

(e) **Sale of Financial Assets**

In the normal course of business, the Company transfers its bill receivables to banks. Under the terms of the agreements, the Company surrenders control over the financial assets and the transfer is with recourse. Under arrangement with recourse, the company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with banks. As at March 31, 2021 and March 31, 2020 the maximum amount of recourse obligation in respect of financial assets are Rs 115,29.18 lakhs and Rs. 81,13.52 lakhs respectively.

(f) **Financial Risk Factors**

The Company's activities are exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 *(Contd.)*

performance. The Board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

1. Market Risk

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings, trade receivables and trade or other payables.

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

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

As at March 31, 2021

(Amount Rs. in lakhs)

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other current Liabilities	Net Assets/(liabilities)
USD	67,90.84	1,83,27.53	1,33,79.38	(2,49,16.07)
EURO	1,53,36.55	–	77.55	1,52,59.00
GBP	32,49.69	–	3.02	32,46.66
SGD	3,73.36	–	–	3,73.36
AED	–	–	–	0.00
AUD	–	–	–	0.00
TOTAL	2,57,50.44	1,83,27.53	1,34,59.95	(60,37.05)

As at March 31, 2020

(Amount Rs. in lakhs)

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other Current Liabilities	Net Assets/(Liabilities)
USD	1,09,75.66	3,31,43.17	1,18,44.07	(3,40,11.58)
EURO	2,09,38.55	–	1,42.85	2,07,95.70
GBP	45,46.07	–	50.82	44,95.25
SGD	8,71.00	–	8.98	8,62.02
AED	–	–	0.30	(0.30)
AUD	–	–	2.48	(2.48)
TOTAL	3,73,31.28	3,31,43.17	1,20,49.50	(78,61.39)

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

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

The following table demonstrates the sensitivity in the USD, Euro, GBP and other currencies to the Indian Rupee with all other variables held constant. The impact on the Company's profit/(loss) before tax in the fair value of monetary assets and liabilities is given below:

(Amount Rs. in lakhs)

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2021	For the year ended March 31, 2020
RECEIVABLES (Weaking of INR by 5%)		
USD	3,08.43	5,75.77
EURO	-	66.53
GBP	14.03	15.83
SGD	-	17.46
PAYABLES (Weaking of INR by 5%)		
USD	(4,61.99)	(9,93.47)
EURO	(3.88)	(7.14)
GBP	(0.15)	(2.54)
SGD		(0.45)
AED	-	(0.02)
AUD	-	(0.12)

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

ii) Interest rate risk

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. The Company had entered into interest rate swap contracts in respect of certain foreign currency borrowings whereby interest at an agreed rate are to be applied on agreed upon principal amount. The company maintains a portfolio mix of fixed and floating rate borrowings. As at March 31, 2021, after taking into account interest rate swaps, approximately 43.19% (March 31, 2020: 37.63%) of the company's borrowings become fixed rate interest borrowing.

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

(Amount Rs. in lakhs)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2021	For the year ended March 31, 2020
Rupee Loan	+0.50	3,97.58	4,40.22
Foreign Currency Loan	+0.25	-	18.79

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

iii) Other price risk

The Company's equity exposure in Subsidiaries, Associates and Joint Ventures are carried at cost or deemed cost and these are subject to impairment testing as per the policy followed in this respect. The company's current investments which are fair valued through profit and loss are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 *(Contd.)***2. Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Major water infrastructure projects are Government funded or foreign aided and the risk involved in payment default is minimum with respect to these customers. Besides, export receivables are primarily from subsidiaries and sales made by them is covered under Credit Insurance. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly and the company obtains necessary security including letter of credits and/or bank guarantee to mitigate.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year (other than subsidiaries), there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2021 and March 31, 2020.

The Company extends credit to customers as per the internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. Company computes credit loss allowance based on a matrix based historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

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

3. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The company's assets represented by financial instruments comprising of receivables, and those relating to Parbatpur Coal mines (refer note no. 47) are largely funded by borrowed funds. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

i) Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date:

Interest rate and currency of borrowings**As at March 31, 2021**

(Amount Rs. in lakhs)

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	12,16,32.33	7,95,15.65	4,21,16.68	9.55%
USD	1,83,27.53	–	1,83,27.53	2.17%
Total	13,99,59.86	7,95,15.65	6,04,44.21	

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

As at March 31, 2020

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	12,00,70.53	8,80,44.33	3,20,26.20	11.21%
USD	3,31,43.17	1,65,05.65	1,66,37.52	5.07%
Total	15,32,13.70	10,45,49.98	4,86,63.72	

Maturity Analysis of Financial Liabilities

As at March 31, 2021

(Amount Rs. in lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	13,99,59.86	3,30.50	6,37,98.76	89,63.66	6,68,66.94	13,99,59.86
Lease Liabilities	5,84.09	-	1,15.23	1,15.42	3,53.44	5,84.09
Other Liabilities	28,60.07	28,60.07	-	-	-	28,60.07
Trade and other payables	3,37,97.54	3,37,97.54	-	-	-	3,37,97.54

* Include Rs 4776.77 lakhs as Prepaid Finance Charges.

As at March 31, 2020

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	15,32,13.70	1,17,27.60	5,32,76.54	1,80,79.49	7,01,30.07	15,32,13.70
Lease Liabilities	5,90.16	-	59.42	62.87	4,67.87	5,90.16
Other Liabilities	31,82.99	31,82.99	-	-	-	31,82.99
Trade and other payables	3,32,39.83	3,32,39.83	-	-	-	3,32,39.83

* Include Rs 5134.74 lakhs as Prepaid Finance Charges.

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

g) Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Company.

The gearing ratio are as follows:

(Amount Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	13,99,59.86	15,32,13.70
Less Cash and Cash Equivalents	37,46.23	22,23.55
Net Debt	13,62,13.63	15,09,90.15
Equity	26,04,65.39	25,48,54.71
Equity and Net Debt	39,66,79.02	40,58,44.86
Gearing Ratio	0.34	0.37

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)**46. Post Retirement Employee Benefits**

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under:

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to Provident Fund	3,44.75	3,60.53
Employer's Contribution to Pension Fund	2,16.80	2,19.64
Employer's Contribution to Superannuation Fund	42.74	44.22
Employer's Contribution to NPS Fund	59.89	59.70

b) Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Ltd. is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Amount Rs. in lakhs)

	Gratuity (Funded)	
	2020-21	2019-20
i) Change in the fair value of the defined benefit obligation :		
Liability at the beginning of the year	35,90.18	31,11.15
Interest Cost	2,51.31	2,15.78
Current Service Cost	2,11.15	2,04.71
Actuarial (gain) / loss on obligations	53.38	1,15.52
Benefits paid	(2,01.50)	(56.98)
Liability at the end of the year	39,04.52	35,90.18
ii) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	26,15.47	23,04.18
Expected Return on Plan Assets	1,85.10	1,61.29
Contributions by the Company	2,59.20	1,22.91
Benefits paid	(2,01.50)	(56.98)
Actuarial gain / (loss) on Plan Assets	55.21	84.07
Fair value of Plan Assets at the end of the year	29,13.48	26,15.47
iii) Actual return on Plan Asset		
Expected return on Plan assets	1,85.10	1,61.29
Actuarial gain / (loss) on Plan Assets	55.21	84.07
Actual Return on Plan Assets	2,40.31	2,45.36
iv) Amount Recognized in Balance Sheet		
Liability at the end of the year	39,04.52	35,90.18
Fair value of Plan Assets at the end of the year	29,13.48	26,15.47
	9,91.04	9,74.71

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

	Gratuity (Funded)	
	2020-21	2019-20
v) Components of Defined Benefit Cost		
Current Service Cost	2,11.15	2,04.71
Interest Cost	2,51.31	2,15.78
Expected Return on Plan Assets	(1,85.10)	(1,61.29)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(1.83)	31.45
Total Defined Benefit Cost recognised in Profit and Loss and OCI	2,75.53	2,90.65
vi) Balance Sheet Reconciliation		
Opening Net Liability	9,74.71	8,06.97
Expenses as above	2,75.53	2,90.65
Employers Contribution	(2,59.20)	(1,22.91)
Amount Recognized in Balance Sheet	9,91.04	9,74.71

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

Particulars	As at March 31, 2021	As at March 31, 2020
G-Sec/ Corporate Securities	77.86%	93.32%
Equity	5.12%	2.87%
Fixed Deposit and other assets	17.02%	3.80%

The above information have been furnished to the extent available with the company by the funds managed by the insurance company.

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2021 is given below:

(Amount Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Privileged Leave	14,71.01	14,42.99
Sick Leave	10,49.38	10,28.68
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	6.90%	7.00%
Rate of Return on Plan Assets	6.90%	7.00%
Salary Escalation Rate	6.00%	6.00%
Withdrawal Rate	1-8 %	1-8 %

Notes : i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

ii) The Company expects to contribute Rs. 2,80.00 lakhs (previous year Rs. 3,00.00 lakhs) to Gratuity fund in 2021-22.

Recognised in Other Comprehensive Income

(Amount Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Remeasurement - Actuarial loss/(gain)	(1.83)	31.45
For the year ended	(1.83)	31.45

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)**Sensitivity Analysis :**

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended 31st March, 2020		
Discount Rate	+1%	33,61.67
	-1%	38,49.28
Salary Growth Rate	+1%	38,47.46
	-1%	33,61.44
Withdrawal Rate	+1%	36,04.96
	-1%	35,73.83
For the year ended 31st March, 2021		
Discount Rate	+1%	36,49.76
	-1%	41,92.82
Salary Growth Rate	+1%	41,93.98
	-1%	36,46.31
Withdrawal Rate	+1%	39,18.73
	-1%	38,88.78

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Particulars	Gratuity
For the year ended March 31, 2020	
Plan Liabilities - loss/(gain)	(40.56)
Plan Assets - loss/(gain)	(84.07)
For the year ended March 31, 2021	
Plan Liabilities - loss/(gain)	27.36
Plan Assets - loss/(gain)	(55.21)

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

Particulars	Gratuity
01 April 2020 to 31 March 2022	10,65.88
01 April 2021 to 31 March 2023	27.06
01 April 2022 to 31 March 2024	1,11.05
01 April 2023 to 31 March 2025	1,95.24
01 April 2025 Onwards	1,47,77.29

Particulars	As at March 31, 2021	As at March 31, 2020
Average no. of people employed	1511	1549

- 47(a).** In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL). The company also understand that the SAIL has handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.15,31,76.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim and on a petition filed by the Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the compensation. Earlier the Nominated Authority had upheld its decision of compensation already paid and the same was set aside by the Hon'ble High Court with a direction to the Nominated authority to

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

reconsider. The Nominated authority further passed an order dated 11.11.2019 awarding an additional compensation of Rs. 1,80.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019 and the process of valuation is under progress as per the available information. The company has also approached the newly appointed Nominated Authority/ Ministry of Coal to reconsider the compensation determined by the previous Nominated Authority and also exploring other possibilities.

Pending finalisation of the matter as above;

- (i) Rs.12,88,84.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account.
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 95,14.74 lakhs has been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 83,12.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 20,54.70 lakhs have been adjusted. Bank guarantee amounting to Rs. 9,20.00 lakhs (previous year Rs. 9,20.00 lakhs) has been given against the compensation received.

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

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

(Amount Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
Inventories		14,78.76		14,78.76
Other current assets		13,99.78		13,99.78
Capital Work in Progress:				
Plant and Equipment and others assets under Installation	3,34,93.90		3,34,93.90	
Mine Development including overburden removal expenses (Net) (refer note no: 50)	8,69,09.74	12,04,03.64	8,69,09.74	12,04,03.64
Other Property, Plant and Equipment		22,43.99		22,43.99
Capital Advance		1,08.94		1,08.94
Freehold Land		32,49.00		32,49.00
Other balances with Banks in Fixed Deposit Escrow Accounts	5,36.93		5,36.93	
Less: Provision for mine closure and restoration charges	5,36.93	-	5,36.93	-
Sub Total		12,88,84.11		12,88,84.11
Other Recoverable		95,14.74		95,14.74
Less: Compensation received		(83,12.34)		(83,12.34)
Less: Cenvat credit utilised/claimed/written off	(13,99.78)		(13,99.78)	
Less: Sale of Assets and other realisations	(6,54.92)	(20,54.70)	(6,54.92)	(20,54.70)
Total		12,80,31.81		12,80,31.81

- 47(c).** Due to reasons stated in note no. 47(a) and pending determination of the amount of the claim, balances under various heads which otherwise would have been measured and disclosed as per the requirements of various Indian Accounting Standard ' have been included under various heads as disclosed under note no. 47(b) considering the circumstances and objective of the financial statements.

- 48.** Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect has expired on January 11, 2017. The Company has filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company.

The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, has admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the High Court, Rs. 38,95.26 lakhs (previous year Rs. 43,80.45 lakhs) so far incurred in connection with these mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress, advances and security deposit.

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

49. The Railway Authorities had earlier withdrawn the permission of operation of railway siding under construction which is situated at Haldia, West Bengal. The claim of compensation sought by the company from the Railway Authorities towards the amount incurred for the said siding is under arbitration based on the direction of Hon'ble High Court at Calcutta and the matter is subjudice. Pending arbitration proceedings, the company has carried forward the balance lying in the books of accounts amounting to Rs. 17,78.11 lakhs (previous year Rs. 17,78.11 lakhs) toward the said siding and considered the same as recoverable.
50. The expenses incurred for projects/assets during the construction/mine development period are classified as "Pre-operative Expenses" pending capitalization are included under capital work in progress and will be allocated to the assets on completion of the project/assets. Consequently expenses disclosed under the respective head are net of amount classified as preoperative expenses by the Company (refer note no. 47 and 48). The details of these expenses are as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
Balance brought forward	8,79,85.74	8,79,85.74
Add:		
Miscellaneous Expenses	-	-
Total preoperative expenses	8,79,85.74	8,79,85.74
Add: Opening stock 64,502 MT (previous year 64,502 MT)	14,46.25	14,46.25
Less: Closing stock 64,502 MT(previous year 64,502 MT)	(14,46.25)	(14,46.25)
Total preoperative expenses carried forward pending allocation	8,79,85.74	8,79,85.74

51. Calculation of Earning Per Share is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Net profit/(loss) for basic and diluted earnings per share as per Statement of Profit and Loss	43,24.11	98,58.78
Net profit for basic and diluted earnings per share	43,24.11	98,58.78
(b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Re. 1/- per share)		
Number of equity shares outstanding as on 31st March	432954709	432954709
Number of equity shares considered in calculating basic and diluted EPS	432954709	418467831
(c) Weighted average number of equity shares outstanding	432954709	418467831
(d) Earnings per share (EPS) of Equity Share of Re. 1 each:		
i) Basic (Rs.)	1.00	2.36
ii) Diluted (Rs.)	1.00	2.36

52. Commitments

Particulars	As at March 31, 2021		As at March 31, 2020	
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):		10,32.48		4,74.02
(b) Other commitments	in million	Rs. in lakhs	in million	Rs. in lakhs
i) Sell Forward contract outstanding				
In USD	20.35	1,48,77.14	22.06	1,66,66.05
In Euro	18.13	1,55,45.80	23.39	1,94,88.45
In GBP	2.95	29,69.14	4.50	42,20.14
In SGD	0.75	4,07.77	0.98	5,21.77
ii) Buy Forward contract outstanding				
In USD	12.16	88,88.80	10.63	80,29.16
iii) Option contract outstanding				
In USD	12.15	88,79.52	13.89	1,04,94.97
iv) Capital Commitment towards contribution in equity share capital of Electrosteel Algeria SPA		-		9,57.89

Notes to Standalone Financial Statements for the year ended March 31, 2021 *(Contd.)*

(Amount Rs. in lakhs)

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

Particulars	As at March 31, 2021	As at March 31, 2020
a) Various show cause notices/demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forum / authorities:		
i) Sales Tax	71,45.09	71,96.98
ii) Excise, Custom Duty and Service tax	44,36.59	44,36.59
iii) Income Tax	11,88.49	8,49.20
b) Employees State Insurance Corporation has raised demand for contribution in respect of Gross Job Charges for the year 2001-02, 2003-04 and March'08 to January'10. In the opinion of the management demand is adhoc and arbitrary and is not sustainable legally.	92.51	92.51
c) Demand of Tamilnadu Electricity Board disputed by the Company.	8.20	8.20
d) During the year 1994 UPSEB had raised demand for electricity charges by revising the power tariff schedule applicable to the Company retrospectively from Feb'86. In the opinion of the management the revised power tariff is not applicable to the Company and accordingly the Company disputed the demand and the matter is pending before Hon'ble High Court at Allahabad.	2,61.74	2,61.74
e) Standby Letter of Credit issued by banks on behalf of the company in favour of Subsidiary Companies	84,91.96	85,64.62
f) Financial Guarantees given by banks on behalf of the Company	37,66.90	42,03.82
g) Demand of differential railway freight for the year 2008-09 to 2010-11 is Rs. 57,33.29 lakhs (previous year Rs. 57,33.29 lakhs) which is contested by the Company and the matter is pending before the Hon'ble High Court at Calcutta.		

Note : The Company's pending litigations comprises of claim against the company and proceedings pending with Taxation/Statutory/Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any, in respect of (a) to (d), and (g) above is dependent upon the outcome of judgments/decisions.

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

Particulars	As at March 31, 2021	As at March 31, 2020
a) Claims Under Target Plus Scheme pending completion of legal clearances.	–	3,55.00
b) Claim of commission income from Electrosteel Steels Limited.	–	8,66.72
c) Export incentive under the scheme " Remission of Duties and Taxes on Export Products"	Amount unascertainable	–
d) Benefits under Industrial Promotion Scheme **	Amount unascertainable	Amount unascertainable

** Pre Goods & Service Tax (GST), the Company was enjoying certain benefits under Industrial Promotion scheme of state government. Post GST, pending notifications by the state government, on prudent basis, the company has not recognised any income under the scheme for the period July 01, 2017 to March 31, 2019.

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 *(Contd.)***54. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:****A) Names of related parties and description of relationship**

- | | |
|--|---|
| 1) Subsidiary Company | Electrosteel Europe SA
Electrosteel Algeria SPA
Electrosteel Castings (UK) Limited
Electrosteel USA LLC
WaterFab, LLC (subsidiary of Electrosteel USA, LLC)
Electrosteel Trading S.A, Spain
Electrosteel Castings Gulf Fze
Electrosteel Doha for Trading (LLC)
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis
Electrosteel Bahrain Holding WLL
Electrosteel Bahrain Trading WLL (subsidiary of Electrosteel Bahrain Holding WLL)
Srikalahasthi Pipes Limited (w.e.f.18.09.2020) |
| 2) Associate Company | Srikalahasthi Pipes Limited (upto 17.09.2020) |
| 3) Joint Venture | North Dhadhu Mining Company Private Limited
Domco Private Limited |
| 4) Key Management Personnel (KMP) and close member of their family | Mr. Umang Kejriwal - Managing Director
Mr. Mayank Kejriwal - Joint Managing Director
Mr. Uddhav Kejriwal - Wholetime Director
Mr. Mahendra Kumar Jalan - Wholetime Director
Mr. Sunil Katial - Chief Executive Officer & Wholetime Director (Wholetime Director w.e.f.01.04.2020)
Mr. Pradip Kr. Khaitan - Chairman
Mr. Binod Kumar Khaitan - Director
Mr. Ram Krishna Agarwal - Director (ceased to be director w.e.f. 08.06.2020)
Mr. S Y Rajagopalan - Director
Mr. Vyas Mitre Ralli - Director
Mr. Amrendra Prasad Verma - Director
Dr. Mohua Banerjee - Director
Mr. Rajkumar Khanna - Director (appointed w.e.f. 15.06.2020)
Mr. Brij Mohan Soni - Chief Financial Officer (till 24.07.2019)
Mr. Ashutosh Agarwal - Executive Director (Group Finance) & CFO
Mrs. Asha Kejriwal - Wife of Mr. Umang Kejriwal - KMP
Ms. Nityangi Kejriwal Jaiswal - Daughter of Mr. Umang Kejriwal -KMP
Ms. Priya Manjari Todi - Daughter of Mr. Mayank Kejriwal - KMP
Ms. Priya Sakhi Kejriwal Mehta - Daughter of Mr Umang Kejriwal - KMP
Ms. Radha Kejriwal Agarwal - Daughter of Mr Umang Kejriwal - KMP
Mr. Madhav Kejriwal -Son of Mr Umang Kejriwal - KMP |
| 5) Enterprise where KMP and/or Close member of the family have significant influence or control | Gaushree Enterprises
Tulsi Highrise Private Limited
Sri Gopal Investments Ventures Ltd.
Global Exports Ltd.
Sree Khemisati Constructions Private Limited
G K & Sons Private Limited
Electrosteel Thermal Coal Limited
Badrinath Industries Ltd.
Electrocast Sales India Limited
Uttam Commercial Company Limited |

Notes to Standalone Financial Statements for the year ended March 31, 2021 *(Contd.)*

(Amount Rs. in lakhs)

B) Related Party Transactions

Particulars	Subsidiary	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.2021	Outstanding as on 31.03.2020
Sale							
Electrosteel Europe SA	3,25,65.70	-	-	-	3,25,65.70	1,52,21.51	
Electrosteel Castings (UK) Ltd	49,30.59	-	-	-	49,30.59	32,49.69	
Electrosteel USA, LLC	14,14.29	-	-	-	14,14.29	44.48	
Electrosteel Castings Gulf FZE	23,83.43	-	-	-	23,83.43	1,52.76	
Electrosteel Bahrain Trading WLL	43,53.97	-	-	-	43,53.97	9,12.08	
Electrosteel Doha for Trading LLC	1,54,34.81	-	-	-	1,54,34.81	16,37.61	
Srikalahasthi Pipes Limited	7,85.90	4,87.71	-	-	12,73.61	-	
Total	6,18,68.69	4,87.71	-	-	6,23,56.40	2,12,18.13	
Previous Year							
Electrosteel Europe SA	4,38,09.27	-	-	-	4,38,09.27		2,03,77.23
Electrosteel Castings (UK) Ltd	66,44.90	-	-	-	66,44.90		49,92.54
Electrosteel USA, LLC	11,73.08	-	-	-	11,73.08		4,14.31
Electrosteel Castings Gulf FZE	32,10.91	-	-	-	32,10.91		14,04.06
Electrosteel Bahrain Trading WLL	79,69.21	-	-	-	79,69.21		20,30.29
Electrosteel Doha for Trading LLC	1,24,98.01	-	-	-	1,24,98.01		25,33.41
Srikalahasthi Pipes Limited	-	18,56.43	-	-	18,56.43		-
Purchase							
Electrosteel Castings (UK) Ltd	-	-	-	-	-	1.46	
Srikalahasthi Pipes Limited	69,32.80	55,04.59	-	-	12,437.39	3,484.53	
Total	69,32.80	55,04.59	-	-	1,24,37.39	34,85.99	
Previous Year							
Electrosteel Castings (UK) Ltd	1.35	-	-	-	1.35		1.36
Electrosteel Europe SA	0.57	-	-	-	0.57		0.57
Srikalahasthi Pipes Limited	-	1,27,93.97	-	-	1,27,93.97		35,48.44
Remuneration, sitting fees and commission							
Mr. Umang Kejriwal	-	-	2,90.05	-	2,90.05	17.22	
Mr. Mayank Kejriwal	-	-	8.70	-	8.70	0.48	
Mr. Uddhav Kejriwal	-	-	1,93.32	-	1,93.32	11.18	
Mr. Mahendra Kumar Jalan	-	-	1,72.47	-	1,72.47	11.01	
Mr. Sunil Katial	-	-	2,17.98	-	2,17.98	8.33	
Mr. Ashutosh Agarwal	-	-	1,42.98	-	1,42.98	6.08	
Ms. Priya Manjari Todi	-	-	22.11	-	22.11	1.47	
Ms. Radha Kejriwal Agarwal	-	-	35.88	-	35.88	1.35	
Ms. Nityangi Kejriwal	-	-	82.67	-	82.67	4.52	
Dr. Mohua Banerjee	-	-	10.00	-	10.00	6.48	
Mr. Rajkumar Khanna	-	-	11.60	-	11.60	6.48	
Mr. Vyas Mitre Ralli	-	-	10.50	-	10.50	6.48	
Mr. S Y Rajagopalan	-	-	10.50	-	10.50	6.48	
Mr. Binod Khaitan	-	-	13.70	-	13.70	6.48	
Mr. Pradeep Kr. Khaitan	-	-	13.50	-	13.50	6.48	
Mr. Amrendra Prasad Verma	-	-	12.70	-	12.70	6.48	
Total	-	-	12,48.66	-	12,48.66	1,07.00	

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.2021	Outstanding as on 31.03.2020
Previous Year							
Mr. Umang Kejriwal	-	-	4,27.83	-	4,27.83		78.63
Mr. Mayank Kejriwal	-	-	11.13	-	11.13		0.11
Mr. Uddhav Kejriwal	-	-	2,84.50	-	284.50		49.79
Mr. Mahendra Kumar Jalan	-	-	1,69.69	-	169.69		4.33
Mr. Sunil Katial	-	-	2,17.12	-	217.12		5.78
Mr. Ashutosh Agarwal	-	-	95.31	-	95.31		3.09
Mr. Brij Mohan Soni	-	-	24.23	-	24.23		-
Ms. Priya Manjari Todi	-	-	24.01	-	24.01		0.62
Ms. Priya Sakhi Kejriwal Mehta	-	-	5.73	-	5.73		-
Ms. Radha Kejriwal Agarwal	-	-	23.28	-	23.28		0.79
Mr. Madhav Kejriwal	-	-	17.20	-	17.20		-
Ms. Nityangi Kejriwal	-	-	34.15	-	34.15		2.39
Dr. Mohua Banerjee	-	-	14.50	-	14.50		10.80
Mr. Ram Krishna Agarwal	-	-	17.80	-	17.80		10.80
Mr. Vyas Mitre Ralli	-	-	14.10	-	14.10		10.80
Mr. S Y Rajagopalan	-	-	16.70	-	16.70		10.80
Mr. Binod Khaitan	-	-	19.80	-	19.80		10.80
Mr. Pradeep Kr. Khaitan	-	-	16.30	-	16.30		10.80
Mr. Amrendra Prasad Verma	-	-	16.50	-	16.50		10.80
Rent Paid							
Tulsi Highrise Private Limited	-	-	-	62.14	62.14	-	-
Sri Gopal Investments Venturess Ltd	-	-	-	23.10	23.10	-	-
Sree Khemisati Constructions Private Limited	-	-	-	7.20	7.20	-	-
Badrinath Industries Limited	-	-	-	30.00	30.00	-	-
Total	-	-	-	1,22.44	1,22.44	-	-
Previous Year							
Tulsi Highrise Private Limited	-	-	-	60.27	60.27	-	-
Sri Gopal Investments Venturess Ltd	-	-	-	23.10	23.10	-	-
Sree Khemisati Constructions Private Limited	-	-	-	7.20	7.20	-	0.65
Badrinath Industries Limited	-	-	-	30.00	30.00	-	-
Service Charges Paid							
Sree Khemisati Constructions Private Limited	-	-	-	2,84.42	2,84.42	5.53	-
Global Exports Ltd.	-	-	-	90.00	90.00	-	-
Sri Gopal Investments Venturess Ltd	-	-	-	2.24	2.24	-	-
Total	-	-	-	3,76.66	3,76.66	5.53	-
Previous Year							
Sree Khemisati Constructions Private Limited	-	-	-	2,83.05	2,83.05	-	30.03
Global Exports Ltd.	-	-	-	90.00	90.00	-	-
Sri Gopal Investments Venturess Ltd	-	-	-	2.20	2.20	-	-
Service Charges Received							
Electrosteel Europe SA	1,18.88	-	-	-	1,18.88	1,15.04	-
Electrosteel Castings (UK) Ltd	54.11	-	-	-	54.11	-	-
Electrosteel USA, LLC	55.38	-	-	-	55.38	55.05	-
Total	2,28.37	-	-	-	2,28.37	1,70.09	-

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.2021	Outstanding as on 31.03.2020
Previous Year							
Electrosteel Europe SA	1,19.42	-	-	-	1,19.42		1,19.42
Electrosteel Castings (UK) Ltd	47.11	-	-	-	47.11		9.38
Electrosteel USA, LLC	60.87	-	-	-	60.87		60.87
Reimbursements of expenses paid							
Electrosteel Europe SA	23.78	-	-	-	23.78	28.45	
Total	23.78	-	-	-	23.78	28.45	
Previous Year							
Electrosteel Europe SA	63.05	-	-	-	63.05		28.45
Electrosteel Bahrain Trading WLL	3.63	-	-	-	3.63		3.63
Reimbursements of expenses received							
Srikalahasthi Pipes Limited	1.04	1.10	-	-	2.14	-	
Previous Year							
Corporate Guarantee, Standby Letter of Credit and Letter of Comfort							
Electrosteel Europe SA	-	-	-	-	-	37,72.45	
Electrosteel Algeria SPA	-	-	-	-	-	8,77.26	
Electrosteel Castings (UK) Ltd	-	-	-	-	-	20,14.63	
Electrosteel USA, LLC	-	-	-	-	-	18,27.63	
Total	-	-	-	-	-	84,91.97	
Previous Year							
Electrosteel Europe SA	-	-	-	-	-		36,66.26
Electrosteel Algeria SPA	-	-	-	-	-		11,33.25
Electrosteel Castings (UK) Ltd	-	-	-	-	-		18,76.36
Electrosteel USA, LLC	-	-	-	-	-		18,88.75
Commission							
Electrosteel Castings Gulf Fze	1,30.26	-	-	-	1,30.26	3,78.61	
Total	1,30.26	-	-	-	1,30.26	3,78.61	
Previous Year							
Electrosteel Doha for Trading LLC	-	-	-	-	-		81.70
Electrosteel Castings Gulf Fze	2,59.92	-	-	-	2,59.92		2,76.87
Security Deposits							
Sri Gopal Investments Venturess Ltd	-	-	-	-	-	11.55	
Electrosteel Thermal Coal Limited	-	-	-	-	-	1,90.68	
Tulsi Highrise Private Limited	-	-	-	-	-	2,85.00	
Total	-	-	-	-	-	4,87.23	
Previous Year							
Sri Gopal Investments Venturess Ltd	-	-	-	1.05	1.05		11.55
Electrosteel Thermal Coal Limited	-	-	-	-	-		1,90.68
Tulsi Highrise Private Limited	-	-	-	-	-		2,85.00
Dividend Received							
Srikalahasthi Pipes Limited	-	1,351.09	-	-	1,351.09	-	
Total	-	1,351.09	-	-	1,351.09	-	
Previous Year							
Srikalahasthi Pipes Limited	-	11,58.07	-	-	11,58.07		-
Advances Given							
Domco Private Limited	-	-	-	-	-	7,00.00	-

**Notes to Standalone Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.2021	Outstanding as on 31.03.2020
Previous Year							
Electrosteel Thermal Coal Limited	-	-	-	-	-		1.00
Domco Private Limited	-	-	-	-	-		7,00.00
Advances Taken							
Electrosteel Doha for Trading LLC	40,25.04	-	-	-	40,25.04	-	
Electrosteel Castings (UK) Ltd	5,18.67				5,18.67	-	
Electrosteel Bahrain Trading WLL	4,15.97				4,15.97	-	
Electrosteel USA, LLC	1,87.20				1,87.20	-	
Srikalahasthi Pipes Limited	70,00.00	-	-	-	70,00.00	70,00.00	
Total	1,21,46.88	-	-	-	1,21,46.88	70,00.00	
Previous Year							
Electrosteel Doha for Trading LLC	44,42.94	-	-	-	44,42.94		3.37
Electrosteel Castings Gulf FZE	6,94.11	-	-	-	6,94.11		2.54
Srikalahasthi Pipes Limited	-	25,00.00	-	-	25,00.00		22,74.52
Interest Paid							
Srikalahasthi Pipes Limited	4,87.41	75.97	-	-	5,63.38	-	
Total	4,87.41	75.97	-	-	5,63.38	-	
Previous Year							
Srikalahasthi Pipes Limited	-	3,80.47	-	-	3,80.47		1,02.73
Equity Share contribution							
Previous Year							
Sree Khemisati Constructions Private Limited	-	-	-	24,00.00	24,00.00		-
Global Exports Ltd.	-	-	-	2,00.00	2,00.00		-
Mr. Mayank Kejriwal	-	-	2,00.00	-	2,00.00		-
Mrs. Asha Kejriwal	-	-	2,00.00	-	2,00.00		-
Sale of Investment							
Previous Year							
Sree Khemisati Constructions Private Limited	-	-	-	0.75	0.75		-
Global Exports Ltd.	-	-	-	0.75	0.75		-

C. Details of compensation paid to KMP during the year are as follows:

(Amount Rs. in lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Short-term employee benefits	10,03.72	12,09.18
Post-employment benefits *	-	-
Other long-term benefits *	-	-

*Post-employment benefits and other long-term benefits is being disclosed based on actual payment made on retirement /resignation of services, but does not includes provision made on actuarial basis as the same is available for all employees together.

