ANNUAL REPORT

2021 - 2022

ESL STEEL LIMITED

Contents

CORPORATE INFORMATION
CIN: U27310JH2006PLC012663

BOARD OF DIRECTORS	Mr. Mahendra Singh Mehta (DIN: 00019566), Non-Executive Independent Director Mr. Prasun Kumar Mukherjee (DIN: 00015999), Non-Executive Independent Director Mr. Navnath Laxman Vhatte (DIN: 09048441), Chief Executive Officer & Whole Time Director Ms. Poovannan Sumathi (DIN: 07147100), Non-Executive Director
CHIEF FINANCIAL OFFICER	Mr. Mahesh Iyer
COMPANY SECRETARY	Mr. Manish Kumar Chaudhary
STATUTORY AUDITORS	M/s. Lodha & Co., Chartered Accountants
LENDERS/BANKERS	ICICI Bank Ltd. Punjab National Bank Bank of Baroda Union (eAndhra) Bank of India HDFC Bank Limited Yes, Bank Limited Indian Bank RBL Bank Ltd Karnataka Bank
REGISTERED OFFICE	Village Siyaljori, P.O - Jogidih, P.S - Chandankyari, Dist. - Bokaro, Pin - 828 303, Jharkhand.
PLANT	Village Siyaljori, P.O - Jogidih, P.S - Chandankyari, Dist. - Bokaro, Pin - 828 303, Jharkhand.
CORPORATE OFFICE	Lohanchal Colony, Plot No. 10, Beside Sector 12, Bokaro Steel City, Jharkhand Pin – 827013 Phone: 08651-102477 Email: esl.shares@vedanta.co.in Website: https://www.eslsteel.com//

Note: *1. Mr. Mahesh Iyer Resigned as Chief Financial Officer (CFO) w.e.f 30th April 2022 and Mr. Anand Prakash Dubey was appointed as CFO w.e.f. 1st May 2022.*
2. Mr. Thomas Mathew Thumpeparambil (DIN – 00130282) appointed as an Additional Independent Director w.e.f 15th June 2022.

BOARD'S REPORT

Dear Shareholders,

The Board of Directors (Board) presents the Company's 15th Annual Report along with the Audited Financial Statements for the year ended March 31, 2022.

FINANCIAL SUMMARY/HIGHLIGHTS AND BUSINESS PERFORMANCE

Amount (INR in Lakhs)
(Except otherwise stated)

Particular	Year Ended 31 Mar' 2022	Year Ended 31 Mar' 2021
Revenue from operation	6,59,586.91	4,77,142.77
Other Income	20,396.88	12,780.64
Finance Cost	33,822.02	37,652.67
Exceptional Item	(5,847.67)	(27,634.25)
Profit/ (Loss) before exceptional items and tax	8,267.99	25,452.83
Profit/(Loss) after tax	(9,459.19)	2,73,201.20
EPS (Basic & Diluted) – (INR)	-0.51	14.78

ESL Steel Limited (Formerly known as Electrosteel Steels Limited) (hereinafter referred to as ESL or the Company or your Company) is a fully integrated iron and steel manufacturing unit, situated at Siyaljori Village in Bokaro, Jharkhand. The Company currently has capacity of 1.5. MTPA steel production and expansion plan underway to enhance the capacity to 3 MTPA steel production.

In financial year 2022, ESL has achieved highest ever hot metal production of 1.355 MT up 5 % Y-O-Y and saleable production of 1.260 MT up by 6% Y-O-Y. However, the EBITDA margins have contracted by 20% Y-O-Y mainly due to increase in prices of Iron Ore and abnormal surge in international Coking Coal prices during the year.

The Company is working on optimizing the cost in all aspects and also increase production efficiency for better product mix and price realization to protect the margins. However, the volatility in overall steel markets in terms of pricing may impact the financial performance of the Company.

As an initiative to cost optimization and ensure the continuous supply of Iron ore through backward integration, ESL has acquired 2 mines namely (i) Nandidih Iron ore Block (BICO) & (ii) Nandidih Iron Ore & Manganese Block (FEEGRADE) in Barbil, Odisha through the auction process conducted by government of Odisha. The operation of these mines has started in fag end of Q4 of financial year 22.