D. Terms and conditions of transactions with related parties

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

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

- 54.1 In respect of the above parties, there is no provision for doubtful debts as on March 31, 2021 and no amount has been written off or written back during the year in respect of debt due from/to them.
- 54.2 The above related party information is as identified by the management.
- 54.3 Details of Loans, Investments and Guarantees covered u/s 186(4) of the Companies Act, 2013:
- Details of Loans and Investments are given under the respective heads (refer note no. 8, 8A, and 13).
 - Details of Corporate Guarantee/ Standby Letter of Credit given by the Company are as follows:

Name of the Company	Purpose	As at March 31, 2021	As at March 31, 2020
Electrosteel Europe SA	Short Term Loan Facility	25,72.13	24,99.72
	Short Term Loan Facility	12,00.33	11,66.54
Electrosteel Algeria SPA	Working capital facility	8,77.26	11,33.25
Electrosteel Castings (UK) Ltd.	Short Term Loan Facility	20,14.63	18,76.36
Electrosteel USA LLC	Working capital facility	18,27.63	18,88.75

55. The company operates mainly in one business segment viz Pipes being primary segment and all other activities revolve around the main activity. The secondary segment is geographical, information related to which is given as under:

Particulars	2001-21			2019-20		
	Within India	Outside India	Total	Within India	Outside India	Total
Sales (gross)	14,15,45.05	7,97,64.62	22,13,09.67	14,10,42.98	10,24,06.15	24,34,49.13
Non-Current Assets other than financial instruments	27,74,10.11	-	27,74,10.11	28,03,80.58	-	28,03,80.58

56. The Code on Social Security, 2020 ('Code') relating to various employee benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been yet notified. The Company will assess the impact of the Code when it comes into effect and will account for any related impact in the period the Code becomes effective.
57. The Board of Directors of the Company at its meeting held on October 5, 2020, had approved a scheme of amalgamation between the Company and Srikalahasthi Pipes Limited (SPL) wherein w.e.f the appointed date i.e. October 1, 2020, SPL will merge with the Company on a going concern basis subject to obtaining of necessary approvals. Pending such approvals, no adjustment has been carried out in the books of the accounts.
58. These financial statements have been approved by the Board of Directors of the Company on May 20, 2021 for issue to the shareholders for their adoption.
59. The company has opted for continuing accounting policy in respect of exchange difference arising on reporting of long term foreign currency monetary items in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". Accordingly, during the year ended 31st March 2021 the net exchange difference of Nil [previous year Nil] on foreign currency loans have been adjusted in the carrying amount of fixed assets / capital work in progress. The unamortised balance is Rs 2,61,13.55 lakhs (previous year Rs 2,63,11.20 lakhs).
60. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our report of even date

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

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 20, 2021

Indranil Mitra
Company Secretary

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Ashutosh Agarwal
Executive Director
(Group Finance) & CFO

Mahendra Kumar Jalan
Wholtime Director
(DIN : 00311883)

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



Form AOC 1

(Pursuant to first proviso to sub-section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules,2014)

Statement containing salient features of the Financial Statement Of Subsidiaries/ Associate Companies/Joint Ventures of Electrosteel Castings Limited as on 31st March, 2021

PART ' A ' : Subsidiaries

(Amount Rs. in lakhs)

Sl. No.	Name of the Subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Year	Exchange Rate	Equity Share Capital	Other Equity	Total Assets	Total Liabilities	Investment	Revenue from Operation/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Other Comprehensive Income	Total Comprehensive Income	Proposed dividend	%age of share holding	Country
1	Electrosteel Algeria SPA*	January 21, 2004	N.A.	DZD	2020-21	0.55	7,41.00	(12,01.50)	2,35.71	6,96.21	-	2,05.98	50.76	-	50.76	-	50.76	-	100%	Algeria
2	Electrosteel Castings (UK) Limited	January 17, 2005	N.A.	GBP	2020-21	100.73	11,08.05	9,77.60	1,34,03.50	1,13,17.85	-	1,07,23.47	9,87.67	10.07	9,77.60	-	9,77.60	-	100%	United Kingdom
3	Electrosteel Europe S.A.	December 24, 2001	N.A.	EURO	2020-21	85.74	32,58.03	41,85.11	4,25,64.50	3,51,21.36	0.48	5,09,01.12	7,66.73	2,43.50	5,23.23	-	5,23.23	-	100%	France
4	Srikalahasti Pipes Limited	September 18, 2020	N.A.	INR	2020-21	-	4,669.84	1,47,971.12	2,37,038.47	84,417.52	15,660.59	1,00,242.36	12,807.96	3,667.22	9,140.74	3,850.64	12,991.38	-	41.33%	India
5	Electrosteel USA, LLC#	September 30, 2008	N.A.	USD	2020-21	73.11	21,93.15	(3,24.66)	42,85.79	24,17.30	-	44,90.57	1,15.88	-	1,15.88	-	1,15.88	-	100%	USA
6	Electrosteel Trading, S.A.	December 13, 2011	N.A.	EURO	2020-21	85.74	55.73	64.36	12,64.54	11,44.45	-	18,73.18	7.65	2.20	5.45	-	5.45	-	100%	Spain
7	Electrosteel Doha for Trading LLC	September 30, 2012	N.A.	QAR	2020-21	20.08	40.15	46,66.09	84,08.09	37,01.85	-	1,85,46.63	14,03.50	1,36.47	12,67.03	-	12,67.03	-	49%	Qatar
8	Electrosteel Castings Gulf FZE	August 2, 2012	N.A.	AED	2020-21	19.90	1,99.04	23,77.46	29,93.01	4,16.51	-	43,84.82	3,81.77	-	3,81.77	-	3,81.77	-	100%	UAE
9	Electrosteel Brasil LTDA. Tubos e Conexões Dutris	January 22, 2013	N.A.	BRL	2020-21	12.98	19.47	(63.30)	-	43.83	-	-	-	-	-	-	-	-	100%	Brazil
10	Electrosteel Bahrain Holding W.L.L.##	March 17, 2015	N.A.	BHD	2020-21	1,93.92	4,84.81	15,37.93	54,40.19	34,17.45	-	58,07.19	77.09	-	77.09	-	77.09	-	100%	Bahrain

Notes :

Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2021.

* The financial year of the company is calendar year as per host country law. However, for the purpose of consolidation, financial statement has been drawn as at March end.

Consolidated Financial Statement includes its wholly owned subsidiary WaterFab LLC.

Consolidated Financial Statement includes its subsidiary Electrosteel Bahrain Trading WLL.

PART 'B' : Associates and Joint Ventures
Statement pursuant to section 129(3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures

Sl. No.	Name of the Associates/Joint Ventures	Latest Audited Balance Sheet Date	Date on which Associate or Joint Venture was acquired	Shares of Associate or Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/Joint Venture is not consolidated	Net Worth attributable to shareholding as per latest audited Balance Sheet (Rs in lakhs.)	Total Comprehensive Income	
				No. of Shares held by the Company as on March 31, 2020	Amount of investment (Rs in lakhs.)	Extent of holding %				Considered in consolidation (Rs in lakhs.)	Not considered in consolidation (Rs in lakhs.)
1	Srikalahasthi Pipes Limited #	March 31, 2021	March 30, 2002	-	-	-	N.A	N.A	5,38.77	-	-
2	Domco Private Limited	Ref Note No 8.2	August 24, 2005	30,000	30.00	50.00%	Extent of holding more than 20%	Ref Note No 8.2	-	-	-
3	North Dhadhu Mining Company Private Limited	Ref Note No 8.3	October 22, 2008	82,28,053	8,22.81	48.98%	Extent of holding more than 20%	Ref Note No 8.3	-	-	-

Ceased to be associate w.e.f. 18.09.2020 and became subsidiary. Refer note no.- 59

For and on behalf of the Board of Directors

Umang Kejriwal Managing Director (DIN : 00065173)	Mahendra Kumar Jalan Wholetime Director (DIN : 00311883)
Indranil Mitra Company Secretary	Sunil Katial Chief Executive Officer & Wholetime Director (DIN :07180348)

Kolkata
May 20, 2021

**ANNEXURE I****Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Standalone Audited Financial Results****Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in lakhs)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	2,28,467.77	Not Ascertainable
2.	Total Expenditure	2,23,572.91	
3.	Net Profit/(Loss) (including other comprehensive income)	6,909.54	
4.	Earnings Per Share	1.00	
5.	Total Assets	4,95,625.72	
6.	Total Liabilities	2,35,160.33	
7.	Net Worth (Equity Share Capital plus Other Equity)	2,60,465.39	
8.	Any other financial item(s) (as felt appropriate by the management)	-	

II. Audit Qualification (each audit qualification separately):**a. Details of Audit Qualification :**

Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31st March 2021 –

Sub Para (a): Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub-judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.

Sub Para (b): Note No. 6 in respect to Company's investment amounting to Rs. 3612.61 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the Company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the previous year, has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

Sub Para (c): Note No 7 in respect to carry forward of claim recoverable amounting to Rs. 1778.11 Lakhs towards the compensation claimed from the Railway Authorities as mentioned in the note. The recovery of the same is dependent on the outcome of the arbitration process and is not presently ascertainable.

b. **Type of Audit Qualification:** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion.

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 4 since financial year 2014-15, Note no. 6 since financial year 2017-18 and Note no. 7 since financial year 2019-20.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** N.A

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:** N.A

(ii) **If management is unable to estimate the impact, reasons for the same:**

SubPara (a) – In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL). The company also understand that the SAIL has handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim and on a petition filed by the Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the compensation. Earlier the Nominated Authority had upheld its decision of compensation already paid and the same was set aside by the Hon'ble High Court with a direction to the Nominated authority to reconsider. The Nominated authority further passed an order dated 11.11.2019 awarding an additional compensation of Rs. 180 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019 and the process of valuation is under progress as per the available information. The company has also approached the newly appointed Nominated Authority/ Ministry of Coal to reconsider the compensation determined by the previous Nominated Authority and also exploring other possibilities.

Pending finalisation of the matter as above;

- (i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2054.70 lakhs have been adjusted.

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

Sub Para (b) - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by Electrosteel Steels Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the Company had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018.

The Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.



During the quarter ending December 2018, shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at a price of Rs. 9.54 per share which was open till December 20, 2019. During the quarter, the company has fair valued the equity shares of Electrosteel Steels Limited (ESL) based on the fair valuation report obtained and a gain of Rs. 2462.95 lakhs has been accounted for in other comprehensive Income.

Further 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 3612.61 lakhs as on March 31, 2021 are pledged with the lenders of the ESL. The consortium of the lenders of ESL had issued notice for the invocation of pledged shares which has been disputed by the Company and on the plea filed by the Company, the Hon'ble High Court of Calcutta has set aside the notices issued by the lenders. The Company's plea for release of the pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs (value as at 31-03-2021) of the company, situated at Elavur, Tamilnadu, were mortgaged to a lender of ESL and the lender had subsequently assigned the right of the said property to a third party although the claims of the said lender were fully settled by the ESL as per the approved Resolution Plan of NCLT. Further the third party had taken the symbolic possession of the said property in the previous year. The Company had disputed the assignment by the lender and filed an appeal before the Commercial Appellate, Hon'ble Madras High Court for deciding the appropriate forum wherein company can file the suit for release of such property. The Madras High Court has granted injunction and the matter is sub judice. Pending finalization of the matter, these assets have been carried forward at their carrying book value.

Sub Para (c): As reported earlier, the Railway Authorities had withdrawn the permission of operation of Railway siding under construction which is situated at Haldia, West Bengal. The company has claimed the compensation from the Railway Authorities for the amount incurred for the said siding which was denied and the matter is under arbitration based on the direction of Hon'ble High Court at Kolkata. Pending arbitration proceedings, the company has recognised a charge of Rs. 2318.35 lakhs during the previous year and a balance amounting to Rs. 1778.11 lakhs have been considered recoverable by the management of the company and shown as "Other Financial Assets" under the "Current Assets".

(iii) Auditors' Comments on (i) or (ii) above :

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by us.

III. Signatories :

CEO/Managing Director	Umang Kejriwal <i>Managing Director</i>
CFO	Ashutosh Agarwal <i>(Chief Financial Officer)</i>
Audit Committee Chairman	Binod Kumar Khaitan <i>(Audit Committee Chairman)</i>
Statutory Auditor	For Singhi & Co <i>Chartered Accountants</i> Firm's Registration No.: 302049E Gopal Jain <i>(Partner)</i> Membership No: 059147

Place: Kolkata

Date: May 20, 2021

Independent Auditors' Report

To the Members of Electrosteel Castings Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Electrosteel Castings Limited** ("herein referred to as the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint ventures comprising the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss including the statement of other comprehensive income, consolidated statement of cash flow and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statement including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries, Associate & Joint Ventures referred to in the other matter paragraph section below, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended (Ind As) and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Group, its associate and joint ventures as at 31st March, 2021, and their consolidated loss (financial performance including other comprehensive income) and its consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

Attention is drawn to the following notes to the accompanying consolidated financial statements:

- a) Note no. 49 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof and non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter and as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter and the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
- b) Note No. 8A.2 in respect to Company's investment amounting to Rs. 3612.61 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further, the Land of Elavur plant of the Company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the previous year, has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.
- c) Note No 51 in respect to carry forward of claim recoverable amounting to Rs. 1778.11 Lakhs towards the compensation claimed from the Railway Authorities as mentioned in the note. The recovery of the same is dependent on the outcome of the arbitration process and is not presently ascertainable.

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

We conducted our audit of the consolidated financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, we have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.



Independent Auditors' Report *(Contd.)*

Key audit matters	How our audit addressed the key audit matter
Provision for Taxation, litigations and disclosures of contingent liabilities	
<p>The Group is exposed to different laws, regulations and interpretations thereof. The Holding company is also subject to number of significant claims and litigations. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature.</p> <p>At March 31, 2021, the Holding Company has carried forward non-current income tax liabilities of 5250.71 Lakhs [Refer Note 28 to the financial statements]. Further, the Holding Company has disclosed significant pending legal cases with respect to Kodilabad mines [Refer Note 50 to the financial statements] and other material contingent liabilities [Refer Note 55 to the financial statements].</p> <p>We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.</p>	<p>Our audit procedures included among others:</p> <ol style="list-style-type: none"> I. Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; II. Analyzed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change; III. Discussed the status of significant known actual and potential litigations with the management & noted that information placed before the board for such cases and IV. Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.
Recoverability of Government Grant	
<p>The Holding company has been entitled for various sales tax incentives under Industrial promotion scheme issued by the State Government. The Holding company had complied with the conditions of such scheme and incentives were accounted for in the books in earlier years. A sum of Rs. 4680.58 Lakhs (grouped under other financial assets in note no. 18) is outstanding against said incentive as on 31st March 2021.</p> <p>We determined this to be a matter of significance to our audit due to the quantum of the government grant outstanding, compliance requirement of the scheme and also because of recovery pattern of the same.</p>	<ol style="list-style-type: none"> I. Evaluating eligibility requirements of schemes and compliances by the company. II. Understanding and testing the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the grant. III. Considering the relevant notifications to ascertain the basis for determination, completion of performance obligation and assessing the appropriateness of the management estimates for accounting of government grant and timing of recognition & past receipt of the grants.

Key audit matters	How our audit addressed the key audit matter
Inventory measurement	
<p>The Holding company & Its subsidiary company "Srikalahasthi Pipes Limited" deals with various types of bulk material & Finished goods such as ductile & Iron pipes, pipe fittings, coal, coke & Iron Ore etc. The total inventory of such materials amounts to Rs. 90264.19 lakhs as on March 31, 2021. (refer note no. 12).</p> <p>The measurement of these inventories involved certain estimations/ assumption and also involved volumetric measurements. Measurement of some of these inventories also involved consideration of handling loss, moisture loss/ gain, spillage etc. and thus required assistance of technical expertise.</p> <p>We / Subsidiary's auditor determined this to be a matter of significance to audit due to quantum of the amount & estimation involved.</p>	<ol style="list-style-type: none"> I. Obtained the understanding of the management with regards to internal financial controls relating of Inventory management. II. The group has deployed an independent agency for verification of bulk Materials in which our team were also present to oversee the process of entire materials being verified. The internal verification process followed by the management for certain inventory items have also been reviewed. III. The report submitted by external agency were also reviewed and obtained reasons/explanation for differences and also confirmed the adjustment made in accordance with the policy confirmed by the group.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these

Independent Auditors' Report *(Contd.)*

Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, state of affairs (consolidated financial position), Profit or Loss (consolidated financial performance including other comprehensive income), changes in equity of the Group including its Associate and Joint Ventures and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group including its Associate and Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group including its Associate and Joint Ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate & 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 the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

Auditors' Responsibility for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error,

design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's including its Associate and Joint Ventures ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group including its Associate and Joint Ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.



Independent Auditors' Report *(Contd.)*

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Holding Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance of the Holding Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- 1) The consolidated financial statements includes the audited financial statements and the other financial information, in respect of:
 - (i) 10 (ten) Subsidiaries (including two step down subsidiaries), whose financial statements include total assets of Rs. 78585.62 lakhs as at March 31, 2021, total revenues Rs. 97587.06 lakhs, total net profit after tax of Rs 2187.87 lakhs, total comprehensive income of Rs. 2343.77 lakhs for the year ended on March 31, 2021, and net cash flows of Rs. 2248.18 lakhs for the year ended 31st March, 2021 as considered in the consolidated financial statements which have been audited by their respective independent auditors.
 - (ii) 1 (One) Subsidiary, Srikalahasthi Pipes Limited (SPL) {ceased to be an associate and became subsidiary as on 18th September 2020}, whose financial statement include total assets of Rs. 236941.93 lakhs as at March 31, 2021, total revenues of Rs. 99744.72 lakhs, total net profit after tax of Rs 9140.74 lakhs, total comprehensive income of Rs. 12991.38 lakhs for the period from September 18, 2020 to March 31, 2021, net cash flows of Rs. 9851.51 lakhs for the period from September 18, 2020 to March 31, 2021 and group's share of net profit after tax of Rs. 541.65 Lakhs and other comprehensive loss of Rs. 2.88 Lakhs for the period from April 01, 2020 to September 17, 2020, as considered in the consolidated financial statements whose financial statement and other financial information have been audited by its independent auditor.
 - (iii) The independent auditors report on the financial statements of above-mentioned entities have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in the respect of these entities is based solely on the reports of such auditors and the procedures performed by us as stated in paragraphs above.
- 2) The consolidated financial statements also includes unaudited financial statement and other unaudited financial information in respect of:
 - (i) 1 (one) Subsidiary, whose financial statement and other financial information reflect total assets of Rs. 0.28 thousand as at March 31, 2021 and total revenues of Rs. Nil, total net profit / loss after tax of Rs. Nil, total comprehensive income of Rs. (247.94) thousand for the year ended on March 31, 2021 and net cash outflows of Rs. 0.03 thousand for the year ended on March 31, 2021.
 - (ii) This unaudited financial statement / financial information have been approved and furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure included in respect of this subsidiary, is based solely on such unaudited financial statement / financial information. In our opinion and according to the information and explanation given to us by the Management, these financial statement / financial information are not material to the group.
- 3) As stated in Note No. 8.3 of the consolidated financial statements, the investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Holding Company, have been fully provided in the books. In view of this the financial statement of North Dhadhu Mining Company Private Limited have not been incorporated in the books.
- 4) As stated in Note No. 8.2 of the consolidated financial statement regarding non-availability of the financial statement of Domco Private Limited, a joint venture company due to which these has not been consolidated in these consolidated financial statements as required in terms of Ind AS- 28, "Investments in Associates and Joint Ventures".

Independent Auditors' Report *(Contd.)*

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on the separate financial statements of a Subsidiary company incorporated in India, referred in other matters paragraph above, we report that to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss including the statement of other comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statement;
 - (d) *Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act. read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The matter described in the *Basis for Qualified opinion paragraph above*, in the event of being decided unfavorably, in our opinion, may have an adverse effect on the functioning of the Holding Company;
 - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021, taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditors of a subsidiary company incorporated in India, none of the directors of the Holding company and a subsidiary incorporated in India are disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - (h) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and its subsidiary company incorporated in India. This does not include the report on two Joint venture companies for the reasons stated in Note No. 8.2 & 8.3 of the consolidated financial statements. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to the consolidated financial statements;
- (i) In respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. *Except for the matters dealt with in the basis for Qualified Opinion paragraph impact whereof are presently not ascertainable*, impact of pending litigations (other than those already recognised in the consolidated financial statements) on the consolidated financial position of the group have been disclosed in the consolidated financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013- Refer Note no.55 of the consolidated financial statements;
 - ii. The Group have made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note no. 47 of the consolidated financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company & its subsidiary incorporated in India.

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

(Gopal Jain)
Partner

Place : Kolkata
Date : May 20, 2021

Membership No. : 059147
UDIN: 21059147AAAABE8316



Annexure “A” to the Independent Auditors' Report on Consolidated Financial Statements

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

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to the consolidated financial statements of Electrosteel Castings Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, which are the companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company, its associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial

statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company and associate company, which are companies incorporated in India, 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 system with reference to the consolidated financial statements.

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

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

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

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

Opinion

In our opinion, the Holding Company and its subsidiary, which are companies incorporated in India, have, in all material respects, an

Annexure “A” to the Independent Auditors' Report on Consolidated Financial Statements *(Contd.)*

adequate internal financial controls system with reference to the consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control with reference to the consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements in so far as it relates to one subsidiary company, which is company incorporated in India, is based

on the corresponding standalone reports of the auditor, as applicable, of such company incorporated in India. In respect of two joint ventures as stated in Para (h) of Report on other legal and regulatory requirements, these companies could not be considered for the purpose of this report for the reasons stated in the note no. 8.2 & 8.3 of consolidated financial statements.

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

(Gopal Jain)
Partner

Place : Kolkata
Date : May 20, 2021

Membership No. : 059147
UDIN: 21059147AAAABE8316

**Consolidated Balance Sheet** as at March 31, 2021

(Amount Rs. in lakhs)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	25,97,92.61	16,62,15.33
(b) Capital work-in-progress	52	13,36,77.92	11,65,61.86
(c) Goodwill on consolidation		2,16.03	2,16.03
(d) Other Intangible assets	6	13,70.55	1,92.99
(e) Right-of-use assets	7	58,56.05	36,75.65
(f) Investments in associates and joint ventures	8	-	7,25,46.86
(g) Financial Assets			
(i) Investments	8A	45,72.75	21,20.68
(ii) Loans	9	25,92.96	13,37.96
(iii) Other financial assets	10	52,60.00	55,50.00
(h) Non Current Tax Assets (Net)		6,37.57	-
(i) Other non-current assets	11	7,05.16	5,93.25
		41,46,81.60	36,90,10.61
Current assets			
(a) Inventories	12	12,29,50.87	8,97,02.96
(b) Financial Assets			
(i) Investments	13	1,56,60.59	0.52
(ii) Trade receivables	14	7,68,75.29	6,17,93.70
(iii) Cash and cash equivalents	15	2,12,99.01	59,45.63
(iv) Bank balances other than (iii) above	16	2,97,48.29	40,42.40
(v) Loans	17	46,74.32	19,42.89
(vi) Other financial assets	18	2,04,37.45	1,88,84.01
(c) Other current assets	19	1,18,17.26	79,55.92
		30,34,63.08	19,02,68.03
Total Assets		71,81,44.68	55,92,78.64
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	20	43,29.55	43,29.55
(b) Other Equity	21	28,25,34.34	28,36,85.44
(c) Non-Controlling Interest	22	8,98,06.47	1,21.65
		37,66,70.36	28,81,36.64
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	8,02,40.29	7,02,64.81
(ii) Lease Liabilities	24	35,88.29	15,72.62
(b) Provisions	25	37,55.95	28,18.72
(c) Deferred tax liabilities (Net)	26	3,71,69.37	2,42,71.72
(d) Other non-current liabilities	27	47,48.85	53,67.63
(e) Non-current tax liabilities (Net)	28	52,50.71	51,57.78
		13,47,53.46	10,94,53.28
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	29	11,26,26.03	7,88,45.64
(ii) Lease Liabilities	24	5,99.98	2,14.90
(iii) Trade payables	30		
(a) Total Outstanding dues of Micro enterprises and small enterprises; and		26,81.89	1,61.85
(b) Total Outstanding of creditor other than Micro enterprises and small enterprises		4,35,49.17	3,84,17.95
(iv) Other financial liabilities	31	2,36,27.07	2,61,69.40
(b) Other current liabilities	32	2,10,52.25	1,61,82.03
(c) Provisions	33	18,10.74	13,91.84
(d) Current Tax Liabilities (Net)	34	7,73.73	3,05.11
		20,67,20.86	16,16,88.72
Total Equity and Liabilities		71,81,44.68	55,92,78.64

Significant accounting policies and other accompanying notes (1 to 66) form an integral part of the consolidated financial statements.

As per our report of even date

For Singhi & Co.Chartered Accountants
(Firm Registration No. 302049E)Gopal Jain
Partner
(Membership No. 059147)Kolkata
May 20, 2021Indranil Mitra
Company Secretary**For and on behalf of the Board of Directors**Umang Kejriwal
Managing Director
(DIN : 00065173)Mahendra Kumar Jalan
Wholtime Director
(DIN : 00311883)Ashutosh Agarwal
Executive Director
(Group Finance) & CFOSunil Katial
Chief Executive Officer &
Wholtime Director
(DIN :07180348)

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(Amount Rs. in lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	35	34,70,56.22	27,11,04.29
Other Income	36	58,21.63	33,20.77
Total income		35,28,77.85	27,44,25.06
EXPENSES			
Cost of materials consumed	37	14,16,37.38	11,18,41.99
Purchases of Stock-in-Trade	38	1,51,26.86	1,56,61.63
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	39	68,35.72	(97,95.08)
Employee benefits expense	40	3,13,48.05	2,26,60.63
Finance costs	41	2,10,63.43	2,27,58.44
Depreciation and amortisation expense	42	91,18.51	57,14.65
Other expenses	43	10,90,20.77	9,41,33.40
Total expenses		33,41,50.72	26,29,75.66
Profit/(Loss) before exceptional items and tax		1,87,27.13	1,14,49.40
Exceptional Items	44	(2,44,23.40)	-
Profit/(Loss) before tax		(56,96.27)	1,14,49.40
Tax expense:	45		
Current tax		53,27.28	17,16.28
Deferred tax		(12,24.24)	11,59.62
Related to earlier year		(71.01)	(56.02)
Profit/(Loss) after tax		(97,28.30)	86,29.52
Add: Share of Profit/ (Loss) in Associates and Joint Venture (Net)		5,41.65	75,18.85
Profit/(Loss) for the year		(91,86.65)	1,61,48.37
Profit/(Loss) for the year attributable to:			
- Owners of the Company		(1,45,88.05)	1,61,06.51
- Non-Controlling Interest		54,01.40	41.86
Other Comprehensive Income	46		
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		1,14.63	3.39
b) Equity instruments through other comprehensive income		25,04.14	(14.46)
c) Gain on consolidation transfer to capital reserve		1,20,01.88	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	45.2	(38.28)	2.46
B (i) Items that will be reclassified to profit or loss			
- Foreign currency translation differences		1,53.42	12,74.76
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
C Share of Other Comprehensive Income in Associates and Joint Ventures (Net of tax)		(2.88)	(5.76)
Other Comprehensive Income for the year (net of tax)		1,47,32.91	12,60.39
Other Comprehensive Income for the year attributable to:			
- Owners of the Company		1,47,35.81	12,60.39
- Non-Controlling Interest		(2.90)	-
Total Comprehensive Income for the year		55,46.26	1,74,08.76
Total Comprehensive Income for the year attributable to:			
- Owners of the Company		1,47.76	1,73,66.90
- Non-Controlling Interest		53,98.50	41.86
Earnings per equity share of par value of Re. 1 each.	53		
(1) Basic (Rs.)		(3.37)	3.85
(2) Diluted (Rs.)		(3.37)	3.85

Significant accounting policies and other accompanying notes (1 to 66) form an integral part of the consolidated financial statements.

As per our report of even date

For Singhi & Co.

Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 20, 2021

Indranil Mitra
Company Secretary

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Ashutosh Agarwal
Executive Director
(Group Finance) & CFO

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

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



Consolidated Statement of changes in Equity for the year ended March 31, 2021

A. Equity Share Capital	Amount (Rs. in lakhs)
Balance as at April 1, 2019	40,54.82
Changes during the year	2,74.73
Balance as at March 31, 2020	43,29.55
Changes during the year	-
Balance as at March 31, 2021	43,29.55

Note: During the year, the company had issued Nil (previous year 27472526) numbers of equity shares at a premium of Nil (previous year Rs. 17.20 each) (full figure) on preferential basis.

B. Other Equity

(Amount Rs. in lakhs)

As at March 31, 2021

Particulars	Reserve & Surplus				Items of Other Comprehensive Income			Total	
	Capital Reserve	Securities Premium	General Reserve	Statutory Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Exchange difference on translating the financial statements of foreign operations		Share of Associates/ Joint Venture
Balance as at April 01, 2020	41,67.77	8,38,30.25	10,05,65.95	4,05.51	9,20,51.49	(6,23.22)	33,88.65	(1,00.96)	28,36,85.44
Total Comprehensive Income for the year (net of tax)	-	-	-	-	(1,45,88.05)	24,94.70	1,56.32	(2.88)	(1,19,39.91)
Re-measurement of defined benefit plans (net of tax)	-	-	-	-	(18.05)	-	-	1,03.84	85.79
Dividend on Equity shares	-	-	-	-	(12,98.86)	-	-	-	(12,98.86)
Capital Reserve on consolidation of SPL (Refer note no 59)	1,20,01.88	-	-	-	-	-	-	-	1,20,01.88
Exchange difference on translation of foreign operations	-	-	-	(1.43)	-	-	1.43	-	-
Transfer from Retained Earnings	-	-	-	21.64	(21.64)	-	-	-	-
Transferred to Retained Earnings on disposal of Equity shares through OCI	-	-	-	-	52.37	(52.37)	-	-	-
Balance as at March 31, 2021	1,61,69.65	8,38,30.25	10,05,65.95	4,25.72	7,61,77.26	18,19.12	35,46.40	-	28,25,34.34

Consolidated Statement of changes in Equity for the year ended March 31, 2021 (Contd.)

B. Other Equity (Contd.)

As at March 31, 2020

(Amount Rs. in lakhs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income				Total
	Capital Reserve	Securities Premium	General Reserve	Statutory Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Exchange difference on translating the financial statements of foreign operations	Share of Associates/ Joint Venture	
Balance as at April 01, 2019	41,67.77	7,91,04.99	10,05,65.95	2,96.09	7,39,58.84	(6,12.07)	21,26.96	(95.20)	25,95,13.33
Total Comprehensive Income for the year (net of tax)	-	-	-	-	1,61,06.51	(11.15)	12,74.76	(5.76)	1,73,64.36
Re-measurement of defined benefit plans (net of tax)	-	-	-	-	2.54	-	-	-	2.54
Remeasurement impact of opening Deferred Tax Liability on adoption of New Tax Regime	-	-	-	-	20,79.95	-	-	-	20,79.95
Exchange difference on translation of foreign operations	-	-	-	13.07	-	-	(13.07)	-	-
Transfer from Retained Earnings	-	-	-	96.35	(96.35)	-	-	-	-
On issuance of 27472526 equity shares during the year	-	47,25.26	-	-	-	-	-	-	47,25.26
Balance as at March 31, 2020	41,67.77	8,38,30.25	10,05,65.95	4,05.51	9,20,51.49	(6,23.22)	33,88.65	(1,00.96)	28,36,85.44

Refer Note no. 21 for nature and purpose of reserves

Significant accounting policies and other accompanying notes (1 to 66) form an integral part of the consolidated financial statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 20, 2021

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Ashutosh Agarwal
Executive Director
(Group Finance) & CFO

Indranil Mitra
Company Secretary

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

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

**Consolidated Statement of Cash Flow** for the year ended March 31, 2021

(Amount Rs. in lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(56,96.27)	1,14,49.40
Add : Depreciation and amortisation expenses	91,18.51	57,14.65
Bad Debts	2,21.95	6,32.09
Sundry balances/Assets / Advances written off	38.07	28,20.71
Credit loss allowances on trade receivables/advances	85.37	8,32.18
Net (gain) /loss on Fair valuation of Investments	2,43,75.27	0.15
(Profit)/Loss on sale / discard of Fixed Assets (net)	2,47.46	2,14.85
Finance costs	2,10,63.43	2,27,58.44
	5,51,50.06	3,29,73.07
	4,94,53.79	4,44,22.47
Less: Interest Income	30,72.50	11,68.03
Bad Debts realised	-	89.58
Dividend Income from Investments	1.06	0.72
Profit on sale of Current Investment	2,13.97	(14.19)
Profit on sale of Non Current Investment	16.63	-
Fair Valuation of derivative instruments through Profit & Loss	9,93.56	(6,65.97)
Net gain/(loss) on derecognition of financial assets at amortised cost	0.12	29.71
Unrealised Foreign Exchange Fluctuation and translation	(7,77.46)	13,15.23
Reversal of Impairment Allowances for doubtful debts	-	3,55.41
Provisions / Liabilities no longer required written back	6,97.97	63.46
	42,18.35	23,41.98
Operating Profit before Working Capital changes	4,52,35.44	4,20,80.49
Movement in working capital		
Less: Increase/(Decrease) in Inventories	80,09.60	1,42,50.28
Increase/(Decrease) in Trade Receivables	(74,28.68)	(5,92.01)
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	(37,82.66)	(2,70.44)
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	(26,75.79)	53,63.07
	(58,77.53)	1,87,50.90
Cash generated from Operations	5,11,12.97	2,33,29.59
Less: Direct Taxes paid (Net)	46,33.94	8,54.89
Net cash flow from Operating activities (A)	4,64,79.03	2,24,74.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Intangible Assets and move- ments in Capital work in progress	(1,32,40.67)	(58,98.80)
Realisation of Property, Plant and Equipment, Intangible Assets	62.80	22.46
Sale of Non Current Investment	69.05	1.50
(Purchase)/Sale of Current Investment (net)	29,01.03	60.20
Interest received	34,15.40	12,02.22
Dividend received	13,52.14	11,58.79
Bank Balances Other than Cash and Cash Equivalents	1,47,49.24	14,12.21
	93,08.99	(20,41.42)
Net Cash flow from Investing activities (B)	93,08.99	(20,41.42)

Consolidated Statement of Cash Flow for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of share capital	–	50,00.00
Proceeds/(Repayments) from short term borrowings (net)	(62,97.30)	6,04.08
Repayment of Long Term borrowings	(4,07,44.92)	(1,20,83.88)
Proceeds from Long Term borrowings	2,75,41.15	60,00.00
Interest and other borrowing cost paid	(2,11,58.22)	(2,13,94.55)
Interest paid on Lease Liability	(2,06.71)	(1,16.12)
Dividend paid	(12,98.86)	–
Net cash flow from Financing activities (C)	(4,21,64.86)	(2,19,90.47)
D. Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)	1,36,23.16	(15,57.19)
E. Cash and Cash equivalents at the beginning of the year	59,45.63	75,01.16
F. Cash and Cash equivalents as at 17th September 2020 of Srikalahasthi Pipes Limited	17,31.01	–
G. Add / (Less) : Unrealised exchange gain / (loss) on bank balances	(0.79)	1.66
H. Cash and Cash equivalents at the end of the year	2,12,99.01	59,45.63

Note :

- (a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.
- (b) Ind AS 7 Cash flow statements requires the entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet of liabilities arising from financing activities, to meet the disclosure requirements.