Prices of iron and steel are influenced by several macro-economic factors. This year the prices have been impacted by global economic slowdown, Russia – Ukraine war, the emphasis on development projects, demand-supply forces, and government spends and policies. The company is expecting that Steel demand will remain stable in 2022 and there will be sharp correction in prices of Coking coal and iron ore prices.

Government of India on 22nd May 2022, has imposed export duty on our products i.e.- Pig iron, TMT & Wires rod and increased export duty on all grades of iron ore. Government has also removed duty on coking coal. Removal of import duties on coking coal and increase in export duty for iron ore will ease cost of production for steel. However, imposition of export duty on steel will have negative effect on domestic steel price sentiment.

DIVIDEND

ESL is in the process of initiating capacity expansion and hence, for conserving resources, your directors do not recommend any dividend for the Financial Year ended March 31, 2022.

TRANSFER TO RESERVES

No amounts have been transferred to the Reserve during the year under review.

EQUITY SHARE CAPITAL

(a) Authorised Share Capital:

Authorised Share Capital of your Company as on March 31, 2022, is INR 1,00,20,00,00,000 divided into 10,02,00,00,000 Equity Shares of INR 10 each.

(b) Issued, Subscribed and Paid-Up Share Capital of the Company:

Issued, Subscribed and Paid-Up Share Capital of your Company as on March 31, 2022, is INR 18,49,03,02,240 divided into 1,84,90,30,224 Equity Shares of INR 10 each fully paid up.

(c) Buy Back of Securities:

The Company has not bought back any of its securities during the Financial Year under review.

(d) Sweat Equity:

The Company has not issued any Sweat Equity Shares.

(e) Bonus Shares:

The Company has not issued any Bonus Shares.

(f) Employees Stock Option Plan:

The Company has not provided any Stock Option Scheme to the employees

None of the Directors of the Company hold any equity shares or convertible instruments of the Company.

HOLDING COMPANY

Vedanta Limited (VEDL) is the 'Holding Company' of ESL Steel Limited, holding 95.49% of share capital of the Company. VEDL holds 1,76,55,53,040 no. equity shares of INR 10 each.

CREDIT RATING

CRISIL Ratings has upgraded its rating on the long-term bank facilities of your Company to 'CRISIL AA' from 'CRISIL AA- 'and revised its outlook to 'Stable' from 'Positive'. The rating on the short-term bank facilities has been reaffirmed at 'CRISIL A1+'

DEPOSITS

Your Company has not accepted or renewed any fixed deposits during the period under review. It has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Companies Act, 2013 and Rules made thereunder.

NATURE OF BUSINESS

There has been no change in the nature of the business of the Company during the year.

MEETINGS OF BOARD & ITS COMMITTEES

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy in addition to the statutory and other matters. During the financial year 2021-22, the Board of Directors met six (6) times. The intervening gap between the meetings was within the period prescribed under the provision of Section 173 of the Companies Act, 2013.

The Board of Directors of your Company as on 31st March 2022 consists of following Members:

1. Mr. Mahendra Singh Mehta - Non-Executive Independent Director
2. Mr. Prasun Kumar Mukherjee - Non-Executive Independent Director
3. Mr. Navnath Laxman Vhatte - Chief Executive Officer & Whole Time Director
4. Ms. Poovannan Sumathi - Non – Executive Director

Attendance during the year 2021-22:

Name of Member	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended
Mr. Prasun Kumar Mukherjee	6	6	6
Mr. Mahendra Singh Mehta	6	6	6
Ms. Poovannan Sumathi	6	6	6
Mr. Pankaj Malhan*	6	1	1
Mr. Navnath Laxman Vhatte**	6	4	4

Committee's Meetings:

- **Audit Committee**

The Audit Committee is constituted pursuant to provisions of Companies Act, 2013 and consists of following Members, as on 31st March 2022:

1. Mr. Prasun Kumar Mukherjee, Non-Executive Independent Director – Chairman
2. Mr. Mahendra Singh Mehta, Non-Executive Independent Director – Member
3. Mr. Navnath Laxman Vhatte, Chief Executive Officer & Whole Time Director – Member

During the financial year 2021-22, the Audit Committee members met five (5) times.