Particulars	As at 31.03.2020	On account of consolidation (refer note no 59)	Cash Flows	Non Cash Changes		As at 31.03.2021
				Foreign Exchange movement, Amortised cost & Other Adjustments	Current/ Non-current classification	
Borrowings - Non Current	7,02,64.81	1,31,57.26	1,41,48.82	(632.09)	(1,66,98.51)	8,02,40.29
Other Financial Liabilities	2,27,04.86	36,57.67	(2,73,52.59)	990.06	1,66,98.51	1,66,98.51
Borrowings - Current	7,88,45.64	4,09,07.22	(62,97.30)	(8,29.53)	–	11,26,26.03

Significant accounting policies and other accompanying notes (1 to 66) form an integral part of the consolidated financial statements.

As per our report of even date

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

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 20, 2021

Indranil Mitra
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Wholetime Director
(DIN : 00311883)

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

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021**1. Group Information**

Electrosteel Castings Limited ('the Company') is a public limited company in India having its corporate office in Kolkata in the State of West Bengal and registered office at Rajgangpur, District: Sundergarh in the State of Odisha. The company along with its subsidiaries (the Group) and its associates and Joint ventures is engaged in the manufacture, trading and supply of Ductile Iron (DI) Pipes, Ductile Iron Fittings (DIF) and Cast iron (CI) Pipes as its core business and produces and supplies Pig Iron in the process. The Group also produces Metallurgic Coke, Sinter and Power for captive consumption. The Group caters to the needs of Water Infrastructure Development and its operation are spread over 35 countries across the Indian Sub-continent, South East Asia and the Middle East Europe, USA, South America and Africa by setting up subsidiaries and developing strong relations with customer abroad. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Board of Directors have approved the consolidated financial statements for the year ended March 31, 2021 and authorised for issue on May 20, 2021.

The Consolidated Financial Statements relates to Electrosteel Castings Limited (hereinafter referred to as 'the Company') and its subsidiaries (collectively hereinafter referred to as 'the Group') and its joint ventures and associates as detailed below:

Investment in Subsidiaries

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2021	% of holding as at March 31, 2020
Srikalahasthi Pipes Limited ("SPL") (w.e.f. 18.09.2020) (associate till 17.09.2020)	Manufacturing of DI Pipes	India	41.33%	41.33%
Electrosteel Europe SA	Trading of DI Pipes and Fittings	France	100%	100%
Electrosteel Algeria SPA	Trading of DI Pipes and Fittings	Algeria	100%	100%
Electrosteel Castings (UK) Limited	Trading of DI Pipes and Fittings	United Kingdom	100%	100%
Electrosteel USA LLC	Trading of DI Pipes and Fittings	United States of America	100%	100%
WaterFab LLC (subsidiary of Electrosteel USA, LLC)	Trading of DI Pipes and Fittings	United States of America	100%	100%
Electrosteel Trading, S.A.	Trading of DI Pipes and Fittings	Spain	100%	100%
Electrosteel Castings Gulf FZE	Trading of DI Pipes and Fittings	United Arab Emirates	100%	100%
Electrosteel Doha for Trading LLC	Trading of DI Pipes and Fittings	Qatar	97%	97%
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	Trading of DI Pipes and Fittings	Brazil	100%	100%
Electrosteel Bahrain Holding W.L.L (formerly known as Electrosteel Bahrain Holding SPC Company)	Commercial and Other Activity	Bahrain	100%	100%
Electrosteel Bahrain Trading W.L.L (subsidiary of Electrosteel Bahrain Holding W.L.L)*	Trading of DI Pipes and Fittings	Bahrain	100%	100%

* includes 51% shares held through beneficial trust.

Investment in Associates

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2021	% of holding as at March 31, 2020
Srikalahasthi Pipes Limited (became subsidiary of the company w.e.f. 18.09.2020)	Manufacturing of DI Pipes	India	-	41.33%

Investment in Joint Ventures

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2021	% of holding as at March 31, 2020
North Dhadhu Mining Company Private Limited (refer note no. 8.3)	Mining and agglomeration of Hard Coal	India	48.98%	48.98%
Domco Private Limited (refer note no. 8.2)	Manufacturing of Coke Oven products	India	50.00%	50.00%

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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

The group's operations and financial results for the first quarter were adversely impacted due to stoppage of operations for more than two months' full lock down due to the outbreak of COVID-19 pandemic. Thereafter it took nearly another two months for attaining back full production level. In view of the impact of pandemic, the results for the year ended March 31, 2021 are, therefore, not comparable with those of comparative year ended March 31, 2020. The group has also considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, receivables and other current assets. The group has performed sensitivity analysis on the assumptions used and expects to recover the carrying amount of these assets.

2. Recent Accounting Developments

Standards issued but not yet effective

2.1 The Ministry of Corporate Affairs ("MCA") notifies new Accounting Standards or amendments to the existing Accounting Standards. There is no such notification by the MCA as on the Balance sheet date which would have been applicable to the Group w.e.f April 01, 2021.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable to the Group from April 1, 2021. The amendments are extensive and the Group is in the process of evaluating the same and effect to them, as required by law, will be given from April 01, 2021.

3. Statement of compliance and Significant Accounting Policies

3.1 Statement of Compliance

These Consolidated financial statements, excepting as stated in note no 49, have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Basis of Preparation

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

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

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

Functional and Presentation Currency

Item included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The consolidated financial statements are presented in Indian Rupee ("INR") which is the Group's functional and presentation currency. All financial information presented in the consolidated financial statements has been presented in INR and all values have been rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).



Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

Consolidation Procedure

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements", Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures" as notified vide Companies (Accounting Standards) Rules, 2015 (as amended).

Subsidiaries

i. Subsidiaries are entities over which the Group has control and the Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its:

- (a) Power over the investee
- (b) Exposure or rights to variable returns from its involvement with the investee
- (c) The ability to use its power over the investee to affect its returns

Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control.

- ii. The Group combines the financial statements of the Company and its subsidiaries based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.
- iii. The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- iv. The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.
- v. Non-controlling interest's share of net profit of subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Company. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.
- vi. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

Non-controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's owners.

Non-controlling interests are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent changes in equity.

Investment in Associates and Joint Ventures

Investments in Associates and Joint Ventures are accounted in accordance with Ind AS - 28 on "Accounting for Investments in Associates and Joint Venture", under "equity method". Unrealised profit/loss are eliminated other than in respect of transactions pertaining to non depreciable assets.

The difference between the cost of investment in Associates and Joint Ventures and the share of net assets at the time of acquisition of such shares is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be. Under the equity

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

method, the investments are recognised at cost and thereafter the carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

When the Group's share of losses in an equity accounted investments equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the other entity. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy of the group.

Business Combination and Goodwill

The Group except for combination of group entities which are under common control applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

In case of combination of entities under control, business combination are accounted for under pooling of interest method whereby the assets and liabilities are combined at the carrying amount and no adjustments are made to reflect their fair values or recognise any new assets or liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the combination date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes (net of recoverable taxes), inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. For major projects, interest and other costs incurred on / related to borrowings to finance such projects or fixed assets during construction period and related pre-operative expenses are capitalised. Expenditure on Blast Furnace/Coke Oven Battery Relining is capitalised.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss when incurred.

Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, construction and erection materials, advances etc. Such items are classified to the appropriate categories of PPE when completed and ready for intended use.

The Group had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)**Depreciation and Amortisation**

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method in respect of Plant and Equipments and Office Equipments at all location of the Company except Elavur Plant of the Company and on written down value method on all other assets including Plant and Equipments and Office Equipments at Elavur Plant. Certain Plant and Equipment's have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the mother plant / fixed assets.

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

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components.

Railway siding constructed on Government land is amortised over the period of 10 years in terms of agreement.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the useful lives as estimated for other assets considered for depreciation are as follows:

Category	Useful life
Buildings	
Non-Factory Building (RCC Frame Structure)	60 Years
Factory Building	30 Years
Roads	
Carpeted Roads-RCC	10 Years
Carpeted Roads-other than RCC	5 Years
Non-Carpeted Roads	3 Years
Plant and machinery	
Other than Continuous Process Plant	15 Years
Sinter Plant, Blast Furnace, Coke Oven	20 Years
Coke Oven Battery Relining	5 Years
Blast Furnace Relining	2 to 6 Years
Pipe Moulds (specified size)	3 to 15 Years
Power Plant	40 Years
Computer equipment	
Servers and networks	6 Years
Others	3 Years
Furniture and fixtures, Electrical Installation and Laboratory Equipment's	10 Years
Office equipment	5 Years
Vehicles	
Motor cycles, scooters and other mopeds	10 Years
Others	8 Years

In case of the subsidiaries, depreciation is provided on straight line method on the basis of estimated useful life of the assets applying the depreciation rates ranging from 1.5% to 35% per annum.

3.3 Intangible Assets

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

Accordingly, right to use wagons acquired under "Wagon Investment Scheme", cost of computer software packages (ERP and others) and mining rights are allocated / amortised over a period of 10 years, 5 years and available period of mining lease respectively.

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

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

3.4 Derecognition of Tangible and Intangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.5 Leases

(i) Group as a lessee

The Group's lease asset classes primarily consist of leases for Land and Buildings. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assesses whether:

1. the contract involves the use of an identified asset
2. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
3. the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the consolidated Balance Sheet and lease payments have been classified as financing cash flows.

(ii) Group as a lessor

a. Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

b. Operating Lease

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Group with expected inflationary costs.



Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognised in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognised earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognised in the Statement of Profit and Loss. In such cases, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

3.7 Financial Assets and Financial Liabilities

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

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

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

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

(i) Cash and cash equivalents

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

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

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

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

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

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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

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

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit and loss. These are recognised at fair value and changes therein are recognised in the consolidated statement of profit and loss.

(vi) Equity Instruments measured at FVTOCI and FVTPL

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

(vii) Derivative and Hedge Accounting

The Group enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Group uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorised as a financial asset, at fair value through profit or loss. Transaction costs attributable are also recognised in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognised in the consolidated statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the consolidated statement of profit and loss.

(viii) Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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

(ix) Derecognition of financial instruments

The Group derecognises a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.



Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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

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

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

(x) Financial Guarantee Contracts

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

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost, and includes appropriate portion of overheads.

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

Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete under the Turnkey Contracts undertaken by the Group.

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

3.9 Foreign Currency Transactions

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

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

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

The Group had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

3.10 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 *(Contd.)*

3.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognised and are disclosed by way of notes to the consolidated financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the consolidated financial statements by way of notes to accounts when an inflow of economic benefits is probable.

3.12 Employee Benefits

Short Term Benefits

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

Other Long Term Employee Benefits

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

Post Employment Benefits

The Group operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognised for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognised in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

- Defined Contribution Plan

Defined contribution plans such as provident fund etc are charged to the statement of profit and loss as and when incurred. Contribution to Superannuation fund, a defined contribution plan is made in accordance with the Group's policy and is recognised in the Statement of profit and loss.



Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

3.13 Revenue

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

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognized for expected returns in relation to sales made corresponding assets are recognized for the products expected to be returned.

The Group recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Group expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

3.14 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalised to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.15 Non-current assets (or disposal groups) held for sale and discontinued operations

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

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

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

3.16 Government Grants

Government grants are recognised on systematic basis when there is reasonable certainty of realisation of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognised as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Segment Reporting

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

The Group has identified one reportable segment "Pipes and all other activities revolve around the main business" based on the information reviewed by the CODM.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the consolidated financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialised and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the consolidated financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Depreciation / amortisation and impairment on property, plant and equipment / intangible assets.

Property, plant and equipment and intangible assets are depreciated/ amortised on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Group accounting policy, taking into account the estimated residual value, wherever applicable.

The Group reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Asset's recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortisation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change in estimates in future periods.

4.2 Impairment on Investments in Associates and Joint Ventures

The carrying amount of Investments in Associates and Joint Ventures computed in accordance with equity method has been tested for impairment at year end based on the market value where the shares are quoted, P/E ratio of similar sector company along with premium/



Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

discount for nature of holding and Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

4.3 Right-of-use assets and lease liability

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

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

4.4 Claims and Compensation

Claims including insurance claims / arbitration claim are accounted for on determination of certainty of realisation thereof. Compensation receivable against acquisition of coal mine (refer note No. 49) pending final acceptance or settlement thereof even though has not been given effect to, as amount expected to be realised in this respect has been considered to be covering the carrying amount of the relevant assets and other recoverables.

4.5 Impairment allowances on trade receivables

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.6 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Deferred Tax for all taxable temporary differences have been given effect to in the consolidated financial statements. In case of Associates and Joint Venture, the Group being in a position to control the timing of reversal of temporary differences and considering the past trend there being no possibility of such reversal in near future, adjustment for deferred taxation against share of profit attributable to the Group has not been given effect in the consolidated financial statements.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Provisions and Contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

4.9 Uniform Accounting Policies

The audited/unaudited financial statements of foreign subsidiaries have been prepared in accordance with Generally Accepted Accounting Principles of its Country of Incorporation or International Financial Reporting Standards. Impact on account of differences if any, in accounting policies of the company and those followed by its subsidiaries are not material to the Group.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

5. Property, Plant and Equipment :

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Live Stock	Total
Gross Block									
As at April 1, 2020	12,22,81.04	1,58,75.96	4,95,40.82	5,22.47	12,81.48	7,11.73	33,63.20	1.11	19,35,77.81
On account of consolidation of SPL (refer note no 59)	3,56,59.62	91,74.63	6,59,18.33	47.11	4,59.78	4,77.99	-	-	11,17,37.46
Additions	-	17,27.52	81,45.40	97.44	73.62	59.96	-	-	1,01,03.94
Disposal	-	-	(9,16.52)	(0.78)	(98.11)	(6.92)	-	-	(10,22.33)
Other Adjustments	67.13	80.67	25.85	8.38	2.48	6.82	-	-	1,91.33
As at March 31, 2021	15,80,07.79	2,68,58.78	12,27,13.88	6,74.62	17,19.25	12,49.58	33,63.20	1.11	31,45,88.21
Accumulated Depreciation									
As at April 1, 2020	-	57,57.64	1,76,71.17	3,28.52	8,39.78	3,37.09	24,28.28	-	2,73,62.48
On account of consolidation of SPL (refer note no 59)	-	20,42.94	1,70,69.91	24.76	1,84.04	2,24.55	-	-	1,95,46.20
Charge for the period	-	10,82.92	66,50.15	63.12	1,68.32	1,16.84	4,79.69	-	85,61.04
Disposal	-	-	(6,25.73)	(0.53)	(82.64)	(5.26)	-	-	(7,14.16)
Other Adjustments	-	12.57	15.51	5.77	2.93	3.26	-	-	40.04
As at March 31, 2021	-	88,96.07	4,07,81.01	4,21.64	11,12.43	6,76.48	29,07.97	-	5,47,95.60
Net carrying amount									
As at March 31, 2021	15,80,07.79	1,79,62.71	8,19,32.87	2,52.98	6,06.82	5,73.10	4,55.23	1.11	25,97,92.61

Particulars	Freehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Live Stock	Total
Gross Block									
As at April 1, 2019	12,21,20.86	1,39,42.57	4,15,11.51	4,83.45	12,48.80	6,27.72	33,63.20	1.11	18,32,99.22
Additions	-	17,73.85	86,19.27	20.72	65.77	68.79	-	-	1,05,48.40
Disposal	-	(1.07)	(6,72.77)	(0.18)	(49.03)	(3.53)	-	-	(7,26.58)
Other Adjustments	1,60.18	1,60.61	82.81	18.48	15.94	18.75	-	-	4,56.77
As at March 31, 2020	12,22,81.04	1,58,75.96	4,95,40.82	5,22.47	12,81.48	7,11.73	33,63.20	1.11	19,35,77.81
Accumulated Depreciation									
As at April 1, 2019	-	48,35.82	1,43,41.09	2,57.06	6,96.70	2,52.55	19,47.18	-	2,23,30.40
Charge for the period	-	9,05.50	37,07.37	60.33	1,71.23	77.24	4,81.10	-	54,02.77
Disposal	-	-	(4,19.78)	(0.16)	(37.05)	(1.01)	-	-	(4,58.00)
Other Adjustments	-	16.32	42.49	11.29	8.90	8.31	-	-	87.31
As at March 31, 2020	-	57,57.64	1,76,71.17	3,28.52	8,39.78	3,37.09	24,28.28	-	2,73,62.48
Net carrying amount									
As at March 31, 2020	12,22,81.04	1,01,18.32	3,18,69.65	1,93.95	4,41.70	3,74.64	9,34.92	1.11	16,62,15.33

Notes :

- Plant and Equipments of Rs. 4,08.73 lakhs (previous year Rs. 4,09.23 lakhs) being contribution for laying the power line, the ownership of which does not vest with the Group.
- Railway Siding represents the cost of construction of the assets for company's use over the specified period as per the terms of agreement.
- Freehold land includes Rs. 3,35.81 lakhs (previous year Rs.3,35.81 lakhs) in respect of which the execution of conveyance deeds is pending. Freehold land also includes Rs. 2,75.27 lakhs (previous year Rs. 2,75.27 lakhs) towards contribution in relation of Joint Venture Company "North Dhadhu Mining Company Private Limited".

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

- 5.4 Other adjustments includes Rs. 1,91.33 lakhs (previous year 4,56.77 lakhs) representing foreign exchange fluctuation.
- 5.5 Freehold land includes, land amounting to Rs. 2,94,93.58 lakhs (previous year Rs. 2,94,93.58 lakhs) situated at Elavur plant of the Company and are mortgaged in the favour of lender to Electrosteel Steel Limited, an erstwhile associate of the Company. (Also refer note no.8A.2)
- 5.6 In Srikalahasthi Pipes Limited (SPL), government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme amounting to Rs. 2,94.74 lakhs on purchase of property, plant and equipment has been added to Plant and Equipments with corresponding credit to Deferred Income (Refer Note no.27.2).
- 5.7 Refer note no. 23 to consolidated financial statements in respect of charge created against borrowings.
- 5.8 Refer note no. 49 dealing with coal mine assets and note no 50 in respect of Iron-ore and manganese ore mine.

6. Other Intangible Assets

Particulars	Computer Softwares	Mining Rights	Right to use under Wagon Investment Scheme	Total
Gross Block				
As at April 1, 2020	5,47.78	8.13	8,65.14	14,21.05
On account of consolidation of SPL (refer note no 59)	14,02.40	-	-	14,02.40
Additions	53.03	-	-	53.03
Disposal	(32.87)	-	-	(32.87)
Other Adjustments	7.39	-	-	7.39
As at March 31, 2021	19,77.73	8.13	8,65.14	28,51.00
Accumulated Depreciation				
As at April 1, 2020	3,55.27	7.65	8,65.14	12,28.06
On account of consolidation of SPL (refer note no 59)	1,63.04	-	-	1,63.04
Charge for the period	1,13.84	0.48	-	1,14.32
Disposal	(30.78)	-	-	(30.78)
Other Adjustments	5.81	-	-	5.81
As at March 31, 2021	6,07.18	8.13	8,65.14	14,80.45
Net carrying amount				
As at March 31, 2021	13,70.55	-	-	13,70.55
Particulars				
Computers Softwares				
Mining Rights				
Right to use under Wagon Investment Scheme				
Total				
Gross Block				
As at April 1, 2019	4,69.48	8.13	8,65.14	13,42.75
Additions	66.54	-	-	66.54
Disposal	-	-	-	-
Other Adjustments	11.76	-	-	11.76
As at March 31, 2020	5,47.78	8.13	8,65.14	14,21.05
Accumulated Depreciation				
As at April 1, 2019	3,09.91	6.12	8,65.14	11,81.17
Charge for the period	37.65	1.53	-	39.18
Disposal	-	-	-	-
Other Adjustments	7.71	-	-	7.71
As at March 31, 2020	3,55.27	7.65	8,65.14	12,28.06
Net carrying amount				
As at March 31, 2020	1,92.51	0.48	-	1,92.99

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Notes :

- 6.1 Right to use Wagon represents cost incurred in connection with wagon procured under "Wagon investment Scheme" and handed over to railway authorities for their normal operations against priority over availability of the wagons for transportation as and when required.
- 6.2 Other adjustments includes Rs. 7.39 lakhs (previous year Rs. 11.76 lakhs) representing foreign exchange fluctuations.
- 6.3 Refer note no. 23 to financial statements in respect of charge created against borrowings.
- 6.4 Refer note no. 49 dealing with coal mine assets .

7. Right of Use

Particulars	Land	Building	Plant & Equipments	Total
Gross Block				
As at April 1, 2020	34,23.93	6,91.06	-	41,14.99
On account of consolidation of SPL (refer note no 59)	1,09.26	1,45.44	21,59.86	24,14.56
Additions	4,31.00	2,13.84	-	6,44.84
Disposal	-	-	-	-
Other Adjustments	(49.95)			(49.95)
As at March 31, 2021	39,14.24	10,50.34	21,59.86	71,24.44
Accumulated Depreciation				
As at April 1, 2020	3,01.13	1,38.21	-	4,39.34
On account of consolidation of SPL (refer note no 59)	5.11	1,28.63	2,59.18	3,92.92
Charge for the period	1,88.11	1,68.64	86.40	4,43.15
Disposal	-	-	-	-
Other Adjustments	(7.02)	-	-	(7.02)
As at March 31, 2021	4,87.33	4,35.48	3,45.58	12,68.39
Net carrying amount				
As at March 31, 2021	34,26.91	6,14.86	18,14.28	58,56.05

Particulars	Land	Building	Plant & Equipments	Total
Gross Block				
As at April 1, 2019				
Transfer from PPE on of adoption of Ind AS 116	21,20.58			21,20.58
Additions	12,11.51	6,91.06		19,02.57
Disposal	-			-
Other Adjustments	91.84			91.84
As at March 31, 2020	34,23.93	6,91.06	-	41,14.99
Accumulated Depreciation				
As at April 1, 2019				
Transfer from PPE on of adoption of Ind AS 116	1,56.39			1,56.39
Charge for the period	1,34.49	1,38.21		2,72.70
Disposal	-			-
Other Adjustments	10.25			10.25
As at March 31, 2020	3,01.13	1,38.21	-	4,39.34
Net carrying amount				
As at March 31, 2020	31,22.80	5,52.85	-	36,75.65

Note :

- 7.1 The Company has taken land on leases for lease period ranging from 3 to 90 years. Lease term includes non-cancellable period and expected lease period.
- 7.2 Other adjustments includes Rs. (49.95) lakhs (previous year Rs. 91.84 lakhs) representing foreign exchange fluctuations.
- 7.3 Refer note no. 23 to consolidated financial statements in respect of charge created against borrowings.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

8. Investment in Associates and Joint Ventures

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Holding (Nos.)	Amount	Amount	Holding (Nos.)	Amount	Amount
Investments in Equity Instruments						
Quoted						
Associates (Carrying amount determined using equity method of accounting)						
Srikalahasthi Pipes Limited "SPL" (Face value of Rs.10/- each) (Refer note no. 8.1)	-	-	-	19301218	6,61,91.76	
[Cost of acquisition includes goodwill of nil, previous year Rs. 44,91.37 lakhs]						
Add : Group share of Profit for the year (net)		-			75,18.93	
Add : Other Comprehensive Income		-			(5.76)	
Less : Dividend received during the year		-	-		11,58.07	7,25,46.86
						7,25,46.86
Unquoted						
Joint Venture (Carrying amount determined using equity method of accounting)						
Domco Private Limited (Face value of Rs. 100/- each)	30000	30.00		30000	30.00	
Less: Impairment in value of Investment (refer note no. 8.2)		(30.00)	-		(30.00)	-
North Dhadhu Mining Company Pvt Ltd (Face value of Rs.10/- each) (refer note no. 8.3)	8228053	8,38.13		8228053	8,38.13	
Less: Impairment in value of Investment		(8,38.13)	-		(8,38.13)	-
Add : Group share of Profit/(Loss) for the year (Net)		-			-	
						-
Total - Investment In Associates And Joint Ventures						7,25,46.86
Aggregate amount of Quoted Investments						7,25,46.86
Aggregate amount of Market value of Quoted Investments						2,13,37.50
Aggregate amount of Unquoted Investments						-
Aggregate amount of Impairment in value of Investments			8,68.13			8,68.13

8.1 Nil Equity shares (previous year 7004903 equity shares) of Rs. 10/- each fully paid up equity shares of Srikalahasthi Pipes Limited have been pledged in favour of Yes Bank Limited for securing term loan given to the Company. During the year the company has obtained the control over Srikalahasthi Pipes Limited (SPL) w.e.f September 18, 2020 in line with the guidelines prescribed under Ind AS 110 "Consolidated Financial Statements" and SPL became the subsidiary of the company which was hitherto considered as an associate.

8.2 The Parent company has investment of Rs.30.00 lakhs (previous year Rs. 30.00 lakhs) in equity shares and given advance of Rs. 7,00.00 lakhs (previous year Rs. 7,00.00 lakhs) against equity to Domco Private Limited (DPL), a Company incorporated in India, and has joint control (proportion of ownership interest of the Company being 50%) over DPL along with other venturers (the Venturers) in terms of the Shareholder's Agreement dated March 27, 2004. The Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) against the Company against operation and mismanagement of the company inter alia on various matters including for forfeiture of the Company's investment in equity shares of the DPL. The matter was later transferred to the Company Law Board, Kolkata Bench and is now being taken up by the National Company Law Tribunal, Kolkata Bench. The Company had also inter alia filed an arbitration proceeding under Arbitration & Conciliation Act, 1996 against recovery of the said amount against which the ventures also filed their counter claims on the Company. The matter is sub judice before the NCLT.

Pending final outcome of the above matter, the amounts in equity shares and advance have been fully provided for in the financial statements in the earlier years. The other venturers since not providing the financial statements of DPL, and thereby necessary disclosures could not be provided in these financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

- 8.3 (a) The North Dhadhu Coal Block located in the state of Jharkhand was allocated to the Company, Adhunik Alloys & Power Limited (AAP), Jharkhand Ispat Pvt. Ltd. (JPL) and Pawanjay Steel & Power Limited (PSPL) (collectively referred to as venturers) for working through North Dhadhu Mining Company Private Limited (NDMCPL), a joint venture company. The Company has joint control (proportion of ownership interest of the Company being 48.98 %) along with other venturers represented by investment of Rs. 8,22.81 lakhs in equity shares of NDMCPL.
- (b) In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, The Ministry of Coal, Government of India had issued an order for de-allocation of North Dhadhu Coal Block and deduction of Bank Guarantee of Rs.56,03.00 lakhs issued for the same. The Company's share in the Bank Guarantee is Rs.27,45.00 lakhs. On a writ petition filed by the Company for quashing the order, stay in the matter together with encashment of bank guarantee has been granted by the Hon'ble High Court of Jharkhand. The Company has also submitted its claim for compensation which is awaiting acceptance. In the view of the management, the compensation to be received in terms of ordinance is expected to cover the cost incurred by the Joint venture company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 8,22.81 lakhs in Joint venture has been provided in the previous year. In view of stay order by High Court, no provision in the share of bank guarantee has been considered necessary.
- 8.4 Particulars of investments as required in terms of section 186(4) of the Companies Act, 2013 have been disclosed under note 8, 8A & 13.
- 8.5 Summarised financial information for Associates

The tables below provide summarised financial information of those associates and joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates.

a) Associates

Summarised financial information	Srikalahasthi Pipes Limited	
	As at March 31, 2021	As at March 31, 2020
1) Balance Sheet		
(i) Current Assets	–	13,95,06.43
(ii) Non-current assets	–	9,82,02.54
(iii) Current liabilities	–	6,78,96.70
(iv) Non-current liabilities	–	2,81,97.34

	For the period from April 1, 2020 to September 17, 2020	For the year ended March 31, 2020
2) Statement of Profit and Loss		
(i) Revenue	5,56,49.89	17,26,59.48
(ii) Profit or loss from continuing operations	13,10.51	1,87,67.63
(iii) Other comprehensive income	(6.97)	(13.94)
(iv) Total comprehensive income	13,03.54	1,87,53.69
(v) Dividend received during the year (Parent's share)	13,51.09	11,58.07

ceased to be associate w.e.f. 18.09.2020

Refer note no. 8.2 relating to non availability of financial statement of Domco Private Limited, Joint Venture and accordingly disclosures as required under Ind AS 112 have not been made.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

8.6 Reconciliation of the above summarised information to the carrying amount of the interest in Associate recognised in the consolidated financial statement

a) Associates

Particulars	Srikalahasthi Pipes Limited	
	As at March 31, 2021	As at March 31, 2020
Closing Net Assets	–	14,16,14.93
Proportion of the Parent's ownership interest in J.V / associates (%)	–	41.33%
Proportion of the Parent's ownership interest in J.V / associates (INR)	–	5,85,31.77
Add/Less: Adjustments		
- Effect of fair value of investment on the date of transition as deemed cost	–	1,40,48.08
- Goodwill on equity accounting	–	44,91.37
- Effect on dilution of shareholding pattern	–	(4,524.36)
Net Assets as per Consolidated Financial statement (to the extent of carrying value of investment)	–	7,25,46.86

Note : No information has been given in respect of Srikalahasthi Pipes Limited in view of cession of associate relationship during the year.

8A. Non-Current Investments

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Holding (Nos.)	Amount	Holding (Nos.)	Amount
Investment designated at Fair Value through Other Comprehensive Income				
Quoted				
R.G. Ispat Limited (Face value of Rs. 10/- each)*	50	0.00	50	0.00
MSTC Limited. (Face value of Rs. 10/- each)	–	–	16000	12.68
Saint Gobain-PAM (Face value of Euro 4/- each)	14	0.61	14	0.26
Von Roll (Face value of Euro 0.071 each)	10	0.01	10	0.01
		0.62		12.95
Unquoted				
Rainbow Steels Limited (Face value of Rs.10/- each)	100	0.01	100	0.01
Singardo International Pte Ltd. (Face value of SGD 1 each)	25000	21.25	25000	19.69
N Marshall Hi-tech Engineers Pvt. Ltd. (Face value of Rs.10/- each)	50000	8.59	50000	8.69
Electrosteel Steels Ltd. (Face value Rs. 10/-each) (Refer Note no. 8A.1 and 8A.2)	21796000	45,42.28	21796000	20,79.34
		45,72.13		21,07.73
		45,72.75		21,20.68
Investments in Preference Shares				
Others				
Mukand Limited (0.01% Cumulative Redeemable Preference Shares face value of Rs. 10/-each)*	16	0.00	16	0.00
		0.00		0.00
Total - Non Current Investments		45,72.75		21,20.68
Aggregate amount of Quoted Investments		0.62		12.95
Aggregate amount of Market value of Quoted Investments		0.62		12.95
Aggregate amount of Unquoted Investments		45,72.13		21,07.73
Aggregate amount of Impairment in value of Investments		–		–

* Figures below rounding off limit

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

- 8A.1 17334999 equity shares (previous year 17334999) of Rs 10/- each fully paid up of Electrosteel Steels Limited (ESL) have been pledged in favour of lenders of Electrosteel Steels Limited for securing financial assistance to ESL.
- 8A.2 The parent company has fair valued the equity shares of Electrosteel Steels Limited (ESL) based on the fair valuation report obtained and a gain of Rs. 24,62.95 lakhs has been accounted for in Other Comprehensive Income.