Attendance during the year 2021-22:

Name of Member	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended
Mr. Prasun Kumar Mukherjee	5	5	5
Mr. Mahendra Singh Mehta	5	5	5
Mr. Pankaj Malhan*	5	1	1
Mr. Navnath Laxman Vhatte**	5	4	4

- **Nomination and Remuneration Committee**

The Nomination & Remuneration Committee is constituted pursuant to provisions of Companies Act, 2013 and consists of following Members as on 31st March 2022:

1. Mr. Prasun Kumar Mukherjee, Non-Executive Independent Director – Chairman
2. Mr. Mahendra Singh Mehta, Non-Executive Independent Director - Member
3. Ms. Poovannan Sumathi, Non-Executive Director – Member

During the financial year 2021-22, the Nomination and Remuneration Committee members met once (1) times.

Attendance during the year 2021-22:

Name of Member	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended
Mr. Prasun Kumar Mukherjee	1	1	1
Mr. Mahendra Singh Mehta	1	1	1
Ms. Poovannan Sumathi	1	1	1

- **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee is constituted pursuant to provisions of Companies Act, 2013 and consists of following Members as on 31st March 2022:

1. Mr. Prasun Kumar Mukherjee, Non-Executive Independent Director – Chairman
2. Mr. Navnath Laxman Vhatte, Chief Executive Officer & Whole Time Director - Member

3. Ms. Poovannan Sumathi, Non-Executive Director – Member

During the financial year 2021-22, the Stakeholders' Relationship Committee members met once (1) times.

Attendance during the year 2021-22:

Name of Member	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended
Mr. Prasun Kumar Mukherjee	1	1	1
Mr. Pankaj Malhan*	1	1	1
Ms. Poovannan Sumathi	1	1	1
Mr. Navnath Laxman Vhatte**	1	0	0

*****Ceased to be Whole Time Director w.e.f April 19, 2021.*
***Appointed as Whole-Time Director w.e.f May 10, 2021.*

- **Corporate Social Responsibility Committee**

Corporate Social Responsibility Committee constituted pursuant to provisions of Companies Act, 2013, consists of following Members as on 31st March 2022:

1. Mr. Prasun Kumar Mukherjee, Non-Executive Independent Director – Chairman
2. Mr. Navnath Laxman Vhatte, Chief Executive Officer & Whole Time Director - Member
3. Ms. Poovannan Sumathi, Non-Executive Director – Member

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of Companies Act, 2013, the Key Managerial Personnel of your Company as on 31st March 2022 are:

1. Mr. Navnath Laxman Vhatte - Chief Executive Officer & Whole Time Director
2. Mr. Mahesh Iyer - Chief Financial Officer
3. Mr. Manish Kumar Chaudhary - Company Secretary

INDEPENDENT DIRECTORS AND THEIR DECLARATION

Mr. Prasun Kumar Mukherjee and Mr. Mahendra Singh Mehta are the Independent Directors of the Company. The Company has received declarations pursuant to Section 149(7) of the Companies Act, 2013 from both the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

The Independent Directors have submitted a declaration that 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, declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("MCA") Notification dated October 22, 2019, regarding the requirement relating to enrolment in the Data Bank created by MCA for Independent Directors, has been received from both the Independent Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm, in terms of Section 134 (5) of the Companies Act, 2013 ("the Act"), that:

a. in the preparation of annual accounts, containing financial statements for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanations, wherever required.

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 2021-22 and of the loss 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 any fraud and other irregularities.

d. they have prepared Annual Accounts on a going concern basis.

e. Sufficient internal financial controls have been laid down and such internal financial controls are adequate and were operating effectively.

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

SUBSIDIARY/ASSOCIATE /JOINT VENTURE COMPANY

The Company did not have any subsidiary/associate /joint venture Company during the year ended March 31, 2022.

INTERNAL FINANCIAL CONTROLS

Internal financial controls mean the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Your Company has a well-documented Standard Operating Procedures (SOP) for procurement of materials, capital expenditure, human resources, sales and marketing, finance, treasury, compliance, Health, Safety and Environment (HSE) etc.

Your Company has in place systems, policies, and procedures/frameworks, which are currently operational, for ensuring the orderly and efficient conduct of its business, which includes adherence to policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose.

INVESTOR EDUCATION AND PROTECTION FUND

All unclaimed / unpaid share application money, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, are required to be transferred to the Investor Education and Protection Fund (IEPF).

During the year, the Company was not required to transfer any amount to the said IEPF.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

A. The Consent to Operate (CTO) for the steel plant at Bokaro, which was valid till December 2017, was not renewed by the State Pollution Control Board (PCB). This was followed by the Ministry of Environment, Forests and Climate Change (MoEFCC) revoking the Environmental Clearance (EC). The High Court of Jharkhand had extended the interim protection granted in the pending writ petitions till September 16, 2020. However, on September 16, 2020, Hon'ble Jharkhand High Court pronounced and revoked the interim stay for plant continuity w.e.f September 24, 2020. ESL filed a special leave petition before Hon'ble Supreme Court against order dated September 16, 2020, for grant of interim stay order and plant continuity. Hon'ble Supreme Court vide order dated September 22nd, 2020, allowed plant operations to continue till further orders and stayed High Court order dated September 16, 2020. On 17 December 2019, ESL's Forest Diversion Proposal received Stage I clearance from the Forest Advisory Committee. On 25 August 2020, ESL was granted a term of reference to complete the process of environment clearance for 3 mtpa plant. Further, the EAC held a meeting on 29 July 2021 and recommended the grant of environment clearance to ESL subject to certain conditions, including the forest clearance.

   The MoEF vide its letter dated 25 August 2021 rejected "as of now" the grant of environment clearance to ESL due to stay (on the standard operating procedure for identification and handling of violation cases under Environmental Impact Assessment, 2006 notification issued by MoEF on 7 July 2021 for violation cases) by Madras High Court (Madurai Bench). However, it was clarified that once the aforesaid standard operating procedure is upheld or stay is vacated, the recommendation will be considered without going to the EAC again. An interlocutory application was filed in the pending Supreme Court of India matter against the rejection of the environmental clearance on as of now basis due to the stay on the aforesaid standard operating procedure. The Supreme Court of India pronounced the judgment on 09.12.2021 (special leave petition along with the interlocutory application) and passed the following: (i) the special leave petition was granted, (ii) the impugned order passed by High Court was set aside, and (iii) the MoEF was directed to process the environmental clearance application of ESL according to the applicable law within a period of three months. MoEF vide its letter dated 02.02.2022 has deferred the grant of Environment Clearance till Forest Clearance Stage-II is granted to ESL. ESL has submitted its reply against MoEF letter vide letter dated 11.02.2022 for reconsidering the decision and not linking EC with FC since as per the applicable law and available precedents, grant of FC Stage – II is not a condition precedent for grant of EC.

B. Subsequent to Order of Hon'ble National Company Law Appellate Tribunal (NCLAT) dated August 10, 2018, Renaissance Steel Private Limited, an unsuccessful resolution applicant, filed an appeal before Hon'ble Supreme Court of India, challenging the Order of the Hon'ble NCLAT. The said petitioner has vide its prayer filed on July 10, 2020, before the said court expressed its intention of not pursuing the matter further and applied for withdrawing the said appeal. The court has allowed the withdrawal application and dismissed the matter vide order dated November 20, 2020.

C. In respect of claims and demand by certain Statutory Authorities, the matters are pending before High Court, Supreme Court, and other adjudicating authorities for decision. Favourable order was passed that all claims that arose prior to the Resolution Plan and not forming a part of the approved Resolution Plan shall stand extinguished. Further, in respect of claims of erstwhile Operational Creditors, Hon'ble Supreme Court has referred back the matter to Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, for decision. However, Management is of view that the claims and demands are not tenable as per the approved Resolution Plan and various judicial pronouncements. Recently in ESL sales tax matter, Hon'ble Supreme Court has passed an order in Company's favour stating that all pre-acquisition liability which is not a part of the resolution plan will stand extinguished.