Further the notices issued by the consortium of lenders of ESL for invocation of pledge of Company's investment of 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 36,12.61 lakhs was set aside by the Hon'ble High Court at Calcutta. The plea of the company for release of the pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 2,94,93.58 lakhs (previous year Rs. 2,94,93.58 lakhs) of the parent company, situated at Elavur, Tamilnadu, were mortgaged to a lender of ESL and the lender had subsequently assigned the right of the said property to a third party although the claims of the said lender were fully settled by the ESL as per the approved Resolution Plan of NCLT. Further the third party had taken the symbolic possession of the said land in the previous year. The parent Company had disputed the assignment by the lender and filed an appeal before the Commercial Appellate, Hon'ble Madras High Court for deciding the appropriate forum wherein company can file the suit for release of such property. The Madras High Court has granted injunction and the matter is sub judice. Pending finalization of the matter, these assets have been carried forward at their carrying book value.

- 8A.3 The Group has made an irrevocable decision to consider investment in equity instruments not held for trading to be recognised at FVTOCI.

9. Loans

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Loan Receivables considered good - Secured		-	-
Loan Receivables considered good -Unsecured			
Security Deposits	9.1, 9.2, 29.1 and 56	25,72.19	13,16.50
Other Loans		20.77	21.46
		25,92.96	13,37.96
Loan Receivables which have significant increase in Credit Risk		-	-
Loan Receivables - credit impaired		69.18	-
Less : Provision		(69.18)	-
		-	-
		25,92.96	13,37.96

9.1 Movement of Provision

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	-	-
Recognised during the year	69.18	-
Reversal during the year	-	-
Balance at the end of the year	69.18	-

- 9.2 Security deposits includes Rs. 4,87.23 lakhs (previous year Rs. 4,87.23 lakhs) with the related parties. It also includes Rs. 5,33.95 lakhs (previous year Rs. 3,71.91 lakhs) lying with customers in terms of agreement/order towards supplies of goods.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

10. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Fixed Deposit with Banks (having maturity of more than 1 year from Balance sheet date)	10.1	52,26.47	55,50.00
Margin Money with banks	16.1	6.26	–
Security Deposit/EMD to Customers		27.27	–
		52,60.00	55,50.00

10.1 Fixed Deposits with banks include Rs. 25,46.47 lakhs (previous year Rs. 24,80.00) which have been pledged with banks against guarantees issued by them.

11. Other Non-Current Assets

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Capital Advances		3,84.71	2,82.71
Prepaid expenses		3,14.23	3,02.13
Others	11.1	6.22	8.41
		7,05.16	5,93.25

11.1 Represents loans and advance to employees amounting to Rs. 6.22 lakhs (previous year Rs. 8.41 lakhs).

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

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	5,42,58.87	3,07,52.37
Raw materials in transit	46,24.32	91.84
Process stock	77,29.34	70,67.25
Finished goods [including in transit Rs. 88,16.60 lakhs (previous year Rs. 58,62.34 lakhs)]	4,31,80.50	4,43,83.14
Stock-in-trade (in respect of goods acquired for trading)	7,41.02	8,58.05
Stores and spares	1,23,53.43	65,09.90
Stores and spares in transit	63.39	40.41
	12,29,50.87	8,97,02.96

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

13. Current Investments

(Fully paid up except otherwise stated)

Particulars	Face Value	As at March 31, 2021		As at March 31, 2020	
		Holding (Nos.)	Amount	Holding (Nos.)	Amount
Investment measured at fair value through Profit and Loss					
Investment in Equity Instruments					
Equity Shares (Quoted)					
GTL Infrastructure Ltd. (Face value of Rs 10/- each)		–	–	60000	0.45
Jyoti Structures Ltd. (Face value of Rs 2/- each)		–	–	5000	0.07
Investment in Mutual Funds (Unquoted, fully paid-up, otherwise stated)					
Aditya Birla Sunlife Savings Fund - Growth - Direct Plan	100	705044	30,09.38	–	–
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan (Formerly known as Aditya Birla Sun Life Cash Plus)	100	301646	10,00.06	–	–
Aditya Birla Sunlife Overnight Fund - Growth - Direct Plan	1000	44932	5,00.07	–	–
LGRD- Union Liquid Fund - Growth - Direct Plan	1000	242423	48,04.97	–	–
MDRG- Union Medium Duration Fund - Regular Plan - Growth	10	9999500	10,20.40	–	–
LIC MF Overnight Fund - Regular Plan - Growth	1000	46990	5,00.06	–	–
LIC MF Ultra Short Term Fund - Regular Plan- Growth	1000	361666	38,18.36	–	–
			1,46,53.30		0.52
Investment in Alternative Investments Funds (AIF) (Unquoted, fully paid-up, otherwise stated)					
Alpha Alternatives Multi Strategy Absolute Return Scheme (Class I- Feb' 21)	1000	99995	10,07.29	–	–
			10,07.29		–
Total			1,56,60.59		0.52
Aggregate amount of Quoted Investments					
- In Equity Shares			–		0.52
Aggregate amount of Unquoted Investments					
- In Mutual Fund			1,46,53.30		–
- In AIF Fund			10,07.29		–
			1,56,60.59		–
Aggregate amount of NAV of Unquoted Investments					
- In Mutual Fund			1,46,53.30		–
			1,46,53.30		–
Aggregate amount of Market value of quoted Investments					
- In Equity Shares			–		0.52
			–		0.52

14. Trade Receivables

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good - Secured		5,81,59.56	3,30,61.17
Trade Receivables considered good -Unsecured		1,87,15.73	2,87,32.53
Trade Receivables which have significant increase in Credit Risk		–	–
Trade Receivables - credit impaired		16,72.93	15,08.01
Less: Credit loss allowances on Trade Receivable	14.2	(16,72.93)	(15,08.01)
		7,68,75.29	6,17,93.70

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

14.1 Ageing of Trade Receivable :

Particulars	As at March 31, 2021	As at March 31, 2020
Within the credit period	5,59,69.43	4,85,98.37
1-180 days past due	1,96,47.31	1,24,89.87
More than 180 days past due	29,31.48	22,13.47
Less: Credit loss allowances on Trade Receivable	(16,72.93)	(15,08.01)
Total	7,68,75.29	6,17,93.70
Current Trade Receivable	7,68,75.29	6,17,93.70

14.2 Movement of Impairment allowances for doubtful debts

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	15,08.01	9,11.17
Recognised during the year	1,91.81	10,05.25
Reversal during the year	(26.89)	(4,08.41)
Balance at the end of the year	16,72.93	15,08.01

14.3 Balances of Trade Receivables including for Turnkey Contracts and retention money are subject to confirmation/reconciliation and adjustments in this respect are carried out as and when amounts thereof, if any are ascertained.

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

14.5 Refer note no. 56 for balances with related parties.

15. Cash and Cash Equivalents

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Balances with banks			
In current and cash credit accounts	15.1	1,22,83.93	59,33.04
Cash on hand		15.08	12.59
In Fixed Deposit with original maturity of less than 3 months		90,00.00	-
		2,12,99.01	59,45.63

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

16. Bank Balances Other than Cash and Cash Equivalents

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Other balance with banks			
In Fixed Deposit Escrow account	25.1	5,36.93	5,36.93
In dividend accounts		1,71.71	70.66
In Fixed Deposit with original maturity of more than 3 months	16.1 and 16.2	2,42,19.37	1,30.84
- In Margin Money	16.1	48,20.28	33,03.97
		2,97,48.29	40,42.40

16.1 Fixed Deposits with banks include fixed deposit of Rs. 48,26.54 lakhs (previous year Rs. 33,03.97 lakhs), including Rs. 6.26 lakhs disclosed under other non-current financial assets, which have been pledged with banks against guarantee issued by them. Further fixed deposit also includes Rs. 1,15.76 lakhs (previous year Rs. 1,30.84 lakhs) lying with customer against deposit for supplies of materials.

16.2 Fixed deposits with bank includes Fixed Deposit of Rs. 1,78.00 lakhs lying with banks of a subsidiary as per the DSRA in terms of the facilities granted by them to the said subsidiary.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

17. Loans

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Loan Receivables Considered Good - Secured		-	-
Loan Receivables Considered Good - Unsecured			
Security Deposits	17.1	27,35.88	19,42.89
Other Deposits		1,69.12	-
Inter corporate deposits	17.2	17,30.00	-
Other loans and advances		39.32	-
		46,74.32	19,42.89
Loan Receivables which have significant increase in Credit Risk			
Loan Receivables - Credit Impaired			
Loan and Advances to related party	56	7,00.00	7,00.00
Others		6.75	10.62
		7,06.75	7,10.62
Less: Impairment Allowances for doubtful advances	8.2 and 17.3	7,06.75	7,10.62
		-	-
		46,74.32	19,42.89

17.1 Include Rs. 12,91.37 lakhs (previous year Rs. 15,11.38 lakhs) lying with customer as security deposit in terms of agreement/order towards supplies of goods.

17.2 Disclosure of Inter Corporate Loans (other than above) as per Sec 186(4) of the Companies Act 2013 are as follows :

Particulars of Advances	Rate of Interest	Amount Outstanding as at March 31, 2021	Maximum Amount Outstanding during the period ended March 31, 2021
Sanghai Commercial & Credits (P) Limited	8% to 10%	17,30.00	46,55.00

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

17.2.2 The Interest rate on such Inter Corporate Loans have been reduced to 8% from January 01, 2021.

17.3 Movement of Allowances for doubtful advances.

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	7,10.62	7,10.62
Recognised during the year	6.75	-
Reversal during the year	10.62	-
Balance at the end of the year	7,06.75	7,10.62

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

18. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Interest receivable		5,32.42	36.56
Claim receivable against coal block	49	93,16.85	93,16.85
Claim receivable against railway siding	51	17,78.11	17,78.11
Derivative Assets at fair value through profit or loss		4,11.28	-
Incentive/Subsidy/Cess receivable		63,24.61	55,87.42
Export incentive receivable		14,22.82	21,07.80
Sales Tax Deposits	18.1	5,64.16	-
Others		87.20	57.27
		2,04,37.45	1,88,84.01

18.1 Represents deposits made against disputed demand with Sales Tax Authorities.

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

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

19. Other Current Assets

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Advances for supply of goods and rendering of services			
- Considered Good		72,85.67	26,86.22
- Considered Doubtful	19.1	80.14	47.03
- Less: Impairment Allowances for doubtful advances		(80.14)	(47.03)
Loans and advances to employees		2,53.66	88.64
Balance with Government authorities	19.2	25,91.98	34,32.43
Prepaid expenses		10,62.96	11,58.19
Others		6,22.99	5,90.44
		1,18,17.26	79,55.92

19.1 Movement of Allowances for doubtful advances

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	47.03	1,06.02
Recognised during the year	42.42	16.96
Reversal during the year	(9.31)	(75.95)
Balance at the end of the year	80.14	47.03

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

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

20. Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
Equity shares, Re. 1/- par value		
500,200,000 (previous year 500,200,000) equity shares	50,02.00	50,02.00
Issued, Subscribed and Paid-up		
Equity shares, Re. 1/- par value		
432,954,709 (previous year 432,954,709) equity shares fully paid up	43,29.55	43,29.55
	43,29.55	43,29.55

20.1 The Company has only one class of shares referred to as equity shares having a par value of Re. 1/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

20.2 During the year, the Company had issued nil (previous year 27472526) numbers of equity shares at a premium of nil (previous year Rs. 17.20 each) (full figure) on preferential basis.

20.3 Reconciliation of the number of equity shares outstandings (No. of shares)

Particulars	As at March 31, 2021	As at March 31, 2020
Number of shares at the beginning	432954709	405482183
Add: Addition during the year	-	27472526
Number of shares at the end	432954709	432954709

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

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

Particulars	As at March 31, 2021	As at March 31, 2020
G. K. & Sons Private Ltd.	47074593	44984593
Electrocast Sales India Ltd.	41135158	37345158
Umang Kejriwal-Trustee of Sreeji Family Benefit Trust/Mayank Kejriwal - Trustee of Sreeji Family Benefit Trust	35027053	35027053
Murari Investment & Trading Company Ltd.	33203127	31027297
G. K. Investments Ltd.	24114560	21814560
Belgrave Investment Fund	22777010	-
Uttam Commercial Company Ltd.	22631774	22181774
India Opportunities Growth Fund Ltd. - Pinewood Strategy	-	26372049

21. Other Equity (Amount Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve	1,61,69.65	41,67.77
Securities Premium	8,38,30.25	8,38,30.25
General Reserve	10,05,65.95	10,05,65.95
Statutory Reserve	4,25.72	4,05.51
Retained Earnings	7,61,77.26	9,20,51.49
Other Comprehensive Income		
Equity instrument through other comprehensive income	18,19.12	(6,23.22)
Foreign currency translation reserve	35,46.40	33,88.65
Share of Associates/ Joint Venture (net)	-	(1,00.96)
	28,25,34.34	28,36,85.44

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

21.2 **Capital Reserve**

The reserve mainly consists of amount arisen on account of consolidation of Srikalahasthi Pipes Limited during the year and also on account of forfeiture of warrants convertible into equity shares.

21.3 **Securities Premium**

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

21.4 **General Reserve**

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

21.5 **Statutory Reserve**

Statutory Reserve is required to be created by certain subsidiaries of the Group out of the profits and maintained in accordance with local law of the host country. This reserves is available for utilisation as specified in the local law of the host country.

21.6 **Retained Earnings**

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

21.7 **Other Comprehensive Income**

Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:

- i) Items that will not be reclassified to profit and loss
 - a. The Group has elected to recognise changes in the fair value of non-current investments (other than associates and joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.
 - b. The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI and subsequently transferred to retained earnings as per the requirement of Schedule III of Companies Act 2013.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

ii) Items that will be reclassified to Profit and Loss.

a. This Reserve represents the cumulative effective portion of changes in fair value of currency swap that are designated as cash flow hedge are recognised in OCI. This is reclassified to statement of Profit and Loss.

21.8 The Board of Directors of the Parent company at its meeting held on May 20, 2021 recommended a final dividend of Re. 0.25 per equity share of face value of Re. 1 each for the financial year ended March 31, 2021. The same amounts to Rs. 10,82.39 lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Parent company and hence not recognised as a liability.

21.9 The Board of Directors of a subsidiary company "Srikalahasthi Pipes Limited (SPL)" at its meeting held on May 4, 2021 recommended a final dividend of Rs. 6.00 per equity share of face value of Rs. 10 each for the financial year ended March 31, 2021. The same amounts to Rs. 28,01.90 lakhs (including parent's share). The above is subject to approval at the ensuing Annual General Meeting of the subsidiary company.

22. Non-Controlling Interest

22.1 The details (Principal place of operation/country of incorporation, principal activities and percentage of ownership interest and voting power (directly held by the Group)) of the subsidiaries are set out in note no. 1 of the consolidated financial statements.

22.2 Summarised financial information of subsidiaries having non-controlling interests is as follow:-

Name of the Subsidiary	Profit/(Loss) allocated to Non-controlling interests		Accumulated Non-controlling interests	
	For the year ended March 31, 2021	For the year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
Srikalahasthi Pipes Limited	53,59.98	–	8,96,55.56	–
Electrosteel Doha For Trading LLC	38.52	41.86	1,50.91	1,21.65

Srikalahasthi Pipes Limited**a) Summarised Balance Sheet**

Particulars	As at March 31, 2021
Assets	
(i) Non-current assets	
Property, Plant and Equipment and Capital Work in progress and other non current assets	11,75,45.37
(ii) Current assets	
Financial Liabilities	2,97,25.64
Other current liabilities	1,56,60.59
Current Tax Liabilities (Net)	6,30,49.13
Other current assets	1,09,61.24
Liabilities	
(i) Non-current Liabilities	3,01,92.78
(ii) Current liabilities	
Financial Liabilities	4,81,31.33
Other current liabilities	54,76.53
Current Tax Liabilities (Net)	3,96.90
Equity attributable to :	
Owners of the Parent	6,30,88.84
Non controlling interest	8,96,55.56

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

b) Summarised Statement of Profit and Loss

Particulars	From the period September 18, 2020 to March 31, 2021
(i) Revenue	9,74,09.04
(ii) Other Income	23,35.68
(iii) Raw Material consumed	4,47,14.66
(iv) Purchases of Stock-in-Trade	27,10.38
(v) Changes in inventories of finished goods , stock-in-trade and work-in-progress	14,94.86
(vi) Employee benefits expense	84,77.29
(vii) Finance cost	22,90.45
(viii) Depreciation and amortisation	33,01.10
(ix) Other expenses	2,39,48.02
(x) Profit/(loss) during the year	91,40.74
(xi) Other comprehensive income	38,50.64
(xii) Total comprehensive income	1,29,91.38
Total comprehensive income attributable to:	
Owners of the Parent	76,31.40
Non controlling interest	53,59.98

c) Summarised Cash Flow Statement

Particulars	From the period September 18, 2020 to March 31, 2021
Net cash inflow/(outflow) from operating activities	2,69,87.58
Net cash inflow/(outflow) from investing activities	(44,75.92)
Net cash inflow/(outflow) from financing activities	(1,26,60.15)
Net cash inflow/(outflow)	98,51.51
Dividend paid to Non-controlling interests	-

Electrosteel Doha For Trading LLC

a) Summarised Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Assets		
(i) Non-current assets		
Property, Plant and Equipment and Capital Work in progress and other non current assets	1.10	0.31
(ii) Current assets		
Inventories	25,93.73	15,81.02
Financial Assets	50,59.73	56,94.68
Other current assets	7,53.52	8,84.96
Liabilities		
Current liabilities		
Financial Liabilities	31,24.03	39,22.05
Other current liabilities	4,41.77	3,93.54
Current Tax Liabilities (Net)	1,36.47	1,48.60
Equity attributable to :		
Owners of the Parent	45,54.91	35,75.13
Non controlling interest	1,50.91	1,21.65

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

b) Summarised Statement of Profit and Loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Revenue	1,87,72.64	1,51,47.83
(ii) Other Income	25.92	24.79
(iii) Purchases of Stock-in-Trade	1,54,57.12	1,25,51.66
(iv) Changes in inventories of finished goods , stock-in-trade and work-in-progress	(10,12.72)	(11,62.17)
(v) Employee benefits expense	1,92.89	1,65.60
(vi) Depreciation and amortisation	0.17	0.18
(vii) Other expenses	28,76.86	22,18.47
(viii) Profit/(loss) during the year	11,45.91	12,99.42
(ix) Other comprehensive income	(1,27.62)	2,63.88
(x) Total comprehensive income	10,18.29	15,63.30
Total comprehensive income attributable to:		
Owners of the Parent	9,79.77	15,21.44
Non controlling interest	38.52	41.86

c) Summarised Cash Flow Statement

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net cash inflow/(outflow) from operating activities	5,43.33	1,52.31
Net cash inflow/(outflow) from investing activities	(0.95)	(0.15)
Net cash inflow/(outflow) from financing activities	(9.26)	13.92
Net cash inflow/(outflow)	5,33.12	1,66.08

23. Borrowings

Particulars	Ref. note no.	As at March 31, 2021		As at March 31, 2020	
		Non Current	Current	Non Current	Current
SECURED BORROWINGS					
Term loan from banks					
External Commercial Borrowing	23.1.1	–	–	–	1,65,05.65
Rupee Loan	23.1.2 to 23.1.13	6,78,32.28	1,16,77.71	6,34,78.18	41,20.00
Term loan from a financial institution	23.2.1 and 23.2.2	92,12.53	15,83.33	14,55.41	4,16.67
Foreign Currency Loan	23.3	15.91	–	30.20	12.54
		7,70,60.72	1,32,61.04	6,49,63.79	2,10,54.86
UNSECURED BORROWINGS					
Term loan from financial institutions	23.4.1 to 23.4.13	–	–	53,01.02	16,50.00
Term loan from banks		31,79.57	34,37.47	–	–
		31,79.57	34,37.47	53,01.02	16,50.00
		8,02,40.29	1,66,98.51	7,02,64.81	2,27,04.86

23.1.1 External Commercial Borrowings of USD 1,39.00 million was repayable in 12 semi annual instalments from August 29, 2015 and the entire loan was repaid during the year. The interest rate ranges from 6M Libor + 400 to 500 basis points. External Commercial Borrowings was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur.

23.1.2 Rupee Term Loan of Rs. 50,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

- Land at Haldia. The outstanding as on March 31, 2021 is Rs. 23,16.98 lakhs (previous year Rs. 26,39.43 lakhs). The balance loan is repayable in 12 equal quarterly instalments starting from April 2021. The interest rate ranges from 9.50% p.a to 10.50% p.a.
- 23.1.3 Rupee Term Loan of Rs. 1,10,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 38,59.57 lakhs (previous year Rs. 50,53.14 lakhs). The balance loan is repayable in 9 equal quarterly instalments starting from June 2021. The interest rate ranges from 8.60% p.a to 9.60% p.a. This loan was initially drawn as FCNR Loan which was converted in to Rupee Term Loan in December, 2018.
- 23.1.4 Rupee Term Loan of Rs. 1,50,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 1,21,21.11 lakhs (previous year Rs. 1,28,07.35 lakhs). The balance loan is repayable in 19 structured quarterly instalments starting from June 2021. The interest rate ranges from 9.00% p.a to 10.00% p.a.
- 23.1.5 Rupee Term Loan of Rs. 50,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 45,11.13 lakhs (previous year Rs. 45,72.29 lakhs). The balance loan is repayable in 22 structured quarterly instalments starting from April 2021. The interest rate ranges from 8.60% p.a to 9.60% p.a.
- 23.1.6 Rupee Term Loan of Rs. 4,00,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The loan was further secured by way of pledge of investment in Srikalahasthi Pipes Limited (SPL) to the extent of 15% with non disposal undertaking over remaining shares held by the company in SPL. The loan was further secured by pledge of 10% equity shares of the company held by promoter/promoter entities with non disposal undertaking over remaining shares held by them in the company. During the year the pledge and the non disposal undertaking created over the equity shares of SPL and the Company's own equity shares were released. The outstanding as on March 31, 2021 is Rs. 2,23,33.34 lakhs (previous year Rs. 3,69,73.17 lakhs). The balance loan is repayable in 34 structured quarterly instalments starting from June 2021. The interest rate ranges from 11.40% p.a to 12.65% p.a.
- 23.1.7 Rupee Term Loan of Rs. 60,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 55,14.26 lakhs (previous year Rs. 55,52.79 lakhs). The balance loan is repayable in 67 structured monthly instalments starting from April 2021. The interest rate ranges from 9.15% p.a to 10.15% p.a.
- 23.1.8 Rupee Term Loan of Rs. 75,00.00 lakhs from bank is secured/to be secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 68,68.54 lakhs (previous year Nil). The balance loan is repayable in 18 structured quarterly instalments starting from September 2022. The interest rate ranges from 9.00% p.a to 9.75% p.a.
- 23.1.9 Rupee Term Loan of Rs. 50,00.00 lakhs from bank is secured/to be secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 47,42.02 lakhs (previous year Nil). The balance loan is repayable in 16 equal quarterly instalments starting from May 2022. The interest rate ranges from 9.25% p.a. to 10.25% p.a.
- 23.1.10 Rupee Term Loan of Rs. 11,00.00 lakhs from bank is secured by way of first pari passu charge over Current Assets of the company. The outstanding as on March 31, 2021 is Rs. 9,25.87 lakhs (previous year Nil). The balance loan is repayable in 18 monthly instalments starting from January 2021. The interest rate ranges from 8.00% p.a to 8.50% p.a.
- 23.1.11 Rupee term loan outstanding as on March 31, 2021 is Rs. 41,40.77 lakhs is repayable in 20 equal quarterly instalment. The interest rate is MCLR-1Y+0.85 (i.e. 9.45% p.a. presently) payable monthly. The loan is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment both present and future of Srikalahasthi Pipes Limited.
- 23.1.12 Rupee Term Loan outstanding as on March 31, 2021 is Rs. 52,32.61 lakhs is repayable in 14 equal quarterly instalment of Rs. 3,75.00 lakhs each from June, 2021. The interest rate is MCLR-1Y+0.85 (i.e. 8.20% p.a. presently) payable monthly. The loan is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment both present and future of Srikalahasthi Pipes Limited.
- 23.1.13 Rupee Term Loan outstanding as on March 31, 2021 is Rs. 69,43.79 lakhs is repayable in 14 equal quarterly instalment of Rs. 5,00.00 lakhs each from June, 2021. The interest rate is MCLR-1Y+0.96 (i.e. 8.41% p.a. presently) payable monthly. The loan is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment both present and future of Srikalahasthi Pipes Limited.



Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

- 23.2.1 Rupee Term Loan of Rs. 50,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 14,57.42 lakhs (previous year Rs. 18,72.08 lakhs). The balance loan is repayable in 7 equal quarterly instalments starting from April 2021. The interest rate ranges from 11.00% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 23.2.2 Rupee Term Loan of Rs.1,00,00.00 lakhs from a financial institution is secured/ to be secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future, of the Company other than assets located at Elavur, Vadgaon (Pune) & Freehold Land at Haldia. The outstanding as on March 31, 2021 is Rs. 93,38.44 lakhs (previous year Nil). The balance loan is repayable in 24 structured quarterly instalments starting from September 2021. The interest rate ranges from 9.50% p.a to 10.00% p.a.
- 23.3 In case of one subsidiary, obligation under foreign currency amounting to Rs. 15.91 lakhs (previous year Rs. 42.74 lakhs) is secured by hypothecation of assets purchased under the loan. The interest rate is 10.30% per annum.
- 23.4.1 Term Loan of Rs. 3,22.24 lakhs from a financial institution is repayable in 36 monthly instalments starting from July, 2017. The interest rate is 2.35% p.a . The outstanding as on March 31, 2021 is Nil (previous year Rs. 30.99 lakhs).
- 23.4.2 Term Loan of Rs. 1,62.38 lakhs from a financial institution is repayable in 36 monthly instalments starting from February, 2019. The interest rate is 4.00% p.a . The outstanding as on March 31, 2021 is Nil (previous year Rs. 73.55 lakhs).
- 23.4.3 Term Loan of Rs. 33,00.00 lakhs is from a financial institution. During the year the loan has been assigned by the financial institution to a bank. The outstanding as on March 31, 2021, is Rs. 8,61.48 lakhs (previous year Rs. 15,21.48 lakhs). The balance loan is repayable in 3 Structured quarterly instalments starting from June 2021. The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 23.4.4 Term Loan of Rs. 41,00.00 lakhs is from a financial institution. During the year the loan has been assigned by the financial institution to a bank. The outstanding as on March 31, 2021 is Rs. 24,60.00 lakhs (previous year Rs. 30,75.00 lakhs). The balance loan is repayable in 6 structured quarterly instalments starting from June 2021. The interest rate ranges from 11.50% p.a. to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 23.4.5 Term Loan of Rs. 25,00.00 lakhs is from a financial institution. During the year the loan has been assigned by the financial institution to a bank. The outstanding as on March 31, 2021, is Rs. 18,75.00 lakhs (previous year Rs. 22,50.00 lakhs). The balance loan is repayable in 9 structured quarterly instalments starting from June 2021. The interest rate ranges from 11.50% p.a to 12.00% p.a. The loan has been fully repaid in the month of April 2021.
- 23.4.6 Term Loan of Rs. 3,42.95 lakhs from a bank is repayable in 36 monthly instalments starting from May, 2022. The interest rate is 2.50% p.a . The outstanding as on March 31, 2021 is Rs. 342.95 lakhs (previous year Nil).
- 23.4.7 Term Loan of Rs. 1,28.61 lakhs from a bank is repayable in 30 monthly instalments starting from November, 2020. The interest rate is 1.75% p.a . The outstanding as on March 31, 2021 is Rs. 1,07.56 lakhs (previous year Nil).
- 23.4.8 Term Loan of Rs. 2,14.35 lakhs from a bank is repayable in 48 monthly instalments starting from May, 2021. The interest rate is 2.50% p.a . The outstanding as on March 31, 2021 is Rs. 2,14.35 lakhs (previous year Nil).
- 23.4.9 Term Loan of Rs. 2,57.21 lakhs from a bank is repayable in 48 monthly instalments starting from August, 2021. The interest rate is 2.50% p.a . The outstanding as on March 31, 2021 is Rs. 2,57.21 lakhs (previous year Nil).
- 23.4.10 Term Loan of Rs. 85.74 lakhs from a bank is repayable in 48 monthly instalments starting from January, 2022. The interest rate is 2.50% p.a . The outstanding as on March 31, 2021 is Rs. 85.74 lakhs (previous year Nil).
- 23.4.11 Term Loan of Rs. 85.74 lakhs from a bank is repayable in 30 monthly instalments starting from November, 2020. The interest rate is 1.75% p.a . The outstanding as on March 31, 2021 is Rs. 71.71 lakhs (previous year Nil).
- 23.4.12 Term Loan of Rs. 2,57.21 lakhs from a bank is repayable in 48 monthly instalments starting from August, 2021. The interest rate is 2.50% p.a . The outstanding as on March 31, 2021 is Rs. 2,57.21 lakhs (previous year Nil).
- 23.4.13 Term Loan of Rs. 83.83 lakhs from a bank is repayable within three years i.e. on May, 2023. The interest rate is 3.50% p.a. The outstanding as on March 31, 2021 is Rs. 83.83 lakhs (previous year Nil).
- 23.5 The outstanding balances disclosed in note no. 23.1 to 23.4 are based on the amortised cost in accordance with IND AS 109 "Financial Instruments".

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

24. Lease

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Non-Current	7, 24.1 and 43.5	35,88.29	15,72.62
Current	7, 24.1 and 43.5	5,99.98	2,14.90
Total		41,88.27	17,87.52

24.1 Lease liability represents present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

25. Provisions

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	48	31,95.97	22,58.74
Provision for mine closure and restoration charges	25.1	5,59.98	5,59.98
		37,55.95	28,18.72

25.1 Provision for Mines closure and restoration charges are made in terms of statutory obligations specified for the purpose and deposited in the Escrow account in terms of the stipulation made by Ministry of Coal, for Mines closure Plan. In view of cancellation of allotment of coal mines, no further provision have been considered necessary. (refer note no. 16 and 49)

25.2 Movement in Mine closure and Restoration Obligation provision are provided below:

Particulars	(Amount Rs. in lakhs)
As at March 31, 2019	5,59.98
Provision during the year	–
As at April 1, 2020	5,59.98
Provision during the year	–
As at March 31, 2021	5,59.98

Particulars	As at March 31, 2021	As at March 31, 2020
Current	–	–
Non current	5,59.98	5,59.98

26. Deferred Tax Liabilities

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

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax Assets	(50,80.35)	(36,35.24)
Deferred tax Liabilities	4,22,49.72	2,79,06.96
Net Deferred Tax (Assets)/Liabilities	3,71,69.37	2,42,71.72

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

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

Particulars	As at April 1, 2020	On account of consolidation of SPL (refer note no 59)	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2021
Deferred Tax Assets:					
Fair valuation of Financial Assets	(4,60.05)	–	6.40	–	(4,53.65)
Merger expenses allowable u/s 35DD of the Income Tax Act, 1961	–	–	(77.43)	–	(77.43)
Provision for Other Items u/s 43B of Income Tax Act, 1961	(24,18.92)	–	(3,42.19)	–	(27,61.11)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(5,49.91)	–	27.37	–	(5,22.54)
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(2,36.39)	–	46.71	–	(1,89.68)
Derivative instruments designated at fair value through Profit & Loss	56.44	(1,38.30)	71.18	–	(10.68)
Remeasurement of defined benefit obligations through OCI	(26.41)	(3,77.81)	(46.30)	28.85	(4,21.67)
Share Issue Expenses	–	(48.28)	14.08	–	(34.20)
Other timing differences w.r.t. subsidiaries under various jurisdiction	–	–	(6,09.39)	–	(6,09.39)
Total Deferred Tax Assets	(36,35.24)	(5,64.39)	(9,09.57)	28.85	(50,80.35)
Deferred Tax Liabilities:					
Fair valuation of Financial Liabilities	13,86.26	–	(1,18.53)	–	12,67.73
Temporary difference with respect to Property, Plant & Equipment	2,64,99.63	1,46,48.00	(2,89.15)	–	4,08,58.48
Fair valuation of Derivative instruments designated through Profit & Loss	(0.43)	–	19.65	–	19.22
Investments designated at fair value through OCI	6.55	–	3.27	9.43	19.25
Others	–	–	58.92	–	58.92
Other timing differences w.r.t. subsidiaries under various jurisdiction	14.95	–	11.17	–	26.12
Total Deferred Tax Liabilities	2,79,06.96	1,46,48.00	(3,14.67)	9.43	4,22,49.72
NET DEFERRED TAX (ASSETS)/ LIABILITIES	2,42,71.72	1,40,83.61	(12,24.24)	38.28	3,71,69.37

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2020 are given below:

Particulars	As at April 1, 2019	Charge/ (Credit) recognised due to adoption of New Tax Regime with effect from 01.04.2019 in the		Charge/ (Credit) recognised in Profit or Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2020
		Transferred to Equity	Profit & Loss			
Deferred Tax Assets:						
Fair valuation of Financial Assets	(5,35.20)	-	1,48.86	(73.71)	-	(4,60.05)
Provision for Other Items u/s 43B of Income Tax Act, 1961	(28,92.95)	-	8,09.34	(3,35.31)	-	(24,18.92)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(7,21.64)	-	2,01.88	(30.15)	-	(5,49.91)
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act,1961	(5,88.99)	-	10.52	3,42.08	-	(2,36.39)
Unabsorbed Depreciation under Income Tax Act,1961	(12,13.93)	-	3,96.36	8,17.57	-	-
Unabsorbed Business Loss under Income Tax Act,1961	(15,07.47)	-	4,21.73	10,85.74	-	-
Derivative instruments designated at fair value through Profit & Loss	(14.34)	-	4.03	66.75	-	56.44
Remeasurement of defined benefit obligations through OCI	(37.85)	-	10.59	-	0.85	(26.41)
Other timing differences w.r.t. subsidiaries under various jurisdiction	-	-	-	-	-	-
Total Deferred Tax Assets	(75,12.37)	-	20,03.31	18,72.97	0.85	(36,35.24)
Deferred Tax Liabilities:						
Fair valuation of Financial Liabilities	20,83.42	-	(5,82.86)	(1,14.30)	-	13,86.26
Temporary difference with respect to Property, Plant & Equipment	3,03,97.40	(20,79.95)	(16,48.12)	(1,69.70)	-	2,64,99.63
Fair valuation of Derivative instruments designated through Profit & Loss	1,98.03	-	(55.40)	(1,43.06)	-	(0.43)
Investments designated at fair value through OCI	10.04	-	(0.18)	-	(3.31)	6.55
Other timing differences w.r.t. subsidiaries under various jurisdiction	15.03	-	-	(0.08)	-	14.95
Total Deferred Tax Liabilities	3,27,03.92	(20,79.95)	(22,86.56)	(4,27.14)	(3.31)	2,79,06.96
NET DEFERRED TAX (ASSETS)/ LIABILITIES	2,51,91.55	(20,79.95)	(2,83.25)	14,45.83	(2.46)	2,42,71.72

27. Other Non-Current Liabilities

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Advance from customers	27.1	42,99.96	52,48.15
Deferred Income	27.2	3,71.80	-
Others		77.09	1,19.48
		47,48.85	53,67.63

27.1 Advance from customers amounting to Rs. 42,78.22 lakhs (previous year Rs. 52,31.00 lakhs) received as interest bearing advance for sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

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

	Opening as on 18.09.2020 (Including Current Portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing (Including Current Portion)
a) Financial Assistance under Industrial Development Fund (IIDF) towards Capital expenditure incurred for manufacturing DI Pipes to be used for transportation of Waste water and for installation of treatment plant for recycling the sewage water for industrial requirement of Tirupati Municipal Corporation as specified in Industrial Investment Promotion Policy 2005-2010 and 2010-2015. The assistance capitalised as cost of PPE with corresponding credit to deferred income has been transferred to Statement of Profit and Loss proportionately based on useful lives of respective property, plant and equipment.	4,11.19	–	13.75	3,97.44

28. Non Current Tax Liabilities (Net)

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net of advance tax)	28.1	52,50.71	51,57.78
		52,50.71	51,57.78

28.1 Includes Rs. 15,42.98 lakhs (net) [previous year Rs. 15,15.22 lakhs (net)] being interest received pertaining to Assessment Years 2003-04 to 2011-12 and AY 2014-15 & AY 2015-16 as the Income Tax Department has filed an appeal before the Calcutta High Court / Income Tax Appellate Tribunal, Kolkata against the order of the Income Tax Appellate Tribunal, Kolkata / Commissioner of Income Tax (Appeals) and the said appeals are pending.

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

29. Borrowings

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
SECURED			
Repayable on demand from banks	29.1 to 29.3		
Indian Currency		3,26,81.13	2,73,22.20
Foreign Currency		1,17,62.38	1,82,34.55
Suppliers/Buyer's Credit	29.4	2,93,84.93	59,46.64
		7,38,28.44	5,15,03.39
UNSECURED			
Repayable on demand from banks			
Indian Currency		1,88,31.07	74,31.58
Foreign Currency		1,72,66.52	1,09,10.67
From Body Corporates		27,00.00	90,00.00
		3,87,97.59	2,73,42.25
		11,26,26.03	7,88,45.64

29.1 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non fund based) are secured by first pari passu charge by way of hypothecation of raw materials, finished goods, work in progress, consumable stores and spares, book debts/receivables and other current and non current assets of the company / subsidiary both present and future.

29.2 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non fund based) availed by subsidiaries are secured by Standby Letter of Credit given/executed by the company in favour of the lenders.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

- 29.3 Loans repayable on demand being Working Capital facilities from Banks includes Rs. 18,68.11 lakhs (previous year Rs. 52,16.71 lakhs) secured over the assets of one of the subsidiary including freehold and lease hold property.
- 29.4 In case of Srikalahasthi Pipes Limited (SPL)”, Buyers’ Credit and Suppliers’ Credit, availed in foreign currency, are backed by Standby Letter of Credit issued under working capital facilities sanctioned by their domestic banks. Part of these facilities are secured by first pari passu charge over the present and future current assets of the subsidiary.

30. Trade Payables

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Payable for Goods and Services			
Total Outstanding dues of Micro enterprises and small enterprises: and	30.1	26,81.89	1,61.85
Total Outstanding of creditor other than Micro enterprises and small enterprises	30.3	4,35,49.17	3,84,17.95
		4,62,31.06	3,85,79.80

- 30.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information received by the company from the suppliers regarding the status under the Act.

Particulars	As at March 31, 2021	As at March 31, 2020
a) Principal & Interest amount remaining unpaid but not due as at year end	26,81.89	1,61.85
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) Interest accrued and remaining unpaid as at year end	0.08	0.17
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

- 30.2 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.
- 30.3 Including acceptances of Rs. 65,42.27 lakhs (previous year Rs. 87,73.81 lakhs).

31. Other Financial Liabilities

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt			
Secured	23	1,32,61.04	2,10,54.86
Unsecured	23	34,37.47	16,50.00
Interest accrued but not due on borrowings		6,37.14	12,83.67
Employee related liability		16,57.23	8,77.42
Derivative at fair value through profit or loss		-	32.77
Unclaimed dividends	31.1	68.26	70.66
Credit balances in current account with banks		3,94.63	70.07
Capital vendors		32,77.79	7,72.13
Others		8,93.51	3,57.82
		2,36,27.07	2,61,69.40

- 31.1 The same is not due for deposit to Investor Education and Protection Fund.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

32. Other Current Liabilities

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Advance from customers	32.1 and 56	85,28.91	63,79.42
Statutory Payables		1,21,86.49	97,92.31
Deferred Income		25.64	-
Others	32.2	3,11.21	10.30
		2,10,52.25	1,61,82.03

32.1 Advance from customers includes Rs. 5,58.70 lakhs (previous year Rs. 6,13.55 lakhs) received as interest bearing advance against sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

32.2 Other includes Electricity Duty on Power Rs. 2,64.07 lakhs.

33. Provisions

Particulars	Ref. note no.	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	48	17,37.14	13,05.81
Other Provisions	33.1	73.60	86.03
		18,10.74	13,91.84

33.1 Movement in other provisions are provided below:

Particulars	(Amount Rs. In lakhs)
As at April 01, 2019	1,99.32
Provision during the year	38.33
Reversal/Utilisation during the year	(1,51.62)
As at March 31, 2020	86.03
Provision during the year	-
Reversal/Utilisation during the year	(12.43)
As at March 31, 2021	73.60

34. Current Tax Liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net)	7,73.73	3,05.11
	7,73.73	3,05.11

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

35. Revenue from Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	34,46,65.85	26,65,64.49
Sale of services	56.91	–
Other operating revenues		
Incentive / Subsidy	23,14.43	44,02.25
Others	19.03	1,37.55
	34,70,56.22	27,11,04.29

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of products (Transferred at point in time)		
Manufacturing		
Ductile Iron pipes & fittings	25,99,98.24	21,04,44.57
Cast Iron pipes	1,87,70.64	1,83,60.83
Others	5,74,12.82	3,21,50.30
Trading		
Coke and Coal	31,25.05	–
Ductile Iron pipes & fittings	26,59.84	28,46.54
Others	27,56.17	27,62.25
Other operating revenues		
Incentive / Subsidy	23,14.43	44,02.25
Others	19.03	1,37.55
	34,70,56.22	27,11,04.29
B. Revenue from contracts with customers disaggregated based on geography #		
Within India	23,82,29.03	14,10,42.98
Outside India	10,64,93.73	12,55,21.51
	34,47,22.76	26,65,64.49
C. Revenue from contracts with customers disaggregated based on type of customer		
Government (India)	2,54,12.81	3,02,81.62
Non Government	31,93,09.95	23,62,82.87
	34,47,22.76	26,65,64.49
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	34,47,69.86	26,66,04.58
Adjustments made to contract price on account of:		
a) Price Adjustments	47.10	40.09
	34,47,22.76	26,65,64.49

refer note no. 57

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

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

36. Other Income

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income			
On loans, deposits, overdue debts etc.		29,77.24	10,53.76
On Financial Assets measured at amortised cost		95.26	1,14.27
Dividend income			
Current investments		-	0.72
Non current investments		1.06	-
Net gain/(loss) on sale / redemption of Non-Current investments (net)		16.63	0.75
Net gain/(loss) on sale / redemption of Current investments (net)		2,13.97	-
Net gain/(loss) on fair valuation of Current investments through profit or loss (net)		48.13	-
Net gain/(loss) on derecognition of financial assets at amortised cost		0.12	29.71
Net gain/(loss) on foreign currency transaction and translation		4,05.54	10,50.58
Net gain/(loss) on Derivative Instruments on fair valuation through profit or loss		-	4,20.67
Bad Debt Realised		-	89.58
Liability / Provision no longer required written back		6,97.97	47.15
Excess provision against trade receivable/advances written back (net)		-	16.31
Miscellaneous income		13,65.71	4,97.27
		58,21.63	33,20.77

37. Cost of materials consumed

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw materials consumed	37.1	14,16,37.38	11,18,41.99
		14,16,37.38	11,18,41.99

37.1 Cost of material consumed includes Rs. 9,87.39 lakhs (previous year Rs. 8,04.38 lakhs) in relation to cost of goods sold as raw materials.

38. Purchases of Stock In Trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
DI Pipes & fittings	1,22,23.58	1,27,70.18
Coke and coal	2,24.91	-
Rubber gaskets	16,76.65	21,29.94
Pipe Fittings, accessories and others	10,01.72	7,61.51
	1,51,26.86	1,56,61.63

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

39. Changes in inventories of finished goods , Stock-in-Trade and work-in-progress

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock		
Finished goods	4,43,83.14	3,59,78.60
Add: Trial run stock from preoperative period	–	3,46.45
Add: Stock of Srikalahasthi Pipes Limited as at 18.09.2020	41,02.78	–
Stock-in-trade (in respect of goods acquired for trading)	8,58.05	10,24.79
Process stock	70,67.25	51,63.52
Add: Process stock of Srikalahasthi Pipes Limited as at 18.09.2020	20,75.36	–
	5,84,86.58	4,25,13.36
Less: Closing stock		
Finished goods	4,31,80.50	4,43,83.14
Stock-in-trade (in respect of goods acquired for trading)	7,41.02	8,58.05
Process stock	77,29.34	70,67.25
	5,16,50.86	5,23,08.44
	68,35.72	(97,95.08)

40. Employee Benefits Expense

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	48	2,77,79.14	1,98,36.30
Contribution to provident and other funds	48	22,41.03	18,55.83
Staff welfare expenses		13,27.88	9,68.50
		3,13,48.05	2,26,60.63

41. Finance Costs

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense		1,82,94.60	1,83,04.06
Applicable (gain)/loss on foreign currency transactions and translation		(2,72.83)	24,77.86
Interest on Income tax		51.93	34.00
Other borrowing cost	41.2	29,89.73	19,42.52
		2,10,63.43	2,27,58.44

41.1 Borrowing cost capitalised during the year is Rs. 24.93 lakhs (previous year Rs. 1,27.72 lakhs). The capitalisation rate has been considered at 11.30%.

41.2 Other Borrowing cost includes Rs. 2,06.71 lakhs (previous year Rs. 1,16.12 lakhs) towards lease obligation of Right of Use Assets.

42. Depreciation and Amortisation Expenses

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation	42.1	90,04.19	56,75.47
Amortisation		1,14.32	39.18
		91,18.51	57,14.65

42.1 Depreciation includes Rs. 4,43.15 lakhs (previous year Rs. 2,72.70 lakhs) towards depreciation charge for Right of Use assets.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

43. Other Expenses

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores and spare parts		2,25,14.19	1,69,43.16
Power and fuel		2,02,43.80	1,69,68.27
Material Handling Charges		25,73.22	25,94.64
Rent	43.5	21,27.49	20,84.41
Repairs to buildings		4,21.89	3,07.12
Repairs to machinery		10,35.13	5,43.85
Insurance		12,84.77	8,59.30
Rates and taxes		6,81.42	5,82.27
Directors fees and commission		2,03.77	1,15.70
Freight & forwarding charges		2,89,20.41	2,29,59.14
Commission to selling agents		50,36.23	44,44.37
Other manufacturing expenses		63,92.99	-
Sundry balances/Advances written off net off provision written back Nil (previous year Rs. 75.63 lakhs)		38.07	5,02.36
Bad debts [net off of provision written back Nil (previous year Rs. 3,12.78 lakhs)]		2,21.95	6,32.09
Loss on sale of fixed assets (net)		2,47.46	2,14.85
Credit loss allowances on Trade Receivable/ Advances/Others (net off reversal of Rs. 1,88.59 lakhs (previous year Rs. 3,55.41 lakhs lakhs))		85.37	4,76.77
Capital Work In Progress written off		-	23,18.35
Net gain/(loss) on Derivative Instruments on fair valuation through profit or loss		1,85.11	-
Net Loss/(Gain) on fair valuation of Current investments through Profit and Loss (net)		-	0.15
Miscellaneous expenses	43.1, 43.3 and 43.4	1,68,07.50	2,15,86.60
		10,90,20.77	9,41,33.40

43.1 Miscellaneous expenses includes Auditors Remuneration

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Audit Fees	1,41.87	1,15.86
(b) Certification Charges	70.15	53.55
(c) Reimbursement of Expenses	1.19	0.54

43.2 During the year, the parent company has incurred Rs. 1,29.92 lakhs (previous year Rs. 1,21.75 lakhs) in the nature of salary and wages on account of research and development expenses which has been charged to Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

- 43.3 During the year, the Company has incurred Rs. 2,45.68 lakhs (previous year Rs. 5.75 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Miscellaneous Expenses.

	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Gross amount required to be spent by the Parent company and one of the subsidiary during the year	2,44.83	5.56
(b) Amount spent during the year on :		
(i) Construction / acquisition of any assets		
- In Cash	-	-
- Yet to be paid in cash	-	-
Total	-	-
(ii) On purpose other than (i) above		
- In Cash	2,45.68	5.75
- Yet to be paid in cash	-	-
Total	2,45.68	5.75

- 43.4 Includes provision for Inventories amounting to Rs. 97.80 lakhs (previous year Rs. 98.14 lakhs).

43.5 Obligation under Leases

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

43.5.1 Movement in Lease Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	17,87.52	6.06
Add:- On account of consolidation of SPL (refer note no 59)	21,09.94	-
Additions	6,44.84	18,76.56
Interest Cost accrued during the period	2,06.71	1,16.12
Deletions	-	-
Foreign Exchange translation	(37.21)	70.67
Payment of lease liabilities	5,23.53	2,81.89
Balance at the end	41,88.27	17,87.52

43.5.2 Future Payment of Lease liabilities on an undiscounted basis

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

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	6,24.15	1,93.88
One to five years	30,36.75	5,90.44
More than five years	46,26.39	23,54.80
Total undiscounted lease liabilities at March 31, 2021	82,87.29	31,39.12
Lease liabilities included in the statement of financial position at March 31, 2021	41,88.27	17,87.52
Current Lease Liabilities	5,99.98	2,14.90
Non-Current Lease Liabilities	35,88.29	15,72.62

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

43.5.3 **Amounts recognized in Profit or Loss**

Particulars	As at March 31, 2021	As at March 31, 2020
Interest expense on lease liabilities	2,06.71	1,16.12
Depreciation on right-of-use assets	4,43.15	2,72.70
Expense relating to short-term leases (included in other expenses)	17,08.81	16,05.42
Total	23,58.67	19,94.24

43.5.4 The weighted average incremental borrowing rate of 11.40% has been applied to lease liabilities recognised in the consolidated balance sheet.

44. Exceptional Items

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Exceptional Items		
On account of:		
Fair valuation of investment of Srikalahasthi Pipes Limited	(2,44,23.40)	-
	(2,44,23.40)	-

44.1 During the year, the Group has obtained the control over Srikalahasthi pipes limited (SPL) w.e.f. September 18, 2020 in line with the guidelines prescribed under Ind AS 110 "Consolidated Financial Statements" which was hitherto considered as an associate in the consolidated financial statement. In view of accounting treatment prescribed under Ind AS 103 "Business Combination" a sum of Rs. 2,44,23.40 lakhs, being the difference between the carrying value of investment in SPL and its fair value on the date of control, has been considered as exceptional item.

45. Tax Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of the current year	53,27.28	17,16.28
In respect of prior years	(71.01)	(56.02)
Total Current tax expense recognised in the current year	52,56.27	16,60.26
Deferred tax		
In respect of the current year	(12,24.24)	14,42.87
Impact of section 115BAA of the Income Tax Act, 1961 as on April 01, 2019	-	(2,83.25)
Total Deferred tax expense recognised in the current year	(12,24.24)	11,59.62
Total Tax expense recognised in the current year	40,32.03	28,19.88

45.1 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	(56,96.27)	1,14,49.40
Income tax expense calculated at 25.168% (previous year 25.168%)	(14,33.64)	28,81.58
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit		
- Additional Business loss claimed on recomputation of Taxable Income	-	(3,96.63)
- Effect of change in tax base of revalued land	(1,67.19)	(1,25.40)
- Effect of other adjustments	(1,17.97)	1,93.79
- Effect of other adjustments in respect of earlier year	(71.01)	(56.02)
- Differences in taxes under various jurisdiction in respect of subsidiaries	(7,90.40)	3,12.20
Add : Effect of expenses that are not deductible in determining taxable profit		
- Effect of Exceptional item	61,46.88	-
- CSR Expenditure, Donation etc.	8.81	1.45
- Others	6,17.99	8.91
Income tax expense recognised in profit or loss	41,93.48	28,19.88

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

45.2 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	(9.44)	3.31
Remeasurement of defined benefit obligation	(28.84)	(0.85)
Total income tax recognised in other comprehensive income	(38.28)	2.46
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(38.28)	2.46
Items that will be reclassified to profit or loss	-	-

46. Components of Other Comprehensive Income

Particulars	Ref. note no.	For the year ended March 31, 2021	For the year ended March 31, 2020
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans	48	1,14.63	3.39
Gain on consolidation transfer to capital reserve		1,20,01.88	-
Equity Instrument through Other Comprehensive Income		25,04.14	(14.46)
		1,46,20.65	(11.07)
Items that will be reclassified to Statement of Profit and Loss			
Effective portion of foreign currency translation reserve		1,53.42	12,74.76
		1,53.42	12,74.76

47. Financial Instruments

a) The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	7,68,75.29	7,68,75.29	6,17,93.70	6,17,93.70
Cash and cash equivalents	2,12,99.01	2,12,99.01	59,45.63	59,45.63
Bank Balances Other than Cash and Cash Equivalents	2,97,48.29	2,97,48.29	40,42.40	40,42.40
Loans	72,67.28	72,67.28	32,80.85	32,80.85
Other Financial Assets	2,52,86.17	2,52,86.17	2,44,34.01	2,44,34.01
Financial Assets measured at Fair Value through Profit and Loss Account				
Derivative Instruments	411.28	411.28	-	-
Investment in Equity Instruments, Mutual and alternate investment fund	1,56,60.59	1,56,60.59	0.52	0.52
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments other than Subsidiaries, Associates and Joint Venture	45,72.75	45,72.75	21,20.68	21,20.68
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings - fixed rate	9,13,02.54	9,13,02.54	5,49,67.75	5,49,67.75
Borrowings - floating rate	11,82,62.30	11,82,62.30	11,68,47.56	11,68,47.56
Lease Liabilities	41,88.27	41,88.27	17,87.52	17,87.52
Trade Payables	4,62,31.06	4,62,31.06	3,85,79.80	3,85,79.80
Other Financial Liabilities	69,28.56	69,28.56	34,31.77	34,31.77
Financial Liabilities measured at Fair Value through Profit and Loss Account				
Derivative Instruments	-	-	32.77	32.77

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

b) Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- 1 The fair value of cash and cash equivalents, current trade receivables and payables, current loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The group considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the consolidated financial statements approximate their fair values. In respect of non current trade receivables and loans, fair value is determined by using discount rates that reflect the present borrowing rate of the group.
- 2 A substantial portion of the group's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the group.
- 3 Investments (other than Investments in Associates and Joint Venture being accounted based on equity method) traded in active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except in case of debentures, bonds and government securities where the net present value at current yield to maturity have been considered. Unquoted investments in shares have been valued based on the historical net asset value as per the latest audited financial statements and wherever the same is not available, alternate available inputs are considered for the purpose of valuations.
- 4 The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

c) Fair value hierarchy

- 1 The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date:

Particulars	As at March 31, 2021	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
		Quoted Price in active market	Significant observable inputs	Significant unobservable inputs
Financial Assets				
Investment in Equity Instruments, Mutual and alternate investment fund (Current)	1,56,60.59 (0.52)	1,56,60.59 (0.52)	-	-
Investment in Equity Instruments other than Subsidiaries, Associates and Joint Venture (Non-Current)	45,72.75 (2,120.68)	0.62 (12.68)	45,42.29 (20,79.34)	29.84 (28.66)
Derivative Instrument	411.28 -	-	411.28 -	-
Financial Liabilities				
Derivative Instrument	- (32.77)	-	- (32.77)	-

(*) Figures in round brackets () indicate figures as at March 31, 2020

- 2 During the year ended March 31, 2021 and March 31, 2020, there were no transfers between Level 1, Level 2 and Level 3.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

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

- i) Fair valuation of Financial assets and liabilities not within the operating cycle of the Group is amortised based on the borrowing rate of the Group.
- ii) Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.
- iii) Unquoted investments in equity shares have been valued based on the amount available to shareholder's as per the latest audited financial statements wherever available. Further, external observable inputs or assumptions have been used in such valuation of equity shares in other cases.

d) Derivatives financial assets and liabilities

Within the Group, derivatives instruments are largely entered into by the parent company. The parent company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the group considers the risks of non-performance by the counterparty as non-material.

- (i) The following tables present the aggregate contracted principal amounts of the parent Company's derivative contracts outstanding:

Sl. No.	Underlying Purpose	Category	As at March 31, 2021		As at March 31, 2020		Currency
			No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
1	Export Receivables	Forward	32	2,03,50,376	33	2,20,59,634	USD/INR
2	Export Receivables	Forward	10	29,47,584	13	41,98,216	GBP/USD
3	Export Receivables	Forward	0	-	1	3,00,000	GBP/INR
4	Export Receivables	Forward	19	1,24,88,581	27	1,57,96,666	EURO/USD
5	Export Receivables	Forward	7	56,43,270	9	75,92,066	EURO/INR
6	Export Receivables	Forward	2	7,50,000	3	9,81,728	SGD/USD
7	Export Receivables	Forward	-	-	-	-	SGD/INR
8	Suppliers Credit/Imports/Other payables	Forward	36	2,58,87,627	16	1,06,27,617	USD/INR
9	Suppliers Credit/Imports/Other payables	Option	21	2,52,04,386	3	29,91,426	USD/INR
10	External Commercial Borrowings Principal & Interest payment	Option	-	-	2	1,09,00,000	USD/INR
11	External Commercial Borrowings Interest payment	Interest Rate Swap	-	-	12	1,19,00,000	USD
12	External Commercial Borrowings Interest payment	Interest Rate Cap	-	-	3	25,50,000	USD

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

Nature	Currency	As at March 31, 2021	As at March 31, 2020
Payables			
ECB Payable (include accrued interest)	USD	-	1,10,52,577
Suppliers Credit /PCFC/Acceptances (includes accrued interest)	USD	39,72,840	1,32,79,702
Imports & Other payables	USD	1,03,95,917	19,67,366
Imports & Other payables	EURO	2,21,034	1,71,444
Imports & Other payables	GBP	14,230	54,166
Imports & Other payables	AED	-	1,479
Imports & Other payables	SGD	-	16,900
Imports & Other payables	AUD	-	5,340

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Nature	Currency	As at March 31, 2021	As at March 31, 2020
Receivable			
Exports & Other receivables	GBP	2,78,507	3,37,408
Exports & Other receivables	SGD	12,29,179	6,57,095
Exports & Other receivables	USD	84,38,131	1,52,42,159
Exports & Other receivables	EURO	-	15,96,996

iii) The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one month	(36.53)	52.22
Later than one month and not later than three months	76.17	2,29.17
Later than three months and not later than one year	3,71.64	(3,14.16)
Later than one year	-	-

e) Sale of Financial Assets

In the normal course of business, the Group transfers its bill receivables to banks. Under the terms of the agreements, the Group surrenders control over the financial assets and the transfer is with recourse. Under arrangement with recourse, the Group is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with banks. As at March 31, 2021 and March 31, 2020 the maximum amount of recourse obligation in respect of financial assets are Rs 1,88,49.62 lakhs and Rs. 1,33,58.97 lakhs respectively.

f) Financial Risk Factors

The Group's activities are exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The respective entity's Board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

1 Market Risk

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency denominated borrowings, trade receivables and trade or other payables. Each entity comprising the Group manages its own currency risk. The following explains the process followed by the company, being the largest component of the Group.

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

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

As at March 31, 2021

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

Trade receivables and Loans and Borrowings includes NIL towards bill discounting.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

As at March 31, 2020

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other Current Liabilities	Net Assets/ (Liabilities)
USD #	1,09,75.66	3,31,43.17	1,18,44.07	(3,40,11.58)
EURO	2,09,38.55	-	1,42.85	2,07,95.70
GBP	45,46.07	-	50.82	44,95.25
SGD	8,71.00	-	8.98	8,62.02
AED	-	-	0.30	(0.30)
AUD	-	-	2.48	(2.48)
TOTAL	3,73,31.28	3,31,43.17	1,19,06.65	(78,61.39)

Trade receivables and Loans and Borrowings includes Rs 6,81.94 lakhs towards bill discounting.

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

The following table demonstrates the sensitivity in the USD, Euro, GBP and other currencies to the Indian Rupee with all other variables held constant. The impact on the Group's profit/(loss) before tax in the fair value of monetary assets and liabilities is given below:

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2021	For the year ended March 31, 2020
RECEIVABLES (Weaking of INR by 5%)		
USD	3,08.43	5,75.77
EURO	-	66.53
GBP	14.03	15.83
SGD	33.41	17.46
PAYABLES (Weaking of INR by 5%)		
USD	(5,25.21)	(9,93.47)
EURO	(9.48)	(7.14)
GBP	(0.72)	(2.54)
SGD	-	(0.45)
AED	-	(0.02)
AUD	-	(0.12)

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

ii) Interest rate risk

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing from banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. As of March 31, 2021, substantially all of the Company borrowings were subject to floating interest rates, which are reset at short intervals. Considering the same, the carrying amount of said borrowings was considered to be at fair value.

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2021	For the year ended March 31, 2020
Rupee Loan	+0.50	4,93.18	4,40.22
Borrowings in local currency by other entity of the Group	+0.25	49.06	46.50
Foreign Currency Loan	+0.25	-	23.04

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in Foreign Currency Loan and Borrowings in local currency by other entity of the Group would have an equal and opposite effect on the Group's consolidated financial statements.



Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

iii) Other price risk

The Group is not an active investor in equity markets; it continue to hold certain investment for long term value accretion which are accordingly measured at fair value through other comprehensive income. Further, the company comprising of the largest component of the Group measures current investments at fair valued through profit and loss and are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

2 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables). Each entity comprising the Group, manages its own credit risks. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Major water infrastructure projects are Government funded or foreign aided and the risk involved in payment default is minimum with respect to these customers. Export receivables primarily made from subsidiaries is covered under Credit Insurance. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly and the Group obtains necessary security including letter of credits and/or bank guarantee to mitigate.

The carrying amount of respective financial assets recognised in the consolidated financial statements, (net of impairment losses) represents the Group's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2021 and March 31, 2020.

The Group extends credit to customers as per the internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Group's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. Group computes credit loss allowance based on a provision matrix based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

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

3 Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Each entity comprising of the Group manages its liquidity risk. The Group's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The Group's assets represented by financial instruments comprising of receivables, and those relating to Parbatpur Coal mines (refer note no. 49) are largely by borrowed funds funded against borrowed funds. The Group relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

i) Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows as at Balance Sheet date:

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Interest rate and currency of borrowings

As at March 31, 2021

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	14,97,14.51	9,86,36.72	5,10,77.80	9.27%
USD	3,80,50.27	16,60.78	3,63,89.49	1.52%
GBP	66,21.71	66,21.70	0.01	2.56%
EUR	1,44,90.78	1,06,55.54	38,35.24	1.77%
DZD	6,87.55	6,87.55	-	8.50%
Total	20,95,64.82	11,82,62.29	9,13,02.54	

As at March 31, 2020

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	12,00,70.53	8,80,44.33	3,20,26.20	11.21%
USD	3,48,85.79	1,82,05.53	1,66,80.26	5.00%
GBP	52,16.72	39,49.02	12,67.70	2.92%
EUR	1,08,74.86	58,81.27	49,93.59	5.28%
DZD	7,67.41	7,67.41	-	8.50%
Total	17,18,15.31	11,68,47.56	5,49,67.75	

Maturity Analysis of Financial Liabilities

As at March 31, 2021

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	20,95,64.84	38,44.88	10,20,27.26	1,46,45.78	8,90,46.92	20,95,64.84
Other Liabilities	69,28.56	69,28.56	-	-	-	69,28.56
Trade and other payables	4,62,31.06	4,62,31.06	-	-	-	4,62,31.06

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

As at March 31, 2020

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	17,18,15.31	1,38,51.73	6,42,92.41	2,00,27.13	7,36,44.04	17,18,15.31
Other Liabilities	34,31.77	34,31.77	-	-	-	34,31.77
Trade and other payables	3,85,79.80	3,85,79.80	-	-	-	3,85,79.80

* Include Rs 51,34.74 lakhs as Prepaid Finance Charges.

The Group has current financial assets which will be realised in ordinary course of business. The Group ensures that it has sufficient cash on demand to meet expected operational expenses.

The Group rely on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

g) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Group is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Group.

The gearing ratio are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	20,95,64.84	17,18,15.31
Less Cash and Cash Equivalents	2,12,99.01	59,45.63
Net Debt	18,82,65.83	16,58,69.68
Equity	37,66,70.36	28,81,36.64
Equity and Net Debt	56,49,36.19	45,40,06.32
Gearing Ratio	0.33	0.37

48. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to Provident Fund	5,01.85	3,60.53
Employer's Contribution to Pension Fund	2,93.49	2,19.64
Employer's Contribution to Superannuation Fund	42.74	44.22
Employer's Contribution to NPS Fund	59.89	59.70

b) Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Ltd. is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	Gratuity (Funded)	
	2020-21	2019-20
i) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	35,90.18	31,11.15
Add:- In respect of SPL	13,25.60	-
Interest Cost	2,96.22	2,15.78
Current Service Cost	2,60.74	2,04.71
Actuarial (gain) / loss on obligations	15.89	1,15.52
Benefits paid	(2,37.60)	(56.98)
Liability at the end of the year	52,51.03	35,90.18

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

	Gratuity (Funded)	
	2020-21	2019-20
ii) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	26,15.47	23,04.18
Add:- In respect of SPL	12,34.04	-
Expected Return on Plan Assets	2,29.01	1,61.29
Contributions by the Company	3,22.20	1,22.91
Benefits paid	(2,37.60)	(56.98)
Actuarial gain / (loss) on Plan Assets	9.76	84.07
Fair value of Plan Assets at the end of the year	41,72.88	26,15.47
iii) Actual return on Plan Asset		
Expected return on Plan assets	2,29.01	1,61.29
Actuarial gain / (loss) on Plan Assets	9.76	84.07
Actual Return on Plan Assets	2,38.77	2,45.36
iv) Amount Recognized in Balance Sheet		
Liability at the end of the year	52,51.03	35,90.18
Fair value of Plan Assets at the end of the year	41,72.88	26,15.47
	10,78.15	9,74.71
v) Components of Defined Benefit Cost		
Current Service Cost	2,60.74	2,04.71
Interest Cost	2,96.22	2,15.78
Expected Return on Plan Assets	(2,29.01)	(1,61.29)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	6.13	31.45
Total Defined Benefit Cost recognised in Profit and Loss and OCI	3,34.08	2,90.65
vi) Balance Sheet Reconciliation		
Opening Net Liability	9,74.71	8,06.97
Add:- In respect of SPL	91.56	-
Expenses as above	3,34.08	2,90.65
Employers Contribution	(3,22.20)	(1,22.91)
Amount Recognized in Balance Sheet	10,78.15	9,74.71

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

Particulars	As at March 31, 2021	As at March 31, 2020
G-Sec/ Corporate Securities	77.86%	93.32%
Equity	5.12%	2.87%
Fixed Deposit and other assets	17.02%	3.80%

The above information have been furnished to the extent available with the company by the funds managed by the insurance company.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Group as at March 31, 2021 is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Privileged Leave	21,61.32	14,42.99
Sick Leave	12,22.69	10,28.68
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	6.90%	7.00%
Rate of Return on Plan Assets	6.90%	7.00%
Salary Escalation Rate	6.00%	6.00%
Withdrawal Rate	1-8 %	1-8 %

Notes : i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

ii) The parent company expects to contribute Rs. 2,80.00 lakhs (previous year Rs. 3,00.00 lakhs) to Gratuity fund in 2021-22.