D. In respect of alleged non-disclosure of material information in the prospectus, during Initial Public Offering (IPO) of the Company in 2010, Hon'ble Securities Appellate Tribunal (SAT), Mumbai, vide its order dated 14th November 2019, had imposed penalty of INR 50 lakhs on the Company. The Company has approached SEBI and has taken the contention that Company is not liable to pay any penalty for acts committed prior to acquisition. Recently in ESL sales tax matter, Hon'ble Supreme Court has passed an order in Company's favour stating that all pre-acquisition liability which is not a part of the resolution plan will stand extinguished.

There has been no material changes and commitments affecting the financial position of the Company that have occurred between the end of the Financial Year and the date of the Board's Report.

ANNUAL EVALUATION OF THE BOARD

The Board on the recommendation of the Nomination and Remuneration Committee had adopted Schedule IV to the Companies Act, 2013 (hereinafter referred to as "the Act"), including any amended thereof, as criteria for evaluating performance of Independent Directors.

The Independent Directors of the Company in their meeting held on March 31, 2022, without the attendance of Non-Independent Directors and members of the Management, on the basis of defined and agreed parameters, inter alia, had (i) reviewed the performance of the Non Independent Directors, the Board and Committees thereof and (ii) assessed the quality, quantity and timeliness of flow of information between the Management and the Board, that is necessary for the Board to be effective and reasonably perform their duties.

COVID 19 STEPS TAKEN BY THE COMPANY

The company stands by the society and community in times of despair. Various COVID relief initiatives are undertaken by ESL which include set up of temporary 100 bedded hospitals, tie up with hospitals for RTPCR test and ICU beds, distribution of masks and sanitizers, conducting awareness program in rural area, organizing vaccination camps etc.

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

The information related to conservation of energy, technology absorption, foreign exchange earnings and outgo is enclosed as **"Annexure A"** and forms an integral part of this Report.

STATUTORY AUDITORS

The shareholders of the Company at the Tenth Annual General Meeting (AGM) held on November 7th, 2017, had appointed M/s. Lodha & Co., Chartered Accountants (Firm Registration No.:301051E) of 14, Government Place East, Kolkata 700069, as Statutory Auditors of the Company to hold office for a period of five consecutive years, commencing from the conclusion of Tenth Annual General Meeting till the conclusion of the Fifteenth Annual General Meeting.

The audit committee and the Board at their meeting held on 19th April 2022 approved the re-appointment of M/s Lodha & co. Chartered Accountant as the statutory Auditor for a second term of five year from the conclusion of 15th AGM till the conclusion of 20th AGM.

The necessary Resolution (s), seeking approval for their re appointment as Statutory Auditor are included in the notice of the ensuing AGM along with brief credentials and other necessary discussion required under the Act.

AUDITOR'S REPORT

M/s. Lodha & Co., Chartered Accountants have audited the books of accounts of the Company for the financial year ended March 31, 2022 and have issued the Auditors' Report thereon. There are no qualifications or reservations or adverse remarks in the said Report.

COST AUDITORS & COST AUDIT REPORT

The Company is required to maintain cost records for its products as specified by the Central Government under sub-section (1) of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules as amended from time to time, and accordingly such accounts and records are made and maintained in the prescribed manner.

In terms of requirement of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, (as amended), the Board of Directors of your Company, upon recommendation of Audit Committee, have appointed M/s. Sanjiban & Co., Cost Accountants, (Registration No.: 000259) as Cost Auditors, to conduct cost audit of your Company for the financial year 2022-23, at a remuneration of INR 1,00,000.

As required under the Act, the remuneration payable to the Cost Auditors is required to be placed before the Members for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Sanjiban & Co., Cost Accountants for financial year 2022-23 is included in the Notice convening the ensuing AGM.