Recognised in Other Comprehensive Income

Particulars	Gratuity (Funded)	
	As at March 31, 2021	As at March 31, 2020
Remeasurement - Actuarial loss/(gain)	4.77	31.45
For the year ended	4.77	31.45

Sensitivity analysis:

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended 31st March, 2020		
Discount Rate	+1%	33,61.67
	-1%	38,49.28
Salary Growth Rate	+1%	38,47.46
	-1%	33,61.44
Withdrawal Rate	+1%	36,04.96
	-1%	35,73.83
For the year ended 31st March, 2021		
Discount Rate	+1%	35,70.46
	-1%	42,82.45
Salary Growth Rate	+1%	42,81.83
	-1%	35,67.32
Withdrawal Rate	+1%	39,23.06
	-1%	38,84.05

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

History of experience adjustments is as follows:

Particulars	Gratuity
For the year ended March 31, 2020	
Plan Liabilities - (loss)/gain	(40.56)
Plan Assets - (loss)/gain	(84.07)
For the year ended March 31, 2021	
Plan Liabilities - (loss)/gain	(10.14)
Plan Assets - (loss)/gain	(9.76)

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

Particulars	Gratuity
01 April 2021 to 31 March 2022	11,80.58
01 April 2022 to 31 March 2023	148.87
01 April 2023 to 31 March 2024	252.78
01 April 2024 to 31 March 2025	295.12
01 April 2025 Onwards	1,66,46.10

Particulars	As at March 31, 2021	As at March 31, 2020
Average no. of people employed	2875	1549

- 49. (a)** In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the parent Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the parent Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL). The parent company also understand that the SAIL has handed over back the said coal block to the custody of BCCL.

Following a petition filed by the parent Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the parent Company has claimed Rs.15,31,76.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim and on a petition filed by the parent Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the compensation. Earlier the Nominated Authority had upheld its decision of compensation already paid and the same was set aside by the Hon'ble High Court with a direction to the Nominated authority to reconsider. The Nominated authority further passed an order dated 11.11.2019 awarding an additional compensation of Rs. 1,80 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority has appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019 and the process of valuation is under progress as per the available information. The parent Company has also approached the newly appointed Nominated Authority/ Ministry of Coal to reconsider the compensation determined by the previous Nominated Authority and also exploring other possibilities.

Pending finalisation of the matter as above;

- Rs.12,88,84.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account.
- Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 95,14.74 lakhs has been considered as other recoverable under current assets; and
- Compensation of Rs. 83,12.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 20,54.70 lakhs have been adjusted. Bank guarantee amounting to Rs. 9,20.00 lakhs (previous year Rs. 9,20.00 lakhs) has been given against the compensation received.

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

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

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

Particulars	As at March 31, 2021		As at March 31, 2020	
Inventories		14,78.76		14,78.76
Other current assets		13,99.78		13,99.78
Capital Work in Progress:				
Plant and Equipment and others assets under Installation	3,34,93.90		3,34,93.90	
Mine Development including overburden removal expenses (Net) (refer note no: 52 (a))	8,69,09.74	12,04,03.64	8,69,09.74	12,04,03.64
Other Property, Plant and Equipment		22,43.99		22,43.99
Capital Advance		1,08.94		1,08.94
Freehold Land		32,49.00		32,49.00
Other balances with Banks in Fixed Deposit Escrow Accounts	5,36.93		5,36.93	
Less: Provision for mine closure and restoration charges	5,36.93	-	5,36.93	-
Sub Total		12,88,84.11		12,88,84.11
Other Recoverable		95,14.74		95,14.74
Less: Compensation received		(83,12.34)		(83,12.34)
Less: Cenvat credit utilised/claimed/written off	(13,99.78)		(1,399.78)	
Less: Sale of Assets and other realisations	(6,54.92)	(20,54.70)	(6,54.92)	(20,54.70)
Total		12,80,31.81		12,80,31.81

49. (c) Due to reasons stated in note no. 49(a) and pending determination of the amount of the claim, balances under various heads which otherwise would have been measured and disclosed as per the requirements of various Indian Accounting Standard ' have been included under various heads as disclosed under note no. 49(b) considering the circumstances and objective of the financial statements.

50. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017. The parent company filed a writ petition before the Hon'ble High Court at Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the parent company.

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

51. The Railway Authorities had earlier withdrawn the permission of operation of railway siding under construction which is situated at Haldia, West Bengal. The claim of compensation sought by the parent company from the Railway Authorities towards the amount incurred for the said siding is under arbitration based on the direction of Hon'ble High Court at Calcutta and the matter is subjudice. Pending arbitration proceedings, the parent company has carried forward the balance lying in the books of accounts amounting to Rs. 17,78.11 lakhs (previous year Rs. 17,78.11 lakhs) toward the said siding and considered the same as recoverable.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

52. (a) The expenses incurred for projects/assets during the construction/mine development period are classified as "Pre-operative Expenses" pending capitalization are included under capital work in progress and will be allocated to the assets on completion of the project/assets. Consequently expenses disclosed under the respective head are net of amount classified as preoperative expenses by the parent company (refer note no. 49 and 50). The details of these expenses are as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
Balance brought forward	8,79,85.74	8,79,85.74
Add:		
Miscellaneous Expenses	-	-
Total preoperative expenses	8,79,85.74	8,79,85.74
Add: Opening stock 64,502 MT(previous year 64,502 MT)	14,46.25	14,46.25
Less: Closing stock 64,502 MT(previous year 64,502 MT)	(14,46.25)	(14,46.25)
Total preoperative expenses carried forward pending allocation	8,79,85.74	8,79,85.74

52. (b) The project undertaken by Srikalahasthi Pipes Limited (SPL) for expansion of production capacity of MBF and DIP from 300000 TPA to 400000 TPA was in progress and Rs. 1,72,37.12 lakhs so far incurred till March 31, 2021 has been carried forward under capital work in progress. Capital work in progress includes Rs. 1,70,16.32 Lakhs in respect of plant and equipment and other facilities to be installed and the development expenditure incurred during construction which will be allocated to respective Property, Plant and Equipment (PPE) consequently on completion thereof. The details of Development Expenditure are as follows:

Particulars	As at March 31, 2021
Balance brought forward	1,28.38
Add: Interest and Finance Charges	92.42
Less: Interest Income on Fixed Deposit	-
Capitalized with Property, Plant and Equipment	-
Total Development Expenditure	2,20.80

53. Calculation of Earning Per Share is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	(1,45,88.05)	1,61,06.51
Net profit for basic and diluted earnings per share	(1,45,88.05)	1,61,06.51
(b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Re. 1/- per share)		
Number of equity shares outstanding as on 31st March	432954709	432954709
Number of equity shares considered in calculating basic and diluted EPS	432954709	418467831
(c) Weighted average number of equity shares outstanding	432954709	418467831
(d) Earnings per share (EPS) of Equity Share of Re. 1 each:		
i) Basic (Rs.)	(3.37)	3.85
ii) Diluted (Rs.)	(3.37)	3.85

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

54. Commitments

Particulars	As at March 31, 2021		As at March 31, 2020	
	in million	Rs. in lakhs	in million	Rs. in lakhs
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):		38,25.71		4,74.02
(b) Other commitments				
i) Sell Forward contract outstanding				
In USD	20.35	1,48,77.14	22.06	1,66,66.05
In Euro	18.13	1,55,45.80	23.39	1,94,88.45
In GBP	2.95	29,69.14	4.50	42,20.14
In SGD	0.75	4,07.77	0.98	5,21.77
ii) Buy Forward Contract outstanding				
In USD	25.89	1,84,34.95	10.63	80,29.16
iii) Option contract outstanding				
In USD	25.21	1,89,15.87	13.89	1,04,94.97
iv) Capital Commitment towards contribution in equity share capital of Electrosteel Algeria SPA		-		9,57.89

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

Particulars	As at March 31, 2021	As at March 31, 2020
a) Various show cause notices/demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forum / authorities:		
i) Sales Tax	91,78.13	71,96.98
ii) Entry Tax	2,57.12	-
iii) Excise, Custom Duty and Service tax	48,35.25	44,36.59
iv) Income Tax	11,88.49	8,49.20
b) Employees State Insurance Corporation has raised demand for contribution in respect of Gross Job Charges for the year 2001-02, 2003-04 and March'08 to January'10. In the opinion of the management demand is adhoc and arbitrary and is not sustainable legally.	92.51	92.51
c) Demand of Tamilnadu Electricity Board disputed by the Company.	8.20	8.20
d) During the year 1994 UPSEB had raised demand for electricity charges by revising the power tariff schedule applicable to the Parent company retrospectively from Feb'86. In the opinion of the management the revised power tariff is not applicable to the Parent company and accordingly the Company disputed the demand and the matter is pending before Hon'ble High Court at Allahabad.	2,61.74	2,61.74
e) Financial Guarantees given by banks on behalf of:		
i) The Parent Company	37,66.90	42,03.82
ii) The Subsidiary	10,68.98	4,14.27

f) Demand of differential railway freight for the year 2008-09 to 2010-11 is Rs. 57,33.29 lakhs (previous year Rs. 57,33.29 lakhs) which is contested by the Parent company and the matter is pending before the Hon'ble High Court at Calcutta.

g) SPL has other disputes concerning direct and indirect taxes in appeals other than as disclosed above and certain litigations in respect of land. Based on the facts of each dispute / litigation and opinion of the management including the advice of legal advisors and also considering that the cases have already been decided in favour of the SPL, even though the respective departments have preferred a further appeal to higher authorities against the said orders, these have not been disclosed as contingent liabilities as the outcome of the said disputes / litigations is not expected to have adverse material impact that would affect the financial position or operations of the subsidiary.

h) In case of Srikalahasthi Pipes Limited(SPL), the matter related to Forest Department fee amounting to Rs. 9,32.63 lakhs has been decided in favour of SPL by the Hon'ble High Court of Karnataka. However, the Government of Karnataka has filed a Special Leave Petition before the Hon'ble Supreme Court and the matter is pending thereof.

Note: The Group's pending litigations comprises of claim against the Group and proceedings pending with Taxation/ Statutory/ Government Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any, in respect of (a) to (d), and (f) to (h) above is dependent upon the outcome of judgments / decisions.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

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

Particulars	As at March 31, 2021	As at March 31, 2020
a) Claims Under Target Plus Scheme pending completion of legal clearances.	–	3,55.00
b) Claim of commission income from Electrosteel Steels Limited.	–	8,66.72
c) Export incentive under the scheme "Remission of Duties and Taxes on Export Products" The matter is pending before the National Company Law Tribunal at Kolkata	Amount unascertainable	–
d) Benefits under Industrial Promotion Scheme **	Amount unascertainable	Amount unascertainable

** Pre Goods & Service Tax (GST), the Parent company was enjoying certain benefits under Industrial Promotion scheme of state government. Post GST, pending notifications by the state government, on prudent basis, the Parent company has not recognised any income under the scheme for the period July 01, 2017 to March 31, 2019.

56. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

A) Names of related parties and description of relationship

- 1) Associate Company** Srikalahasthi Pipes Limited (upto 17.09.2020)
- 2) Joint Venture** North Dhadhu Mining Company Private Limited
Domco Private Limited
- 3) Key Management Personnel (KMP) and close member of their family**

Mr. Umang Kejriwal - Managing Director
Mr. Mayank Kejriwal - Joint Managing Director
Mr. Uddhav Kejriwal - Wholetime Director
Mr. Mahendra Kumar Jalan - Wholetime Director
Mr. Sunil Katial - Chief Executive Officer & Wholetime Director (Wholetime Director w.e.f. 01.04.2020)
Mr. Pradip Kr. Khaitan - Chairman
Mr. Binod Kumar Khaitan - Director
Mr. Ram Krishna Agarwal - Director (ceased to be director w.e.f. 08.06.2020)
Mr. S Y Rajagopalan - Director
Mr. Vyas Mitre Ralli - Director
Mr. Amrendra Prasad Verma - Director
Dr. Mohua Banerjee - Director
Mr. Rajkumar Khanna - Director (appointed w.e.f. 15.06.2020)
Mr. Brij Mohan Soni - Chief Financial Officer till 24.07.2019
Mr. Ashutosh Agarwal - Executive Director (Group Finance) & CFO w.e.f. 13.08.2019
Mrs. Asha Kejriwal - Wife of Mr. Umang Kejriwal - KMP
Ms. Nityangi Kejriwal Jaiswal - Daughter of Mr. Umang Kejriwal - KMP
Ms. Priya Manjari Todi - Daughter of Mr. Mayank Kejriwal - KMP
Ms. Priya Sakhi Kejriwal Mehta - Daughter of Mr Umang Kejriwal - KMP
Ms. Radha Kejriwal Agarwal - Daughter of Mr Umang Kejriwal - KMP
Mr. Madhav Kejriwal - Son of Mr Umang Kejriwal - KMP
Mrs. Madhu Agarwal, Relative of Executive Director (Group Finance)
Mr. Apoorva Agarwal, Relative of Executive Director (Group Finance)
- 4) Enterprise where KMP and/or Close member of the family have significant influence or control**

Gaushree Enterprises
Tulsi Highrise Private Limited
Sri Gopal Investments Ventures Ltd.
Global Exports Ltd.
Sree Khemisati Constructions Private Limited
G K & Sons Private Limited
Electrosteel Thermal Coal Limited
Badrinath Industries Ltd.
Electrocast Sales India Limited
Uttam Commercial Company Limited

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

B) Related Party Transactions

Particulars	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.21	Outstanding as on 31.03.20
Sale						
Srikalahasthi Pipes Limited	4,87.71	-	-	4,87.71	-	
Total	4,87.71	-	-	4,87.71	-	
Previous Year						
Srikalahasthi Pipes Limited	18,56.43	-	-	18,56.43		-
Purchase						
Srikalahasthi Pipes Limited	55,04.59	-	-	55,04.59		
Total	55,04.59	-	-	55,04.59	-	
Previous Year						
Srikalahasthi Pipes Limited	1,27,93.97	-	-	1,27,93.97		35,48.44
Remuneration, sitting fees and commission						
Mr. Umang Kejriwal	-	2,90.05	-	2,90.05	17.22	
Mr. Mayank Kejriwal	-	3,68.70	-	3,68.70	7,20.48	
Mr. Uddhav Kejriwal	-	1,93.32	-	1,93.32	11.18	
Mr. Mahendra Kumar Jalan	-	1,72.47	-	1,72.47	11.01	
Mr. Sunil Katial	-	2,17.98	-	2,17.98	8.33	
Mr. Ashutosh Agarwal	-	1,49.33	-	1,49.33	12.08	
Ms. Priya Manjari Todi	-	79.43	-	79.43	1,11.47	
Ms. Radha Kejriwal Agarwal	-	35.88	-	35.88	1.35	
Ms. Nityangi Kejriwal	-	82.67	-	82.67	4.52	
Dr. Mohua Banerjee	-	17.35	-	17.35	12.48	
Mr. Rajkumar Khanna	-	19.00	-	19.00	12.48	
Mr. Vyas Mitre Ralli	-	10.50	-	10.50	6.48	
Mr. S Y Rajagopalan	-	10.50	-	10.50	6.48	
Mr. Binod Khaitan	-	13.70	-	13.70	6.48	
Mr. Pradeep Kr. Khaitan	-	13.50	-	13.50	6.48	
Mr. Amrendra Prasad Verma	-	12.70	-	12.70	6.48	
Total	-	16,87.08	-	16,87.08	9,55.00	
Previous Year						
Mr. Umang Kejriwal	-	4,27.83	-	4,27.83		78.63
Mr. Mayank Kejriwal	-	11.13	-	11.13		0.11
Mr. Uddhav Kejriwal	-	2,84.50	-	2,84.50		49.79
Mr. Mahendra Kumar Jalan	-	1,69.69	-	1,69.69		4.33
Mr. Sunil Katial	-	2,17.12	-	2,17.12		5.78
Mr. Ashutosh Agarwal	-	95.31	-	95.31		3.09
Mr. Brij Mohan Soni	-	24.23	-	24.23		-
Ms. Priya Manjari Todi	-	24.01	-	24.01		0.62
Ms. Priya Sakhi Kejriwal Mehta	-	5.73	-	5.73		-
Ms. Radha Kejriwal Agarwal	-	23.28	-	23.28		0.79
Mr. Madhav Kejriwal	-	17.20	-	17.20		-
Ms. Nityangi Kejriwal	-	34.15	-	34.15		2.39
Dr. Mohua Banerjee	-	14.50	-	14.50		10.80

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Particulars	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.21	Outstanding as on 31.03.20
Mr. Ram Krishna Agarwal	-	17.80	-	17.80		10.80
Mr. Vyas Mitre Ralli	-	14.10	-	14.10		10.80
Mr. S Y Rajagopalan	-	16.70	-	16.70		10.80
Mr. Binod Khaitan	-	19.80	-	19.80		10.80
Mr. Pradeep Kr. Khaitan	-	16.30	-	16.30		10.80
Mr. Amrendra Prasad Verma	-	16.50	-	16.50		10.80
Rent Paid						
Tulsi Highrise Private Limited	-	-	62.14	62.14	-	
Sri Gopal Investments Venturess Ltd	-	-	23.10	23.10	-	
Sree Khemisati Constructions Private Limited	-	-	7.20	7.20	-	
Badrinath Industries Limited	-	-	30.00	30.00	-	
Global Exports Ltd.	-	-	13.43	13.43	-	
Total	-	-	1,35.87	1,35.87	-	
Previous Year						
Tulsi Highrise Private Limited	-	-	60.27	60.27		-
Sri Gopal Investments Venturess Ltd	-	-	23.10	23.10		-
Sree Khemisati Constructions Private Limited	-	-	7.20	7.20		0.65
Badrinath Industries Limited	-	-	30.00	30.00		-
Service Charges / Professional fees Paid						
Sree Khemisati Constructions Private Limited	-	-	2,84.42	2,84.42	5.53	
Global Exports Ltd.	-	-	90.00	90.00	-	
Sri Gopal Investments Venturess Ltd	-	-	2.24	2.24	-	
Mr. Rajkumar Khanna	-	21.24	-	21.24	-	
Mr. Apoorva Agarwal	-	8.50	-	8.50	-	
Mrs. Madhu Agarwal	-	8.50	-	8.50	-	
Total	-	38.24	3,76.66	4,14.90	5.53	
Previous Year						
Sree Khemisati Constructions Private Limited	-	-	2,83.05	2,83.05		30.03
Global Exports Ltd.	-	-	90.00	90.00		-
Sri Gopal Investments Venturess Ltd	-	-	2.20	2.20		-
Reimbursements of expenses received						
Srikalahasthi Pipes Limited	1.10	-	-	1.10	-	
Previous Year						
Security Deposits						
Sri Gopal Investments Venturess Ltd	-	-	-	-	11.55	
Electrosteel Thermal Coal Limited	-	-	-	-	1,90.68	
Tulsi Highrise Private Limited	-	-	-	-	2,85.00	
Global Exports Ltd.	-	-	-	-	15.00	
Total	-	-	-	-	5,02.23	
Previous Year						
Sri Gopal Investments Venturess Ltd	-	-	1.05	1.05		11.55
Electrosteel Thermal Coal Limited	-	-	-	-		1,90.68
Tulsi Highrise Private Limited	-	-	-	-		2,85.00

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Particulars	Associate	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.21	Outstanding as on 31.03.20
Dividend Received						
Srikalahasthi Pipes Limited	13,51.09	-	-	13,51.09	-	-
Total	13,51.09	-	-	13,51.09	-	-
Previous Year						
Srikalahasthi Pipes Limited	11,58.07	-	-	11,58.07		-
Advances Given						
Domco Private Limited	-	-	-	-	7,00.00	-
Previous Year						
Electrosteel Thermal Coal Limited	-	-	-	-		1.00
Domco Private Limited	-	-	-	-		7,00.00
Advances Taken						
Previous Year						
Srikalahasthi Pipes Limited	25,00.00	-	-	25,00.00		22,74.52
Interest Paid						
Srikalahasthi Pipes Limited	75.97	-	-	75.97	-	
Total	75.97	-	-	75.97	-	-
Previous Year						
Srikalahasthi Pipes Limited	3,80.47	-	-	3,80.47		1,02.73
Equity Share contribution						
Previous Year						
Sree Khemisati Constructions Private Limited	-	-	24,00.00	24,00.00		-
Global Exports Ltd.	-	-	2,00.00	2,00.00		-
Mr. Mayank Kejriwal	-	2,00.00	-	2,00.00		-
Mrs. Asha Kejriwal	-	2,00.00	-	2,00.00		-
Sale of Investment						
Previous Year						
Sree Khemisati Constructions Private Limited	-	-	0.75	0.75		-
Global Exports Ltd.	-	-	0.75	0.75		-

C. Details of compensation paid to KMP during the year are as follows :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits;	15,14.67	12,09.18
Post-employment benefits*	8.18	-
Other long-term benefits*	-	-

*Post-employment benefits and other long-term benefits is being disclosed based on actual payment made on retirement /resignation of services, but does not includes provision made on actuarial basis as the same is available for all employees together.

D. Terms and conditions of transactions with related parties

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021 *(Contd.)*

(Amount Rs. in lakhs)

- 56.1 In respect of the above parties, there is no provision for doubtful debts as on March 31, 2021 and no amount has been written off or written back during the year in respect of debt due from/to them.
- 56.2 The above related party information is as identified by the management.
- 56.3 Details of Loans, Investments and Guarantees covered u/s 186(4) of the Companies Act, 2013:
- Details of Loans and Investments are given under the respective heads (refer note no. 8,8A and 13).
 - Details of Corporate Guarantee/ Standby Letter of Credit given by the Parent company are as follows:

Name of the Company	Purpose	As at March 31, 2021	As at March 31, 2020
Electrosteel Europe SA	Short Term Loan Facility	25,72.13	24,99.72
	Short Term Loan Facility	12,00.33	11,66.54
Electrosteel Algeria SPA	Working capital facility	8,77.26	11,33.25
Electrosteel Castings (UK) Ltd.	Short Term Loan Facility	20,14.63	18,76.36
Electrosteel USA LLC	Working capital facility	18,27.63	18,88.75

57. The Group operates mainly in one business segment viz Pipes being primary segment and all other activities revolve around the main activity. The secondary segment is geographical, information related to which is given as under:

Particulars	2020-21			2019-20		
	Within India	Outside India	Total	Within India	Outside India	Total
Sales (gross)	23,82,29.03	10,64,93.73	34,47,22.76	14,10,42.98	12,55,21.51	26,65,64.49
Non-Current Assets other than financial instruments	39,38,17.00	84,38.89	40,22,55.89	28,03,80.58	70,74.53	28,74,55.11

58. The group has opted for continuing accounting policy in respect of exchange difference arising on reporting of long term foreign currency monetary items in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". Accordingly, during the year ended March 31, 2021 the net exchange difference of Nil [previous year Nil] on foreign currency loans have been adjusted in the carrying amount of fixed assets / capital work in progress. The unamortised balance is Rs 2,89,75.03 lakhs (previous year Rs 2,63,11.20 lakhs).
59. During the year the parent company had obtained the control over Srikalahasthi pipes limited (SPL) w.e.f. September 18, 2020 in line with the guidelines prescribed under Ind AS 110 "Consolidated Financial Statements" which was hitherto considered as an associate in the consolidated financial statement. In view of the same, the results of SPL with effect from September 18, 2020 has been consolidated by combining the like items of assets, liabilities, equity, income, expenses and cash flows. A sum of Rs. 1,20,01.88 lakhs has been recognised as capital reserve on the consolidation of SPL. The consolidation of SPL till September 17, 2020 was being done based on the equity method of accounting as per Ind AS 27 "Separate Financial Statements" and hence the consolidated results and the consolidated financial position for the year are not comparable with the previous year. The consolidation has been carried out by applying the 'Acquisition method' as prescribed by Ind AS 103 on Business Combination.

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Summary of the assets and liabilities as on September 18, 2020 are as follows:

(a) Summary of Assets, Liabilities and Reserve of SPL

Particulars	Balances on 18.09.2020	Adjustment as per IND AS 103	Revised Balances as at September 18, 2020 (Opening)
Assets			
Non Current Assets			
Property, Plant & Equipment	8,86,27.58	35,63.68	9,21,91.26
Capital work-in-progress	1,15,85.09	-	1,15,85.09
Intangible assets	44.36	11,95.00	12,39.36
Right to Use assets	20,21.64	-	20,21.64
Financial Assets – Loans	11,10.80	-	11,10.80
Financial Assets – Other financial assets	13.89	-	13.89
Other non current assets	8,06.00	-	8,06.00
Non current tax assets	3,85.72	-	3,85.72
Current Assets			
Inventories	2,52,38.31	-	2,52,38.31
Investments	1,82,99.00	-	1,82,99.00
Trade receivables	2,84,94.67	-	2,84,94.67
Cash & cash equivalents	17,31.01	-	17,31.01
Bank balances other than above	4,01,31.60	-	4,01,31.60
Loan	39,24.81	-	39,24.81
Other Financial Assets	27,33.31	-	27,33.31
Other Current Assets	1,00,35.46	-	1,00,35.46
Current Tax assets	3,50.16	-	3,50.16
Total Assets	23,55,33.41	47,58.68	24,02,92.09
Liabilities			
Minority Interest			8,41,92.13
Non Current Liabilities			
Borrowings	1,31,57.26	-	1,31,57.26
Lease liabilities	19,71.93	-	19,71.93
Provisions	7,97.81	-	7,97.81
Deferred Tax Liabilities (Net)	1,31,80.51	9,03.10	1,40,83.61
Deferred Income	3,86.75	-	3,86.75
Current Liabilities			
Borrowings	4,09,07.22	-	4,09,07.22
Lease liabilities	1,38.01	-	1,38.01
Trade payables	1,28,26.27	-	1,28,26.27
Other financial liabilities	53,86.42	-	53,86.42
Other current liabilities	63,84.38	-	63,84.38
Provisions	7,47.28	-	7,47.28
Total Liabilities	9,58,83.84	9,03.10	9,67,86.94
Net Assets and Liabilities consolidated as at September 18, 2020 (x-y)	13,96,49.57	38,55.58	5,93,13.02
Value of Investment of SPL as on 18.09.2020 (also refer note no. 44)			4,73,11.15
Capital Reserve on consolidation			1,20,01.88

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

60. The financial statements of Electrosteel Brasil Ltda. Tubos e Conexoes Duteis for the year ended 31st March, 2021 has not been subjected to audit by their auditor.
61. **Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013**

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2020-21		2020-21		2020-21		2020-21	
	As % of Consolidated net assets	Net Assets	As % of Consolidated Profit or Loss	Profit/Loss	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent	90.80	26,04,65.38	(29.64)	43,24.11	17.55	25,85.43	46,76.25	69,09.54
Subsidiaries								
Indian								
Srikalahasthi Pipes Limited (w.e.f. 18.09.2020)	53.21	15,26,40.94	(62.66)	91,40.74	26.13	38,50.64	87,92.33	1,29,91.38
Foreign								
Electrosteel Castings (UK) Limited	0.75	21,46.42	0.87	(1,26.43)	1.46	2,15.64	60.37	89.20
Electrosteel Europe S.A.	2.59	74,31.49	(3.60)	5,25.17	1.38	2,02.81	4,92.69	7,27.99
Electrosteel Algeria SPA	(0.16)	(4,60.50)	(0.36)	53.07	0.36	52.32	71.33	1,05.39
Electrosteel USA, LLC	0.65	18,68.49	(0.81)	1,18.13	(0.41)	(60.87)	38.75	57.26
Electrosteel Trading, S.A.	0.04	1,20.09	(0.04)	5.51	0.02	3.17	5.87	8.68
Electrosteel Doha For Trading LLC	1.64	47,05.82	(7.86)	11,45.91	(0.87)	(1,27.62)	6,89.16	10,18.29
Electrosteel Castings Gulf FZE	0.90	25,76.65	(2.66)	3,88.23	(0.53)	(78.74)	2,09.46	3,09.49
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	(0.03)	(88.07)	-	-	(0.02)	(2.48)	(1.68)	(2.48)
Electrosteel Bahrain Holding W.L.L	0.70	20,18.53	(0.54)	78.27	(0.34)	(50.81)	18.59	27.47
Non controlling interest in all subsidiaries	(31.31)	(8,98,06.47)	37.03	(54,01.40)	0.02	2.90	(36,53.61)	(53,98.50)
Associates (Investment as per Equity method)								
Indian								
Srikalahasthi Pipes Limited (upto 17.09.2020)	25.01	7,17,34.55	(3.71)	5,41.65	(0.02)	(2.88)	3,64.63	5,38.77

**Notes to Consolidated Financial Statements** for the year ended March 31, 2021 (Contd.)

(Amount Rs. in lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2019-20		2019-20		2019-20		2019-20	
	As % of Consolidated net assets	Net Assets	As % of Consolidated Profit or Loss	Profit/Loss	As % of Consolidated Other Comprehensive Income	Other Comprehensive Income	As % of Consolidated Total Comprehensive Income	Total Comprehensive Income
Parent	88.49	25,48,54.72	61.21	98,58.78	(0.68)	(8.61)	56.72	98,50.17
Subsidiaries								
Foreign								
Electrosteel Castings (UK) Limited	0.71	20,57.22	0.77	1,24.58	5.71	71.97	1.13	1,96.55
Electrosteel Europe S.A.	2.33	67,03.50	2.12	3,41.61	37.66	4,74.68	4.70	8,16.30
Electrosteel Algeria SPA	0.21	6,16.36	(3.81)	(6,13.45)	(0.36)	(4.60)	(3.56)	(6,18.04)
Electrosteel USA, LLC	0.63	18,11.23	0.45	72.35	12.30	1,55.07	1.31	2,27.42
Electrosteel Trading, S.A.	0.04	1,11.41	0.05	7.49	0.60	7.59	0.09	15.08
Electrosteel Doha For Trading LLC	1.28	36,96.78	8.07	12,99.42	20.94	2,63.88	9.00	15,63.30
Electrosteel Castings Gulf FZE	0.79	22,67.16	3.21	5,17.55	13.36	1,68.40	3.95	6,85.95
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	(0.03)	(85.59)	-	(0.02)	(0.47)	(5.89)	(0.03)	(5.91)
Electrosteel Bahrain Holding W.L.L	0.69	19,91.07	1.89	3,04.74	11.40	1,43.66	2.58	4,48.40
Non controlling interest in all subsidiaries	(0.04)	(1,21.65)	(0.26)	(41.86)	-	-	(0.24)	(41.86)
Associates (Investment as per Equity method)								
Indian								
Srikalahasthi Pipes Limited	25.19	7,25,46.86	46.68	75,18.93	(0.46)	(5.76)	43.26	75,13.16

- 62.1. The financial statements of Domco Private Limited and North Dhadhu Mining Company Pvt Ltd have not been consolidated for reasons referred to in note no. 8.2 and 8.3.
- 62.2. Figures given herein above are as per standalone financial statements of the respective companies and hence effect of inter company and other adjustments carried out on consolidation has not been considered for the purpose of above disclosure.
63. The Code on Social Security, 2020 ('Code') relating to various employee benefits, in respect to group companies incorporated in India, has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been yet notified. The parent Company will assess the impact of the Code when it comes into effect and will account for any related impact in the period the Code becomes effective.
64. The Board of Directors of the parent Company at its meeting held on October 5, 2020, had approved a scheme of amalgamation between the parent Company and Srikalahasthi Pipes Limited (SPL) wherein w.e.f the appointed date i.e. October 1, 2020, SPL will merge with the parent Company on a going concern basis subject to obtaining of necessary approvals. Pending such approvals, no adjustment has been carried out in the books of the accounts.
65. These consolidated financial statements have been approved by the Board of Directors of the Company on May 20, 2021 for issue to the shareholders for their adoption.
66. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our report of even date

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

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 20, 2021

Indranil Mitra
Company Secretary

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Ashutosh Agarwal
Executive Director
(Group Finance) and CFO

Mahendra Kumar Jalan
Wholtime Director
(DIN : 00311883)

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

ANNEXURE I**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Consolidated Audited Financial Results****Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in lakhs)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	3,52,877.85	Not Ascertainable
2.	Total Expenditure	3,34,150.72	
3.	Net Profit/(Loss) (including other comprehensive income)	5,546.26	
4.	Earnings Per Share	(3.37)	
5.	Total Assets	7,18,144.68	
6.	Total Liabilities	3,41,474.32	
7.	Net Worth (Equity Share Capital plus Other Equity)	3,76,670.36	
8.	Any other financial item(s) (as felt appropriate by the management)	-	

II. Audit Qualification (each audit qualification separately):**a. Details of Audit Qualification:**

Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31st March 2021 -

Sub Para (a): Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.

Sub Para (b): Note No. 6 in respect to Company's investment amounting to Rs. 3612.61 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the Company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the previous year, has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

Sub Para (c): Note No 7 in respect to carry forward of claim recoverable amounting to Rs. 1778.11 Lakhs towards the compensation claimed from the Railway Authorities as mentioned in the note. The recovery of the same is dependent on the outcome of the arbitration process and is not presently ascertainable.

b. **Type of Audit Qualification:** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion.

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 4 since financial year 2014-15, Note no. 6 since financial year 2017-18 and Note no. 7 since financial year 2019-20.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :** N.A



e. **For Audit Qualification(s) where the impact is not quantified by the auditor :**

(i) **Management's estimation on the impact of audit qualification : N.A**

(ii) **If management is unable to estimate the impact, reasons for the same:**

Sub Para (a) – In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL). The company also understand that the SAIL has handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim and on a petition filed by the Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the compensation. Earlier the Nominated Authority had upheld its decision of compensation already paid and the same was set aside by the Hon'ble High Court with a direction to the Nominated authority to reconsider. The Nominated authority further passed an order dated 11.11.2019 awarding an additional compensation of Rs. 180 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019 and the process of valuation is under progress as per the available information. The company has also approached the newly appointed Nominated Authority/ Ministry of Coal to reconsider the compensation determined by the previous Nominated Authority and also exploring other possibilities.

Pending finalisation of the matter as above;

- (i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2054.70 lakhs have been adjusted.

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

Sub Para (b) - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by Electrosteel Steels Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the Company had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018.

The Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.

During the quarter ending December 2018, shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at a price of Rs. 9.54 per share which was open till December 20, 2019. During the quarter, the company has

fair valued the equity shares of Electrosteel Steels Limited (ESL) based on the fair valuation report obtained and a gain of Rs. 2462.95 lakhs has been accounted for in other comprehensive Income.

Further 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 3612.61 lakhs as on March 31, 2021 are pledged with the lenders of the ESL. The consortium of the lenders of ESL had issued notice for the invocation of pledged shares which has been disputed by the Company and on the plea filed by the Company, the Hon'ble High Court of Calcutta has set aside the notices issued by the lenders. The Company's plea for release of the pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs (value as at 31-03-2021) of the company, situated at Elavur, Tamilnadu, were mortgaged to a lender of ESL and the lender had subsequently assigned the right of the said property to a third party although the claims of the said lender were fully settled by the ESL as per the approved Resolution Plan of NCLT. Further the third party had taken the symbolic possession of the said property in the previous year. The Company had disputed the assignment by the lender and filed an appeal before the Commercial Appellate, Hon'ble Madras High Court for deciding the appropriate forum wherein company can file the suit for release of such property. The Madras High Court has granted injunction and the matter is sub judice. Pending finalization of the matter, these assets have been carried forward at their carrying book value.

Sub Para (c): As reported earlier, the Railway Authorities had withdrawn the permission of operation of Railway siding under construction which is situated at Haldia, West Bengal. The company has claimed the compensation from the Railway Authorities for the amount incurred for the said siding which was denied and the matter is under arbitration based on the direction of Hon'ble High Court at Kolkata. Pending arbitration proceedings, the company has recognised a charge of Rs. 2318.35 lakhs during the previous year and a balance amounting to Rs. 1778.11 lakhs has been considered recoverable by the management of the company and shown as "Other Financial Assets" under the "Current Assets".

(iii) Auditors' Comments on (i) or (ii) above:

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by us.

III. Signatories :

CEO/Managing Director	Umang Kejriwal <i>Managing Director</i>
CFO	Ashutosh Agarwal <i>(Chief Financial Officer)</i>
Audit Committee Chairman	Binod Kumar Khaitan <i>(Audit Committee Chairman)</i>
Statutory Auditor	For Singhi & Co <i>Chartered Accountants</i> Firm's Registration No.: 302049E Gopal Jain <i>(Partner)</i> Membership No: 059147

Place : Kolkata

Date : May 20, 2021

ELECTROSTEEL CASTINGS LIMITED

www.electrosteel.com



ELECTROSTEEL CASTINGS LIMITED

CIN: L27310OR1955PLC000310

Registered Office: Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, India

Tel. No.: +91 06624 220 332; **Fax:** +91 06624 220 332

Corporate Office: G. K. Tower, 19 Camac Street, Kolkata 700 017, India

Tel. No.: +91 033 2283 9990; **Fax:** +91 033 2289 4339

Website: www.electrosteel.com; **E-mail ID:** companysecretary@electrosteel.com

NOTICE

Notice is hereby given that the Sixty-sixth Annual General Meeting of the Members of Electrosteel Castings Limited will be held on Friday, 3 September, 2021, at 11:30 a.m., through video conferencing ('VC') or other audio-visual means ('OAVM'), to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March, 2021, together with the Reports of the Directors and Auditors thereon.
2. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2021, together with the Report of the Auditors thereon.
3. To declare a Dividend of Rs. 0.25 (i.e., 25%) per share on the Equity Shares of the Company, for the Financial Year ended 31 March, 2021.
4. To re-appoint Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), who retires by rotation and being eligible, offers himself for re-appointment as a Director of the Company and in this regard to consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013, read with Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the consent of the Members be and is hereby accorded to re-appoint Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Non-Executive Director of the Company, aged 86 years, who retires by rotation and being eligible, has offered himself for re-appointment, as a Director of the Company."

5. To re-appoint Mr. Udhav Kejriwal (DIN: 00066077), who retires by rotation and being eligible, offers himself for re-appointment as a Director of the Company.

SPECIAL BUSINESS:

6. Ratification of remuneration of M/s. S G & Associates, Cost Auditors of the Company, for the Financial Year 2021-22.

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Company hereby ratifies the remuneration of Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand Only), plus applicable taxes and reimbursement of out-of-pocket expenses, as approved by the Board of Directors and payable to M/s. S G & Associates, Cost Accountants in Practice (Firm Registration No.: 000138), who have been appointed as the Cost Auditors of the Company to conduct audit of the cost records maintained by the Company for the Financial Year ending 31 March, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

7. Re-appointment of Mr. Amrendra Prasad Verma (DIN: 00236108) as an Independent Director of the Company for a second term of five years.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and relevant Rules made thereunder, read with Schedule IV to the Act [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Mr. Amrendra Prasad Verma (DIN: 00236108), Independent Director of the Company, whose period of office is liable to expire on 21 December, 2021 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose Mr. Verma as a candidate for the office of Director be and is hereby re-appointed as an Independent Director of the Company, for a second term of 5 (five) consecutive years, with effect from 22 December, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary and/or incidental in this regard."

8. Continuation of directorship of Mr. Vyas Mitre Ralli (DIN: 02892446) as a Non-Executive Director of the Company.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the consent of the Members be and is hereby accorded for continuing the directorship of Mr. Vyas Mitre Ralli (DIN: 02892446), who will be attaining the the age of 75 (seventy five) years, as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient or desirable to give effect to this resolution and to do all things incidental and ancillary thereto."

9. Payment of remuneration to Mr. Umang Kejriwal (DIN: 00065173), Managing Director of the Company, for the period from 1 April, 2021 to 31 March, 2022.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT further to the ordinary resolution passed by the Members at their meeting on 15 September, 2017, approving the re-appointment and remuneration of Mr. Umang Kejriwal (DIN: 00065173), as the Managing Director of the Company, for a period of 5 years with effect from 1 April, 2017 and special resolution passed by the Members at their meeting on 14 September, 2018 for

payment of remuneration to Mr. Umang Kejriwal (DIN: 00065173), Managing Director of the Company, for the period of 3 (three) years, with effect from 1 April, 2018 and pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and relevant Rules made thereunder, read with Schedule V to the Act [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and all guidelines and clarifications for managerial remuneration issued by the Ministry of Corporate Affairs from time to time and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be necessary, consent of the Members be and is hereby accorded for payment of the following remuneration and perquisites to Mr. Umang Kejriwal, Managing Director of the Company, for the remaining period of 1 (one) year in his existing tenure, i.e., from 1 April, 2021 to 31 March, 2022:

Salary (including Dearness Allowance)

Rs. 11,30,000/- per month with such revisions as may be determined by the Board of Directors (hereinafter referred to as 'Board', which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) from time to time.

Commission

Commission on the net profits of the Company for the relevant financial year computed in the manner laid down under Section 198 of the Act, subject to the overall ceilings stipulated in Section 197, read together with Schedule V to the Act. The commission payable shall be approved by the Board, taking into account such other factors, as it may deem necessary.

Perquisites

Housing

Free furnished residential accommodation or House Rent Allowance up to 50% of salary in lieu thereof. Expenditure incurred on gas, water, electricity, caretaker staff, etc., will be borne by the Company, subject to Income Tax Rules.

Medical Reimbursement

Reimbursement of actual expenses incurred for self and family.

Leave Travel Concession

For self and family in accordance with the Rules of the Company applicable to the senior executives.

Club Fees

Reimbursement of Membership fees for two Clubs, including admission and life membership fee.

Contribution to Provident Fund and Superannuation / Annuity Fund

The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to the senior executives.

Gratuity

As per Rules of the Company applicable to the senior executives.

Leave Pay

Leave with full pay and allowances as per the Rules of the Company.

Conveyance

A Company maintained car will be provided for use in the Company's business. Use of car for personal purpose shall be billed to him separately.

Telephone and other Communication Facilities

The Company shall provide telephone and other communication facilities at the residence of Mr. Kejriwal. Use of personal long distance calls shall be billed to him separately.

Encashment of Leave

In accordance with the Company's Rules and Regulations.

Term Insurance, Group Medical & Accident Insurance Premium

As per applicable Rules and Regulations of the Company.

Other benefits, amenities and facilities as per Company's Rules.

Subject to overall remuneration mentioned hereinabove, Mr. Kejriwal may be given any other allowances, benefits and perquisites, as the Board may from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

RESOLVED FURTHER THAT pursuant to and subject to the provisions of Section 197 of the Act, read with Schedule V thereto, as may be applicable for the time being, in the event of absence or inadequacy of profits in any financial year during the currency of tenure of Mr. Kejriwal, the Company will pay the above remuneration, perquisites and other allowances to him, as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board so authorised by it, be and is hereby severally authorised to alter and vary the terms and conditions of the appointment including the remuneration, as may be agreed between the Board of Directors and Mr. Umang Kejriwal and/or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Act and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force].

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

10. Payment of remuneration to Mr. Uddhav Kejriwal (DIN: 00066077), Whole-time Director of the Company, for the period from 16 June, 2021 to 15 June, 2023.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT further to the special resolution passed by the Members at their meeting on 11 August, 2018, approving the re-appointment of Mr. Uddhav Kejriwal (DIN: 00066077), as a Whole-time Director of the Company, for a period of 5 years with effect from 16 June, 2018 and approving his remuneration for a period of 3 (three) years with effect from the said date and pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and relevant Rules made thereunder, read with Schedule V to the Act [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and all guidelines and clarifications for managerial remuneration issued by the Ministry of Corporate Affairs from time to time and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be necessary, consent of the Members be and is hereby

accorded for payment of the following remuneration and perquisites to Mr. Uddhav Kejriwal, Whole-time Director of the Company, for the remaining period of 2 (two) years in his existing tenure, i.e., from 16 June, 2021 to 15 June, 2023:

Salary

Rs. 8,50,000 per month with such revisions as may be determined by the Board of Directors (hereinafter referred to as 'Board', which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) from time to time.

Perquisites

Housing

Free furnished residential accommodation or House Rent Allowance up to 60% of salary in lieu thereof. Expenditure incurred on electricity will be borne by the Company, subject to Income Tax Rules.

Medical Reimbursement

Reimbursement of actual expenses incurred for self and family.

Leave Travel Concession

For self and family in accordance with the Rules of the Company applicable to the senior executives.

Club Fees

Reimbursement of Membership fees for two Clubs, including admission and life membership fees.

Contribution to Provident Fund and Superannuation / Annuity Fund

The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to the senior executives.

Gratuity

As per Rules of the Company applicable to the senior executives.

Leave Pay

Leave with full pay and allowances as per the Rules of the Company.

Conveyance

A Company maintained car will be provided for use in the Company's business. Use of car for personal purpose shall be billed to him separately.

Telephone and other Communication Facilities

The Company shall provide telephone and other communication facilities at the residence of Mr. Kejriwal. Use of personal long distance calls shall be billed to him separately.

Encashment of Leave

In accordance with the Company's Rules and Regulations.

Term Insurance, Group Medical & Accident Insurance Premium

As per applicable Rules and Regulations of the Company.

Other benefits, amenities and facilities as per Company's Rules.

Subject to overall remuneration mentioned hereinabove, Mr. Kejriwal may be given any other allowances, benefits and perquisites, as the Board may from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

RESOLVED FURTHER THAT pursuant to and subject to the provisions of Section 197 of the Act, read with Schedule V thereto, as may be applicable for the time being, in the event of absence or inadequacy of profits in any financial year during the currency of tenure of Mr. Kejriwal, the Company will pay the above remuneration, perquisites and other allowances to him, as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board so authorised by it, be and is hereby severally authorised to alter and vary the terms and conditions of the appointment including the remuneration, as may be agreed between the Board of Directors and Mr. Uddhav Kejriwal and/or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Act and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force].

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this resolution."

11. Revision in terms of appointment of Mrs. Nityangi Kejriwal Jaiswal, Executive Director (not on the Board of the Company) and payment of remuneration thereof.

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company, on 16 February, 2020, via Postal Ballot, and pursuant to the applicable provisions, if any, of the Companies Act, 2013, read with allied Rules [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, if any, consent of the Members of the Company be and is hereby accorded for appointment of Mrs. Nityangi Kejriwal Jaiswal (a relative of Mr. Umang Kejriwal, Managing Director) as Executive Director (not on the Board of the Company), being an office or place of profit, at such remuneration, perquisites, other allowances and such other terms and conditions, for a period of 3 (three) years, with effect from 1 October, 2021, as detailed out in the Explanatory Statement annexed to the Notice calling this Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps and do all acts, deeds and things as may be necessary, proper and expedient to give effect to this Resolution."

12. Approval for payment of Remuneration, other than sitting fees, to Non-Executive Directors of the Company, including in case of no/inadequate profits.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the special resolution passed by the Members at their meeting on 14 September, 2018 and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules made thereunder, read with Schedule V to the Act [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and in addition to any fees payable under Section 197(5) of the Act, a sum not exceeding 1% of the net profits of

the Company per annum, computed in the manner referred to in Section 198 of the Act, be paid and distributed amongst all, some or any of the Directors of the Company (other than the Managing Directors and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors and such payments shall be made with respect to the profits of the Company for each year, for a period of 3 (three) financial years, commencing from 1 April, 2021.

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein, and pursuant to and subject to the provisions of Sections 149 and 197 of the Act, read with Schedule V thereto, where, in any of the aforesaid 3 (three) financial years, the Company has no profits or its profits are inadequate, the Company may pay such remuneration to its Non-Executive Directors, including Independent Directors, exclusive of any fees payable under Section 197(5) of the Act, as may be decided and directed by the Board of Directors, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

13. Approval for increasing the borrowing powers under Section 180(1)(c) of the Companies Act, 2013.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of resolution passed by the Members of the Company on 26 August, 2014, via Postal Ballot, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof], the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee of the Board which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this resolution) to borrow any sum or sums of monies, as and when required, which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium, from any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate/entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law, as may be deemed appropriate by the Board, provided that the total outstanding amount so borrowed shall not exceed the limit of Rs. 6,000 Crores (Rupees Six Thousand Crores Only) (both funded and non-funded) at any one point of time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all the acts, deeds and things, including but not limited to arranging and fixing terms and conditions of all borrowings, from time to time, and signing and executing necessary deeds, papers and related documents, as may be necessary to give effect to this resolution."

14. Creation of charges, mortgages, hypothecation, etc., on the properties, assets and undertakings of the Company under Section 180(1)(a) of the Companies Act, 2013.

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company on 26 August, 2014, via Postal Ballot, and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder [including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force], and in accordance with the Articles of Association of the Company, and subject to such other approvals, consents, sanctions and permissions, as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee of the Board which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this resolution) to create charge, pledge, mortgage, hypothecation, etc., in addition to the existing charges, pledges, mortgages, hypothecations, etc., on all or any part of the movable or immovable, tangible and/or intangible properties of the Company, both present and future, and/or the whole or any part of the undertaking(s) of the Company, of every nature and kind whatsoever, and/or creating a floating charge on all or any movable or immovable, tangible and/or intangible properties of the Company and/or the whole or any part of the undertaking(s) of the Company, to or in favour of banks, financial institutions or any other lenders or debenture trustees or agents, to secure the amount borrowed/to be borrowed by the Company or any third party, by way of loan(s) (in foreign currency and/or rupee currency) and/or securities or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments, issued/to be issued by the Company, from time to time, for the due repayment of the amount borrowed and/or the interests, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 6,000 Crores (Rupees Six Thousand Crores Only) at any point of time.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to finalise, settle, and execute such documents/deeds/writings/papers/agreements, as may be required, and to do all other acts, deeds and things, as may be necessary to give effect to this resolution."

By Order of the Board of Directors
For Electrosteel Castings Limited

20 May, 2021
Kolkata

Indranil Mitra
Company Secretary

NOTES:

1. In view of the ongoing outbreak of the novel coronavirus (COVID-19) pandemic, the Ministry of Corporate Affairs ('MCA') has, vide its General Circular dated 13 January, 2021 and 5 May, 2020, read with General Circulars dated 8 April, 2020 and 13 April, 2020 (collectively referred to as 'MCA Circulars'), permitted the companies to conduct Annual General Meeting ('AGM'/the Meeting') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), whose AGM were due to be held in the year 2020 or become due in the year 2021 on or before 31 December, 2021, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 66th AGM of the Company is being held through VC/OAVM on Friday, 3 September, 2021 at 11:30 a.m. The deemed venue for the 66th AGM will be the Registered Office of the Company at Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017.
2. The Board of Directors has considered the Item Nos. 6 to 14 of the Notice as unavoidable items of Special Business and has, hence, proposed the same to be transacted at the AGM.
3. The Explanatory Statement pursuant to Section 102 of the Act, setting out details relating to Ordinary/Special Businesses to be transacted at the Meeting, is annexed hereto.

4. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT AN AGM OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AT THE MEETING AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM ARE NOT ANNEXED TO THIS NOTICE.**
5. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
6. Corporate Members/Trusts/Societies, etc., intending to send their authorised representatives to attend and vote at the Meeting through VC/OAVM are requested to send a duly certified scanned copy of the Board/Managing Committee Resolution (PDF/JPG Format), together with the specimen signature(s) of the representative(s) authorised under the said Resolution to attend and vote on their behalf at the Meeting, to the Scrutinizer by e-mail to rashmi@bihanico.in, with a copy marked to evoting@nsdl.co.in.
7. 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 Act.
8. The facility for participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first-come-first-served basis as per the MCA Circulars. This will not include large shareholders (i.e., 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 shall be allowed to attend the AGM without restriction on account of first-come-first-served basis. The Members can join the AGM through the VC/OAVM, 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The Members will be able to view the proceedings and participate at the AGM by logging into the National Securities Depository Limited's ('NSDL') e-Voting website at www.evoting.nsdl.com.
9. In line with the MCA General Circular dated 5 May, 2020, read with MCA General Circular dated 13 January, 2021, and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020, read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021, this Notice of the AGM and the Annual Report 2020-21 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 66th AGM and the Annual Report 2020-21 has been uploaded on the website of the Company at www.electrosteel.com under 'Investors' section and on the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The Notice is also available on the website of NSDL at www.evoting.nsdl.com.
10. The Company's Registrar and Transfer Agent ('RTA') is Maheshwari Datamatics Pvt Ltd, having office at 23 R. N. Mukherjee Road, 5th Floor, Kolkata 700 001.
11.
 - a) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 28 August, 2021 to Friday, 3 September, 2021 (both days inclusive) for the purpose of determining the Members eligible to receive the dividend.
 - b) The dividend of Rs. 0.25 (25%) per Equity Share of face value of Re. 1/- each, if declared by the Members at the AGM, will be paid subject to deduction of income tax at source ('TDS'). The dividend on Equity Shares, if approved by the Members, will be credited/despached on or after 3 September, 2021, to those Members whose names shall appear in the Register of Members of the Company as on the close of business hours on Friday, 27 August, 2021; in respect of the shares held in dematerialized form, the dividend will be paid to Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
12. **Tax Deduction at Source ('TDS') on Dividend Distribution:**
 - a) As you are aware, under Section 194 of the Income Tax Act, 1961 ('IT Act'), as amended by the Finance Act, 2020 and amendments thereof, dividend income will be taxable in the hands of shareholders, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates, if the aggregate dividend payment to a shareholder is in excess of Rs. 5,000. The shareholders are requested to update their PAN with the Company's RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
 - b) A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a declaration along with PAN in Form No. 15G or 15H (for senior citizen), to avail the benefit of non-deduction of tax at source.
 - c) Other shareholders (including non-resident shareholders) with PAN and who are not liable to pay income tax or are liable to pay tax at a lower rate may submit a certificate obtained under Section 197 of the IT Act from Income Tax Department for lower or Nil withholding tax.
 - d) As per Section 139AA (2) of the IT Act, any person who has been allotted PAN as on 1 July, 2017 and who is eligible to obtain Aadhaar number has to link/intimate Aadhaar in the manner prescribed on or before 30 September, 2021 (or such other time as may be extended). If PAN is not linked with Aadhaar within the prescribed date then the PAN would be made inoperative and TDS at higher rate as per the Act would be deducted.
 - e) Shareholders are requested to note that in case their PAN is not registered / rendered inoperative, the tax will be deducted at a higher rate of 20%.
 - f) For FPI and FII – TDS shall be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act. They can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents, i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F.
 - g) Other Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents, i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F.
 - h) Section 206AB introduced w.e.f. 1 July, 2021, provides that TDS on payments made to 'Specified Persons' would be made at twice the rates specified / in force; or at the rate of five per cent whichever is higher. A 'Specified Person' means a person who has not filed the returns of income for both of the two previous assessments years immediately prior to the financial year in which tax is required to be deducted, for which the time limit of filing return of income under section 139(1) has expired; AND the aggregate of TDS and TCS in whose case is Rs. 50,000 or more in each of these two years.

The aforesaid declarations and documents need to be submitted by the shareholders by Friday, 20 August, 2021, by visiting mdpl.in/form. No communication would be accepted from members after 20 August, 2021 regarding the tax withholding matters, since the said link will be disabled thereafter.

Disclaimer: This communication should not be treated as an advice from the Company. Shareholders should obtain tax advice related to their tax matters from a Tax Professional.

13. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form, who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means, are requested to upload a scanned copy of the following details/documents at <http://mdpl.in/form/nach-mandate> latest by Friday, 20 August, 2021, thereafter the said link will be disabled:

- a) a signed request letter mentioning your name, folio number, complete address and following details/documents relating to bank account in which the dividend is to be received:
 - i. Bank Name and Branch;
 - ii. Original cancelled cheque leaf/self-attested copy of Bank Passbook showing the name of the account holder;
 - iii. Bank Account Number; and
 - iv. IFSC Code;
- b) self-attested copy of their PAN Card;
- c) self-attested photocopy of Passport/Voter ID/Aadhaar towards proof of address; and
- d) copy of any letter issued by the Company showing their Folio No.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories.

14. The Members are requested to:
 - (a) Intimate change in their registered address, if any, to the Company's RTA in respect of their holdings in physical form.
 - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
 - (c) Non-Resident Indian Members are requested to inform RTA for shares held in physical form or their Depository Participant for shares held in demat form, as the case may be, immediately of the change in residential status on return to India for permanent settlement.
 - (d) Register their e-mail address and changes therein from time to time with RTA for shares held in physical form and with their respective Depository Participants for shares held in demat form.
 - (e) Members holding shares in physical form are advised to make nomination in respect of their shareholding in the Company. Nomination form (SH-13) can be downloaded from the Company's website www.electrosteel.com, under the section, 'Investors'.
15. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall despatch dividend warrant/bankers' cheque/demand draft to such Members, upon and subject to normalisation of postal services and other activities.
16. The Company has transferred the unpaid or unclaimed dividends declared up to Financial Years 2012-13, from time to time, on due dates, to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Pursuant to the provisions of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31 March, 2020 (date of closure of the Financial Year, the accounts of which were adopted at the last AGM) on the website of the Company (www.electrosteel.com).
17. Members wishing to claim dividends, which remain unclaimed are requested to correspond with the RTA. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the IEPF.

Attention of the Members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

In accordance with the aforesaid provision of the Act, the Equity Shares of the Company, in respect of which dividend was unpaid or unclaimed for seven consecutive years or more, has been transferred to the Demat Account of IEPF Authority maintained with National Securities Depository Limited. The voting rights in respect of shares transferred to the Demat Account of IEPF Authority shall remain frozen, until the rightful owner claims the shares. Members may note that shares as well as unclaimed dividend transferred to the IEPF Authority can be claimed back. Concerned shareholders are advised to visit <http://www.iepf.gov.in/IEPF/refund.html> for lodging claim for refund of shares or dividend from the IEPF Authority.

In accordance with the aforesaid provision of the Act, read with the IEPF Rules, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the Financial Year 2013-14 and onwards has not been paid or claimed by the Members for 7 (seven) consecutive years or more. Members are advised to visit the web-link: <https://www.electrosteel.com/investor/iepf-suspense-account.php>.
18. The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and other details to the RTA of the Company at <http://mdpl.in/form/pan-update>.
19. In accordance with the amendments to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the SEBI has revised the provisions relating to transfer of listed securities and has mandated that the requests for transfer of listed securities shall not be processed unless the securities are held in dematerialized form with the Depositories with effect from 1 April, 2019. In view of the same and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerializing shares held by them in physical form.
20. Members who wish to inspect 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 in which directors are interested, maintained under Section 189 of the Act, can send an e-mail to companysecretary@electrosteel.com.
21. Brief profile and other required information about the Directors proposed to be appointed/re-appointed and/or whose remuneration are proposed to be fixed, as required under Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2), are attached to this Notice.
22. Members who wish to inspect any documents referred to in the accompanying Notice and the Explanatory Statement, up to and including the date of the AGM of the Company, can send an e-mail to companysecretary@electrosteel.com.
23. Electronic copy of the Annual Report for the Financial Year 2020-21, along with Notice of the 66th AGM of the Company, inter-alia, indicating the process and manner of e-voting, are being sent to all Members whose e-mail IDs are registered with the Depository Participants/the Company's RTA for communication purposes.
24. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses for receiving all communication, including Annual Report, Notices, Circulars, etc., from the Company, electronically.**
25. Voting through electronic means:
 - i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, the Members are provided with the facility to exercise their right to vote on the resolutions proposed to be considered at the AGM by electronic means. The facility of

casting the votes by the Members, prior to the AGM, using an electronic voting system from a place other than the venue of the AGM, i.e., "remote e-voting" will be provided by NSDL.

- II. The facility of casting votes by a Member via e-voting during the AGM will also be provided by NSDL. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
- III. The remote e-voting period begins on Tuesday, 31 August, 2021 at 09:00 A.M., IST and ends on Thursday, 2 September, 2021 at 05:00 P.M., IST. The remote e-voting module shall be disabled by NSDL for voting, thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date, i.e., 27 August, 2021, may cast their vote(s), electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 27 August 2021.
- IV. The process and manner for remote e-voting and e-voting during the AGM are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps", which are mentioned below:

Step 1: Access to NSDL e-voting system

A. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated 9 December, 2020 on e-Voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 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.nsd.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 options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com/. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReq.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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 held 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 options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their 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 www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest, the User will also be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 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 from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP, i.e., NSDL, where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your Demat Account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged-in, 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 options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>

Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository, i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free nos.: 1800 1020 990 and 1800 224 430
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 022-23058738 or 022-23058542-43

B. Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices, i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e., Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares, i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12*****, then your User ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12*****, then your User ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if Folio Number is 001*** and EVEN is 101456, then User ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment, i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or Folio Number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail IDs are not registered.**
6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options, i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rashmi@bihanico.in, with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any query / grievance with respect to remote e-voting, Shareholders, may refer to the frequently asked questions (FAQs) for shareholders and remote e-voting user manual for shareholders available under the download section of NSDL's e-voting website or contact Mr. Amit Vishal, AVP/ Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at toll free no. 11800 1020 990 / 1800 22 44 30 or at E-mail ID: evoting@nsdl.co.in.
- V. **PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL IDS ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:**
1. In case shares are held in physical mode, please provide Folio No., name of shareholder, PAN (self-attested scanned copy of PAN card) and scanned copy of the share certificate (front and back) or Aadhaar (self-attested scanned copy of Aadhaar Card) by sending the same at companysecretary@electrosteel.com.
 2. In case shares are held in demat mode, please provide DP ID-Client ID (16 digit DP ID + Client ID or 16 digit Beneficiary ID), name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) to companysecretary@electrosteel.com.
If you are an Individual shareholder, holding securities in demat mode, you are requested to refer to the login method explained at **Step 1(A)**, i.e., **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
 3. Alternatively, member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2), as the case may be.
 4. In terms of SEBI Circular dated 9 December, 2020, on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.
- VI. **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person as mentioned for remote e-voting.
- VII. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General Meeting**" menu against the Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush.
 2. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
 4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request, mentioning their name, demat account number/folio number, e-mail ID, mobile number at companysecretary@electrosteel.com, between Friday, 27 August, 2021 (9:00 a.m., IST) and Sunday, 29 August, 2021 (5:00 p.m., IST).
 6. Shareholders who would like to express their views/have questions with regard to the financial statements or any other matter to be placed at the AGM may send their questions in advance, mentioning their name, demat account number/folio number, e-mail ID, mobile number at companysecretary@electrosteel.com by Sunday, 29 August, 2021. The same will be replied by the Company, suitably.
 7. Only those shareholders who have registered themselves as a speaker, as aforesaid, and who are a member of the Company, as on the cut-off date, i.e., Friday, 27 August, 2021, will be allowed to express their views/ask questions during the Meeting.
 8. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of appropriate time for the AGM.
- VIII. The voting rights of Members shall be in proportion to their shares in the Paid-up Equity Share Capital of the Company, as on the cut-off date being Friday, 27 August, 2021.
- IX. Any person, who acquires shares of the Company and becomes Member of the Company after despatch of the Notice and holds shares as on the cut-off date, i.e., Friday, 27 August, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or companysecretary@electrosteel.com.
- X. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- XI. Ms. Rashmi Bihani (Membership No.: FCA 064298) of M/s. Bihani Rashmi & Co., Chartered Accountants, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM, in a fair and transparent manner.

- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting by use of e-voting for all those Members who are present during the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting at the AGM, in the presence of at least two witnesses not in the employment of the Company, and shall make, not later than two working days or three days, whichever is earlier, of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the Result of the voting forthwith.
- XIV. The Results declared, along with the Report of the Scrutinizer, shall be placed on the website of the Company, www.electrosteel.com, Notice Board(s) of the Company at its Registered Office as well as Corporate Office and on the website of NSDL immediately after the declaration of Result by the Chairman or a person authorised by him in writing. The Results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4

Mr. Shermadevi Yegnaswami Rajagopalan, aged 86 years, is a Non-Executive Director of the Company, liable to retire by rotation and being eligible, he has offered himself for re-appointment. In accordance with Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Since Mr. Rajagopalan has already attained the age of 75 years, therefore, for re-appointment and continuation of directorship of Mr. Rajagopalan, Special Resolution has been proposed by the Board of the Company and justification for aforesaid Item No. 4 is given below:

Mr. Rajagopalan, aged 86 years, is a qualified Chartered Accountant and Company Secretary by Profession. He was a Whole-time Director of the Company from 1988 to 2007. Thereafter, he was appointed as a Non-Executive Director of the Company with effect from 22 January, 2010. He has extensive experience in corporate and related laws and finance matters. Mr. Rajagopalan is the Chairman of the Corporate Social Responsibility Committee and a member of Nomination and Remuneration Committee and Banking and Authorisation Committee of the Company. Mr. Rajagopalan's experience and valuable guidance is beneficial to the Company.

The Company has received from Mr. Rajagopalan, (i) consent in writing to act as Director in Form DIR-2 pursuant to Section 152 of the Act, read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended; (ii) intimation in Form DIR-8 pursuant to the said rules, to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Act; and (iii) declaration that he is not debarred from holding or continuing the office of director pursuant to any order of the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other such authority.

The Board, based on the recommendation of the Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid Director, has recommended the Resolution as set out at Item No. 4 of the Notice for approval of the Members of the Company.

Except the above Director and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 4 of the Notice.

Item No. 6

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s. S G & Associates, a firm of Cost Accountants (Firm Registration No.: 000138) as the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31 March, 2022, at a remuneration of Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand Only), plus applicable taxes payable and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read together with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor shall be recommended by the Audit Committee and considered and approved by the Board of Directors and ratified subsequently by the Shareholders. Accordingly, the consent of the Members is hereby sought for passing an Ordinary Resolution, as set out at Item No. 6 of the Notice, for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending 31 March, 2022.

The Board recommends the Resolution as set out at Item No. 6 of the Notice for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 6 of the Notice.

Item No. 7

The Members of the Company, at their 62nd Annual General Meeting held on 15 September, 2017, had appointed Mr. Amrendra Prasad Verma, as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years, effective from 22 December, 2016. Accordingly, the said term of appointment of Mr. Verma would expire on 21 December, 2021.

Pursuant to the provisions of Section 149 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company.

The Company has received a notice from a Member under Section 160 of the Act proposing the candidature of Mr. Verma for the office of Director of the Company. The Company has received from Mr. Verma, (i) consent in writing to act as Director in Form DIR-2 pursuant to Section 152 of the Act, read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the said Rules, to the effect that he is not disqualified in accordance with Section 164(2) of the Act; (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Act, as amended, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended; and (iv) declaration that he is not debarred from holding or continuing the office of director pursuant to any order of the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other such authority. Further, in terms of Regulation 25(8) of the Listing Regulations, Mr. Verma has confirmed that he is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Mr. Verma has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has, at its meeting held on 20 May, 2021, and based on the performance evaluation of Mr. Verma, considered that, in the opinion of the Board, he fulfills the criteria for appointment as an Independent Director as specified in the Act and the Rules made thereunder as well as Listing Regulations and is independent of the management and is a person of integrity, possessing relevant expertise and experience. Having regard to his qualifications, experience and

knowledge and contributions made by him during his tenure, his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Verma as an Independent Director, for a second term. Accordingly, it is proposed to re-appoint Mr. Verma as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from 22 December, 2021, in terms of and in compliance with Section 149 and other applicable provisions, if any, of the Act and Regulation 17 of the Listing Regulations.

The disclosure under Regulation 36 of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is provided in Annexure A to this Notice. A copy of the draft letter of appointment setting out the terms and conditions of appointment of Mr. Verma is available for inspection by the Members during business hours on working days up to the date of the AGM. Members who wish to inspect the same can send a request at companysecretary@electrosteel.com.

The Board recommends the Resolution set out at Item No. 7 of the Notice for approval of the Members of the Company, to be passed as an Special Resolution.

Save and except Mr. Amrendra Prasad Verma, being the appointee, and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 7 of the Notice.

Item No. 8

In accordance with Regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Mr. Vyas Mitre Ralli, Non-Executive Director of the Company, born on 25 September, 1946, is aged about 74 years, and that he will attain the age of 75 years in September, 2021. Hence, in view of the above provisions, the requisite approval of the Members is required for continuing the directorship of Mr. Ralli as a Non-Executive Director of the Company.

Mr. Vyas Mitre Ralli is a qualified B. Tech (Hons.) in Metallurgical Engineering from Indian Institute of Technology, Kharagpur. He joined the Company in April, 1972. He was appointed as a Whole-time Director of the Company on 21 December, 2009 and was in-charge of the plant operation of the Company at Khardah and Haldia till 31 December, 2015. He became a Non-Executive Director of the Company with effect from 1 January, 2016. Mr. Ralli is also a member of the Company's Stakeholders' Relationship Committee. Mr. Ralli's experience and valuable guidance is beneficial to the Company.

The Board, based on the recommendation of the Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid Director, has recommended the Special Resolution as set out at Item No. 8 of the Notice for approval of the Members of the Company.

Except the above Director and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 8 of the Notice.

Item No. 9

The Members of the Company, at their Annual General Meeting ('AGM') held on 15 September, 2017, had, by way of an ordinary resolution, approved the re-appointment and remuneration of Mr. Umang Kejriwal as the Managing Director of the Company, for a period of 5 (five) years, with effect from 1 April, 2017.

At the time of his aforesaid re-appointment, the Company had adequate profits and the remuneration was well within the limits prescribed under the Companies Act, 2013 ('Act'). However, it was presumed that external factors, such as, increase in raw materials and finance cost, may adversely impact the performance of the Company thereby resulting in inadequacy of profit to pay Managerial Remuneration, and accordingly, pursuant to the provisions of Section 197 of the Act, read with Schedule V thereto, the Board, at its meeting held on 7 August, 2018, on the recommendation of the Nomination and Remuneration Committee, had revised its earlier decision and approved payment of remuneration to Mr. Umang Kejriwal, Managing Director of the Company, for the period from 1 April, 2018 to 31 March, 2021, which was subsequently approved by the Members of the Company at their 63rd AGM held on 14 September, 2018.

Under Section 197 of the Act, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or wholetime director or manager or any other non-executive director, including an independent director, by way of remuneration, any sum exclusive of any sitting fees payable to directors except in accordance with the provisions of Schedule V to the Act. Section II of the said Schedule V, inter alia, provides that where in any financial year during the currency of tenure of a managerial person or other director, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person or other director not exceeding the limits as set out therein, provided that the remuneration in excess of such limits may be paid if the resolution passed by the shareholders is a special resolution.

Hence, in terms of the aforesaid provisions of the Act, the Resolution, as set out at Item No. 9 of the Notice, with respect to payment of remuneration to Mr. Kejriwal, in the form of salary, allowances, perquisites and other benefits, for the period as mentioned therein, is being recommended to be passed by way of a Special Resolution.

Further, since Mr. Umang Kejriwal is also one of the promoters of the Company and the annual remuneration payable to him or the aggregate annual remuneration payable to each of the promoter directors of the Company may exceed the limits prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid Special Resolution, as set out at Item No. 9 of the Notice, be also considered as approval required under the said Regulation. The approval of the Members granted under this provision shall be valid only till the expiry of the term of the said Directors.

The information as required under the provisions of Schedule V to the Act is furnished below:

(I) **General Information:** As per Annexure C to the Notice.

(II) **Information about Mr. Umang Kejriwal**

(1) Background details:

Mr. Umang Kejriwal, aged 68 years, is a commerce graduate from Calcutta University. Mr. Kejriwal was appointed as the Executive Director of the Company in 1975 and was promoted as the Deputy Managing Director in 1979. In 1980, he was appointed as the Managing Director. He is a visionary who has shown the path to create a long standing footprint in Ductile Iron spun pipe manufacturing space world wide. He played a pivotal role in accelerating the business performance and helped Electrosteel to take a big leap growth in competing with international players. His vision has helped the Company to form a very committed team of professionals and his consistent inspiration has taken the Company on the sustained growth path over the years.

(2) Past Remuneration:

A sum of Rs. 2,90,04,805/- was paid to Mr. Kejriwal (including contribution to Provident Fund and Gratuity), being the remuneration for the Financial Year 2020-21.

(3) Recognition or awards:

As stated in (1) above.

(4) Job profile and his suitability:

Mr. Umang Kejriwal is responsible for the management of the affairs of the Company and is accountable to the Board of Directors. He develops strategic operating plans that reflect the longer-term objectives of the Company. He has strong business development sense, and is goal-oriented. He creates a positive and motivating atmosphere and provides better growth opportunities for the employees.

(5) Remuneration proposed:

As detailed in the Resolution forming part of the Notice.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Umang Kejriwal, which is proposed for your approval, is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels. Considering his rich experience, competence and the growth and development of the Company during his association, the terms of his remuneration are considered fair, just and reasonable.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Besides remuneration proposed, Mr. Umang Kejriwal has no pecuniary relationship with the Company. Mr. Mayank Kejriwal, Joint Managing Director, is the brother of Mr. Umang Kejriwal. Apart from this, Mr. Kejriwal is not related to any other Director/Key Managerial Personnel of the Company.

(III) Other Information: As per Annexure C to the Notice.

(IV) Disclosures

All elements of remuneration package is forming part of the Resolution. The Company has made appropriate disclosures as required under Schedule V to the Act in the Corporate Governance Report for the Financial Year 2020-21.

The disclosure for Mr. Umang Kejriwal pursuant to Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) is provided in Annexure B to the Notice.

The Board recommends the Resolution as set out at Item No. 9 of the Notice for approval of the Members of the Company, to be passed as a Special Resolution.

Except Mr. Umang Kejriwal and his relatives (including Mr. Mayank Kejriwal, Joint Managing Director, being his brother), none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 9 of the Notice.

Item No. 10

The Members of the Company, at their Extra-ordinary General Meeting held on 11 August, 2018, had, by way of a special resolution, approved the re-appointment of Mr. Uddhav Kejriwal (DIN: 00066077), as a Whole-time Director of the Company, for a period of 5 (five) years, with effect from 16 June, 2018 and remuneration payable for a period of 3 (three) years on the terms and conditions as mentioned in the said resolution.

Under Section 197 of the Act, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or whole-time director or manager or any other non-executive director, including an independent director, by way of remuneration any sum exclusive of any sitting fees payable to directors except in accordance with the provisions of Schedule V to the Act. Section II of the said Schedule V, inter alia, provides that where in any financial year during the currency of tenure of a managerial person or other director, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person or other director not exceeding the limits as set out therein, provided that the remuneration in excess of such limits may be paid if the resolution passed by the shareholders is a special resolution.

Hence, in terms of the aforesaid provisions of the Act, the Resolution, as set out at Item No. 10 of the Notice, with respect to payment of remuneration to Mr. Kejriwal, in the form of salary, allowances, perquisites and other benefits, for the period as mentioned therein, is being recommended to be passed by way of a Special Resolution.

Further, since Mr. Uddhav Kejriwal is also one of the promoters of the Company and the annual remuneration payable to him or the aggregate annual remuneration payable to each of the promoter directors of the Company may exceed the limits prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid Special Resolution, as set out at Item No. 10 of the Notice, be also considered as approval required under the said Regulation. The approval of the Members granted under this provision shall be valid only till the expiry of the term of the said Directors.

The information as required under the provisions of Schedule V to the Act is furnished below:

(I) General Information: As per Annexure C to the Notice.

(II) Information about Mr. Uddhav Kejriwal

(1) Background details:

Mr. Uddhav Kejriwal, aged about 42 years, is a commerce graduate from Calcutta University. He joined as a Whole-time Director of the Company with effect from 16 June, 2003. After joining in June 2003, he has made a major contribution for the creation of the Company's Haldia facility having 2.95 Lakhs TPA coke making capacity, 60,000 MT sponge Iron capacity and 12 MW Power Plant. Mr. Kejriwal oversees all financial affairs and commercial issues pertaining to the business of the Company. He has played an important role in developing, managing and executing business plans, operational plans, risk management, and financial affairs of the organisation. He has timely and effectively executed strategies on priorities and with measures set by the Board. He possesses a good understanding of the Company's financial measures relevant to its business and financial situation and has exercised good judgment in managing the financial affairs and budgets of the organisation. He has effectively monitored and evaluated financial planning, budget and administrative operations. He is a Member of the Executive Committee of the Indian Chamber of Commerce.

(2) Past Remuneration:

A sum of Rs. 1,93,32,450/- was paid to Mr. Kejriwal (including contribution to Provident Fund and Gratuity), being the remuneration and approved perquisites for the Financial Year 2020-21.

(3) Recognition or awards:

As stated in (1) above.

(4) Job profile and his suitability:

Mr. Kejriwal oversees all financial affairs and commercial issues pertaining to the business of the Company. His deep knowledge and expertise in financial matters and operations will help the Company to achieve its desired growth.

(5) Remuneration proposed:

As detailed in the Resolution forming part of the Notice.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Uddhav Kejriwal, which is proposed for your approval, is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels. Considering his rich experience, competence and the growth and development of the Company during his association, the terms of his remuneration are considered fair, just and reasonable.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Besides remuneration proposed, Mr. Uddhav Kejriwal has no pecuniary relationship with the Company. Mr. Uddhav Kejriwal is the son of Mr. Mayank Kejriwal, Joint Managing Director of the Company. Apart from this, Mr. Kejriwal is not related to any other Director/Key Managerial Personnel of the Company.

(III) Other Information: As per Annexure C to the Notice.

(IV) Disclosures

All elements of remuneration package is forming part of the Resolution. The Company has made appropriate disclosures as required under Schedule V to the Act in the Corporate Governance Report for the Financial Year 2020-21.

The disclosure for Mr. Uddhav Kejriwal pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) is provided in Annexure A to the Notice.

The Board recommends the Resolution as set out at Item No. 10 of the Notice for approval of the Members of the Company, to be passed as a Special Resolution.

Except Mr. Uddhav Kejriwal and his relatives (including Mr. Mayank Kejriwal, Joint Managing Director, being his father), none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 10 of the Notice.

Item No. 11

The Board, at its meeting held on 12 November, 2019, had, on the recommendation of the Nomination and Remuneration Committee ('NRC'), appointed Mrs. Nityangi Kejriwal Jaiswal as Executive Director (not being on the Board of Directors) for a period of 5 (five) years, subject to the approval of the shareholders of the Company. The appointment and remuneration of Mrs. Jaiswal was subsequently approved by the Members of the Company, via Postal Ballot, on 16 February, 2020. The said appointment of Mrs. Jaiswal was effective from the date of approval of the shareholders, i.e., 16 February, 2020, on the terms and conditions as mentioned in the resolution passed via the said Postal Ballot.

Mrs. Jaiswal, aged 29 years, is a Graduate from the Cardiff University, UK and specialised in Journalism, Media and Cultural Studies. She was associated with Electrosteel Steels Limited for around 5 (five) years, actively involved in marketing with special focus on development of retail marketing, sales, logistics, branding and advertising of its products.

Mrs. Jaiswal has also served as a Non-Executive Director on the Board of Electrosteel Castings Limited, from 31 March, 2015 to 28 January, 2019. Presently, she is heading fittings business and digital marketing. She is also associated with sales, logistics, branding and advertising. She has made remarkable contribution in all areas in which she has been involved, especially in fittings business, which is visible in the financial performance of the Company also.

Understanding the importance of major digital social platforms, like, Facebook, Twitter, Instagram, etc., for business marketing, Mrs. Jaiswal has continuously and successfully endeavoured towards boosting the Company's brand and visibility on the said social platforms, which helps to connect and interact with other potential customers and also helps to augment the Company's brand image.

Being the daughter of Mr. Umang Kejriwal, Managing Director of the Company, Mrs. Jaiswal is also a related party of the Company within the definition of Section 2(76) of the Companies Act, 2013 ('Act').

In compliance with Section 188 of the Act, read with applicable Rules thereof, the Board of Directors, at its meeting held on 20 May, 2021, in supersession of its aforesaid earlier decision, has approved the revision in terms of the existing appointment of Mrs. Nityangi Kejriwal Jaiswal. It is proposed to appoint her as Executive Director (not on the Board of the Company) at the following remuneration, perquisites and other allowances, for a period of 3 (three) years, with effect from 1 October, 2021:

- (i) Salary: Rs. 3,65,000 per month.
- (ii) Special Allowance of Rs. 3,16,500 per month.
- (iii) Perquisites and Amenities:
 - a) House Rent Allowance up to 50% of the salary.
 - b) Medical Allowance up to a limit of one month's salary per annum in accordance with the rules specified by the Company.
 - c) Conveyance Allowance/Reimbursement of conveyance expenses up to Rs. 40,000 per month.
 - d) Term Insurance, Group Medical & Accident Insurance Premium as per applicable rules & regulations of the Company.
 - e) Leave: As per applicable rules & regulations of the Company.
 - f) Encashment of Leave: In accordance with the Company's rules and regulations.
 - g) Contribution to Retiral Benefit Funds: The Company's contribution to Provident Fund as per applicable rules & regulations of the Company.
Gratuity in accordance with the Gratuity Fund Rules.
 - h) Leave Travel Concession: Return passage for Mrs. Nityangi Kejriwal Jaiswal and her family up to a limit of one month's salary per annum in accordance with the rules specified by the Company.

For the purpose of eligibility of perquisites, 'family' means the spouse, the dependent children and dependent parents of Mrs. Jaiswal.

Mrs. Jaiswal shall be entitled to all other benefits, amenities and facilities as per the Rules and Policies of the Company and the Company would reimburse membership fees and expenses for two clubs for official purpose.

The appointment of Mrs. Jaiswal may be terminated by either party by giving to the other 3 (three) months' notice in writing, or salary in lieu thereof.

The Board of Directors believes that the remuneration proposed to be paid to Mrs. Jaiswal is commensurate with her qualification & knowledge and is in line with industry standards prevalent in the current scenario.

The relevant particulars of the transaction are as under:

1.	Name of the Related Party	Mrs. Nityangi Kejriwal Jaiswal
2.	Name of the Director or Key Managerial Personnel who is related	Mr. Umang Kejriwal, Managing Director
3.	Nature of relationship	Mrs. Nityangi Kejriwal Jaiswal is the daughter of Mr. Umang Kejriwal, Managing Director of the Company.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	As mentioned above
5.	Any other information relevant or important for the members to take a decision on the proposed Resolution	As mentioned above

The Board recommends the Resolution as set out at Item No. 11 of the Notice for approval of the Members of the Company, to be passed as an Ordinary Resolution.

Except Mr. Umang Kejriwal, Managing Director, being relative of Mrs. Nityangi Kejriwal Jaiswal, and her other relatives, none of the other Directors and/or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution as set out at Item No. 11 of the Notice.

Item No. 12

The Members of the Company, at their 63rd AGM held on 14 September, 2018, had approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company not exceeding one percent of the net profits of the Company for a period of 5 (five) years commencing from 1 April, 2019 to all or some of such Directors in accordance with the directions given by the Board.

The Companies Act, 2013 ('Act'), earlier, had no provision with respect to payment of remuneration to Non-Executive Directors, except by way of sitting fees for various meetings, in case of no/inadequate profits. However, the Ministry of Corporate Affairs has, on 18 March, 2021, amended Sections 149 and 197 of the Act, and Schedule V to the Act, thereby amending the provisions to enable payment of remuneration to Non-Executive Directors, including Independent Directors, in case of no/inadequate profits in accordance with the provisions of the said Schedule V.

Under Section 197 of the Act, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or wholetime director or manager or any other non-executive director, including an independent director, by way of remuneration any sum exclusive of any sitting fees payable to directors except in accordance with the provisions of Schedule V to the Act. Section II of the said Schedule V, inter alia, provides that where in any financial year during the currency of tenure of a managerial person or other director, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person or other director not exceeding the limits as set out therein, provided that the remuneration in excess of such limits may be paid if the resolution passed by the shareholders is a special resolution.

In view of the aforesaid amendment, it is proposed to the Members to supersede their earlier aforesaid approval with respect to payment of remuneration to Non-Executive Directors, including Independent Directors.

Fresh approval of the Members is sought to pay remuneration to Non-Executive Directors, including Independent Directors, for the period and in the manner as mentioned in the Resolution as set out at Item No. 12 of the Notice. The same has already been approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, by their respective resolutions passed at their respective meetings held on 20 May, 2021.

The Board recommends the Resolution as set out at Item No. 12 of the Notice for approval of the Members of the Company, to be passed as a Special Resolution.

The Managing Directors, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise, in the resolution as set out at Item No. 12 of the Notice. Directors, other than the Managing Directors and the Whole-time Directors of the Company, and their relatives may be deemed to be concerned or interested in the Resolution as set out at Item No. 12 of the Notice, since same relates to remuneration that may be received by such Directors.

Item No. 13

The Members of the Company on 26 August, 2014, via Postal Ballot, had authorized the Board of Directors of the Company to borrow monies, from time to time, up to Rs. 2,500 Crores (Rupees Two Thousand Five Hundred Crore Only), pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013.

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

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

On the Application filed by SPL, the Hon'ble NCLT, Amravati Bench, vide its Order dated 30 April, 2021, has directed that the meetings of shareholders and creditors of SPL be held on 16 June, 2021 for, inter alia, approving the Scheme. However, on Application filed by the Company, the Hon'ble NCLT, Cuttack Bench, at its hearing held on 10 May, 2021, has directed the matter to be listed on 9 June, 2021 for passing of Order.

Keeping in view the impending Amalgamation, which may materialise in the near future, the borrowings of SPL would become borrowings of the Company, it is proposed to increase the existing borrowing powers of the Company from Rs. 2500 Crores to Rs. 6,000 Crores, in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013.

The Board recommends the Resolution as set out at Item No. 13 of the Notice for approval of the Members of the Company, to be passed as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise (save and except to the extent of their shareholding in th Company, if any), in the Resolution as set out at Item No. 13 of the Notice.

Item No. 14

The Members of the Company on 26 August, 2014, via Postal Ballot, had, inter alia, authorized the Board of Directors of the Company to create mortgage and/or charge on propertires and undertakings of the Company, to secure borrowings of the Company and/or any of the Company's subsidiary, affiliate or associate company, from time to time, up to a maximum limite of Rs. 4,500 Crores (Rupees Four Thousand Five Hundred Crore Only), pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

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

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

On the Application filed by SPL, the Hon'ble NCLT, Amravati Bench, vide its Order dated 30 April, 2021, has directed that the meetings of shareholders and creditors of SPL be held on 16 June, 2021 for, inter alia, approving the Scheme. However, on Application filed by the Company, the Hon'ble NCLT, Cuttack Bench, at its hearing held on 10 May, 2021, has directed the matter to be listed on 9 June, 2021 for passing of Order.

Keeping in view the impending Amalgamation, which may materialise in the near future, since, inter alia, the borrowings of SPL would become borrowings of the Company, it is proposed to increase the borrowing powers of the Company to Rs. 6,000 Crores. Accordingly, it is proposed to obtain fresh approval of the Members with respect to creation of charges, mortgages, hypothecation, etc., on the immovable and movable properties, assets and undertakings of the Company, under Section 180(1)(a) of the Companies Act, 2013.

The Board recommends the Resolution as set out at Item No. 14 of the Notice for approval of the Members of the Company, to be passed as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise (save and except to the extent of their shareholding in th Company, if any), in the Resolution as set out at Item No. 14 of the Notice.

By Order of the Board of Directors
For Electrosteel Castings Limited

20 May, 2021
Kolkata

Indranil Mitra
Company Secretary

Annexure – A

The relevant details of Directors seeking appointment/re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) are given below:

I.

Sl. No.	Particulars	Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000)	Mr. Uddhav Kejriwal (DIN: 00066077)
1.	Date of Birth (Age)	21 November, 1934 (86 Years)	10 August, 1978 (42 Years)
2.	Date of first appointment on the Board	22 January, 2010	16 June, 2003
3.	Brief Resume including qualification	Mr. Shermadevi Yegnaswami Rajagopalan is a qualified Chartered Accountant and Company Secretary. He worked as a Whole-time Director of the Company from 1988 to 2007 and retired on 9 August, 2007. Thereafter, he was appointed as Non-Executive Director of the Company with effect from 22 January, 2010.	Mr. Uddhav Kejriwal is a commerce graduate from Calcutta University. After joining in 2003, he has made a major contribution for the creation of the Company's Haldia facility having 2.95 Lakhs TPA coke making capacity, 60,000 MT sponge Iron capacity and 12 MW Power Plant. He oversees all financial affairs and commercial issues pertaining to the business of the Company.
4.	Experience (including nature of expertise in specific functional area)	Mr. Rajagopalan has extensive experience in corporate and related laws and finance matters. He has an expertise in effective management of relationship with shareholders and stakeholders.	He has expertise in matters relating to the financial affairs and commercial issues pertaining to the business of the Company.
5.	Terms and conditions of re-appointment	Liable to retire by rotation.	In terms of Section 152(6) of the Companies Act, 2013, Mr. Kejriwal who was re-appointed as a Whole-time Director of the Company at the Extraordinary General Meeting held on 11 August, 2018 is liable to retire by rotation at the Meeting.
6.	Details of remuneration sought to be paid	Remuneration may be paid by way of sitting fees and/or commission on the net profits of the Company and/or by other means, as may be approved by the Board and/or Members, from time to time.	As mentioned in Resolution No. 10 of this Notice, read together with the Explanatory Statement thereto.
7.	Remuneration last drawn	As mentioned in the Corporate Governance Report forming part of Annual Report 2020-21.	As mentioned in the Corporate Governance Report forming part of Annual Report 2020-21.
8.	Number of meetings of the Board attended during the Financial Year (2020-21)	5	5
9.	Relationship with other Directors / Key Managerial Personnel	Mr. Rajagopalan is not related to any other Director/Key Managerial Personnel of the Company.	Mr. Kejriwal is the son of Mr. Mayank Kejriwal, Joint Managing Director of the Company. Apart from this, Mr. Kejriwal is not related to any other Director/ Key Managerial Personnel of the Company.
10.	Directorship of other Boards	NIL	<ul style="list-style-type: none"> - Sri Gopal Investments Ventures Limited - Murari Investment & Trading Co Ltd - Indian Chamber of Commerce Calcutta - G. K. & Sons Pvt Ltd - Hillson Merchandise Pvt Ltd - Vexcon Properties Pvt. Ltd. - Greenchip Trexim Pvt Ltd - Calcutta Diagnostics Centre Pvt Ltd - Tulsi Highrise Pvt Ltd - Bose Estates Private Limited - Dreamlight Plaza Private Limited - Ellenbarrie Chemical Allied Pvt Ltd
11.	Membership/Chairmanship of Committees of other Boards	NIL	NIL
12.	Number of shares held in the Company	He holds 10,100 Equity Shares of Re. 1/- each for himself. He does not hold any Equity Shares in the Company on a beneficial basis for any other persons.	He holds 32,39,540 Equity Shares of Re. 1/- each for himself. He does not hold any Equity Shares in the Company on a beneficial basis for any other persons.

II.

Sl. No.	Particulars	Mr. Amrendra Prasad Verma (DIN: 00236108)
1.	Date of Birth (Age)	29 December, 1951 (69 Years)
2.	Date of first appointment on the Board	22 December, 2016
3.	Brief Resume including qualification	Mr. Amrendra Prasad Verma is a Post Graduate from Patna University. He has over 32 years of experience in the banking sector. He joined banking sector in the year 1975. During his career with State Bank of India (SBI), he held various Senior Executive positions like Business Head of Corporate Banking Group, General Manager-International Banking

		Division, Chief Credit & Risk Officer etc. During the year 2005-2009, Mr. Verma was deputed to SBI Capital Markets Limited (Investment banking outfit of SBI) as Managing Director & CEO. He also held the position of Deputy Managing Director & Group Executive of Mid Corporate Group of SBI during 2009-10. He retired as the Deputy Managing Director & Chief Credit & Risk Officer of the bank in December 2011, where he was in overall charge of the bank's risk management function. Thereafter, he was an advisor with SBI till June 2012.
4.	Experience (including nature of expertise in specific functional area)	Mr. Verma is an experienced banker with more than 3 decades of service in corporate and investment banking.
5.	Terms and conditions of appointment/re-appointment	As per Resolution at Item No. 7 of this Notice, read together with the Explanatory Statement thereto, Mr. Verma is proposed to be re-appointed as a Non-Executive, Independent Director of the Company, for a second term of 5 (five) consecutive years.
6.	Details of remuneration sought to be paid	Remuneration may be paid by way of sitting fees and/or commission on the net profits of the Company and/or by other means, as may be approved by the Board and/or the Members, from time to time.
7.	Remuneration last drawn	As mentioned in the Corporate Governance Report forming part of Annual Report 2020-21.
8.	Number of meetings of the Board attended during the Financial Year (2020-21)	5
9.	Relationship with other Directors / Key Managerial Personnel	Mr. Verma is not related to any other Director/Key Managerial Personnel of the Company.
10.	Directorship of other Boards	- Economic Explosives Limited - Solar Industries India Limited - Adi Chitragupta Finance Limited - SIS Limited
11.	Membership/Chairmanship of Committees of other Boards	Solar Industries India Limited – • Stakeholders' Relationship Committee (Chairman) • Nomination and Remuneration Committee (Chairman) • Risk Management Committee (Member) • Audit Committee (Member) SIS Limited – • Audit Committee (Chairman) • Stakeholders' Relationship Committee (Chairman) • Risk Management Committee (Chairman) • Nomination and Remuneration Committee (Member) Economic Explosives Limited – • Nomination and Remuneration Committee (Chairman) • Audit Committee (Member) Adi Chitragupta Finance Limited – • Audit Committee (Chairman)
12.	Number of shares held in the Company	NIL

Annexure – B

The relevant details of Director required under Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) are given below:

I.

Sl. No.	Particulars	Mr. Umang Kejriwal (DIN: 00065173)
1.	Date of Birth (Age)	26 October, 1952 (68 Years)
2.	Date of first appointment on the Board	15 February, 1979
3.	Brief Resume including qualification	Mr. Umang Kejriwal is a commerce graduate from Calcutta University. He joined the Company in 1975 as the Executive Director of the Company. He became the Deputy Managing Director of the Company in 1979 and took over as the Managing Director in 1980. He is currently responsible for the overall management of the operations of the Company.
4.	Experience (including nature of expertise in specific functional area)	He has over 48 years of rich experience in the Pipe manufacturing industry. He has played a pivotal role in accelerating the business performance and his vision has helped the Company to form a very committed team of professionals.
5.	Details of remuneration sought to be paid	As mentioned in Resolution No. 9 of this Notice, read together with the Explanatory Statement thereto.
6.	Remuneration last drawn	As mentioned in the Corporate Governance Report forming part of Annual Report 2020-21.
7.	Number of meetings of the Board attended during the year	4
8.	Relationship with other Directors / Key Managerial Personnel	Mr. Umang Kejriwal and Mr. Mayank Kejriwal are brothers. Apart from this, Mr. Kejriwal is not related to any other Director/Key Managerial Personnel of the Company.
9.	Directorship of other Boards	- Escal Finance Services Ltd. - Bose Estates Private Limited - Sree Khemisati Constructions Pvt. Ltd. - Global Exports Ltd.
10.	Membership/Chairmanship of Committees of other Boards	NIL
11.	Number of shares held in the Company	NIL

Annexure – C

(I) General Information:

- Nature of Industry:
Manufacturer of Ductile Iron Pipe, Ductile Iron Fittings and Cast Iron Pipe
- Date or expected date of commencement of commercial production:

The Company is already in production for last several decades. The Company was incorporated in the year 1955. As on date, the Company has Ductile Iron Pipe Plant with a total capacity of 2,80,000 TPA, Cast Iron Pipe Plant with a total capacity of 90,000 TPA, 12 MW Power Plant, 5 MW Turbo Generator, Ferro Alloy Plant and Coke Oven Plant with a total capacity of 2,25,000 TPA.

3. Financial performance based on given indicators:

Particulars	(Rs. in Lakh)		
	FY 2020-21	FY 2019-20	FY 2018-19
Revenue from Operations	2,23,611.59	2,47,988.93	2,39,060.75
Other Income	4,856.18	3,761.22	6,413.50
Earnings Before Interest, Taxes, Depreciation and Amortisation	28,545.22	39,617.60	41,095.32
Less: Finance Costs	18,383.15	21,989.75	22,540.22
Less: Depreciation and Amortisation Expense	5,267.21	5,274.32	5,487.22
Profit Before Tax	4,894.86	12,353.53	13,067.83
Less: Exceptional Items	-	-	78,990.08
Profit/(Loss) Before Tax	4,894.86	12,353.53	(65,922.25)
Less: Tax Expense	570.75	2,494.75	(2,345.35)
Profit/(Loss) After Tax	4,324.11	9,858.79	(63,576.90)

Note: Figures for FY: 2018-19 have been restated due to amalgamation of Mahadev Vyapaar Pvt. Ltd., wholly-owned subsidiary of the Company, with the Company, w.e.f. 1 April, 2018. Further, figures for FY 2019-20 have been regrouped.

4. Foreign investments or collaborations, if any: NIL

Annexure – D

(III) **Other Information:**

1. Reasons for loss or inadequate profits:

Although the Company has been reporting profits till Financial Year 2017-18, it reported loss for the Financial Year 2018-19, which was mainly on account of fair valuation of investment in the shares of Electrosteel Steels Limited, a former Associate Company of the Company, and advance and trade receivables written off as per approved resolution plan as confirmed by the Hon'ble National Company Law Appellate Tribunal ('NCLAT') by its order dated 10 August, 2018. Though the Company has reported profit for the Financial Years 2019-20 and 2020-21, the ongoing pandemic caused by the novel Coronavirus (COVID-19) has impacted economies all around the Globe and continues to affect businesses and operations, globally. The outbreak has moved quickly across countries, thus, disrupting global production, supply chain, trade, etc. The Company's business operations too have been impacted as the plants were under shutdown during the lockdown periods imposed by the Central and State Governments and other authorities. During Financial Year 2020-21, production of Company's main product, i.e., DI Pipes was disrupted for about 70 days due to nationwide lockdown which led to fall in overall profitability of the Company.

2. Steps taken or proposed to be taken for improvement:

Production and dispatches were stopped from 24 March, 2020 due to imposition of nationwide lockdown on account of the COVID-19 pandemic, however, the Company resumed production from 6 June, 2020.

Further, the Company has initiated several measures towards achieving organisational and operating efficiencies and strengthening core competencies, alongside working on improvements in processes and controls, and inter alia:

- The Company is taking various measures for raw material availability and reduce its input raw material cost including specific consumption per unit of product.
- The Company has also adopted various measures for cutting production cost & administrative expenses, improving operating and energy efficiencies and increasing overall productivity.
- The Company is also exploring means to use resources/assets to minimize loss.

3. Expected increase in productivity and profits in measurable terms:

Although it is not possible at this stage to quantify the increase in productivity, sales and profits, a reasonable improvement in demand for the Company's products is expected going forward, subject to improvement in business situation and other external factors. The management continues to be cautiously optimistic towards the external economic environment and expects consumer demand to become more consistent. Production will be at same level, however, sales prices are expected to increase as cost of raw materials is increasing. The Company expects higher turnover on the Smart City Projects. Increase in turnover will result in improved margin leading to improvement in profitability. As a standard practice, various initiatives have been taken for further improvement, also taking care of products variety and quantity in both domestic and export markets.

Further, as a continual effort, the Company continues to provide special attention towards improvement in production of new range of products, productivity, quality, energy conservation and human resource. Further, to meet and improve upon the expectations of both International and Domestic customers, the Company has continued its activities towards development and to add a number of product variants to its existing product base.

Though the pipe industry is following a downturn, in anticipation of revival of the market in the near future, the above steps taken/proposed to be taken by the Company are expected to increase the productivity and profits of the Company.

By Order of the Board of Directors
For Electrosteel Castings Limited

20 May, 2021
Kolkata

Indranil Mitra
Company Secretary