The cost audit report of the Company for the financial year ended March 31, 2021, does not contain any qualification or adverse remarks, and was filed with the Ministry of Corporate Affairs (MCA) in XBRL mode within the stipulated due date and the report for the financial year ended 2022 will be filed with the MCA within the time limit prescribed under the Act.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules thereunder, the Board of Directors had appointed M/s. Vinod Kothari & Company, Company Secretaries of 1006-1009, Krishna Building, 224 A.J.C. Bose Road Kolkata – 700 017, India, as Secretarial Auditor of the Company for the financial year 2021-22., to conduct secretarial audit of the Company. The said M/s. Vinod Kothari & Company have submitted their Report for the financial year ended March 31, 2022, which is enclosed as Annexure B and forms an integral part of this Report.

Further, Company has re-appointed the Vinod Kothari & Company, Practicing Company Secretaries of 1006-1009, Krishna Building, 224 A.J.C. Bose Road Kolkata – 700 017, India, as Secretarial Auditor of the Company for the financial year 2022-23.

INTERNAL AUDITORS

In line with the provisions of Section 138 of the Companies Act, 2013, M/s. KPMG, were appointed by the Board of Directors as Internal Auditors of the Company for the financial year 2021-22. The Audit Committee defines the scope of internal audit from time to time and reviews the observations of internal auditors and the action taken report submitted by the management on the observations at its meeting held every quarter and also suggests the management the improvements required in the systems followed by the Company.

Further, the Internal audit activity of your Company is managed through Management Assurance Services (MAS) function of Vedanta Limited.

The Board, on the recommendation of the Audit Committee, has re-appointed M/s. KPMG as the Internal Auditors for financial year 2022-23.

ANNUAL RETURN

In accordance with notification of Ministry of Corporate Affairs, dated August 28, 2020, read with Sec. 92(3) of the Companies Act, 2013, copy of the Annual Return of the Company shall be available on the Company's website: https://www.eslsteel.com/

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The related party transactions are entered into based on considerations of various business requirement such as synergy in operations, profitability, legal requirements, liquidity, resources availability, etc. of related parties. All related party transactions are intended to further the Company's interests.

All related party transactions entered during the year 2021-22 have been placed on quarterly basis before the Audit Committee/Board for approval/noting/ratification/modification as the case may be. During the period under review related party transactions have been on arms-length basis and in ordinary course of business. Accordingly, the particulars of the transactions as prescribed in form AOC-2 under Section 134 of the Act read with rules made therein are not required to be disclosed as they are not applicable.

The policy on Related Party Transactions as approved by the Board is available on the Company's website: https://www.eslsteel.com/.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements, if any.

RISK MANAGEMENT POLICY

The Company has in place a Risk Management Policy, which is reviewed by the Audit Committee from time to time. The Company has constituted Risk Management Committee at management level, which identifies potential risks associated with the Company and formulates its mitigation plan.

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company has in place a Board approved Corporate Social Responsibility Policy and it is available on the website of the Company at https://www.eslsteel.com/.

During the year, the Company has undertaken various CSR initiatives, although not mandatory under Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

MANAGERIAL REMUNERATION AND REMUNERATION POLICY

The information required pursuant to Section 197 read with Rule 5(2) of The Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

In terms of Section 136 of the Companies Act, 2013 the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company 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 in this regard.

The Company has in place a Remuneration Policy and it is available on the website of the Company at https://www.eslsteel.com/.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

As part of Vedanta Group, your Company is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. The Group has endeavored to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment. During the period under review, no complaints were received.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's Whistle Blower Policy. As per the Policy adopted by various businesses in the Group, all complaints are reported to the Director – Management Assurance, who is independent of operating management and the businesses. In line with global practices, dedicated email IDs, a centralized database, a 24X7 whistle blower hotline and a web-based portal have been created to facilitate receipt of complaints. All employees and stakeholders can register their integrity related concerns either by calling the number or by writing on the web-based portal which is managed by an independent third party. The hotline provides multiple local language options. All cases reported as part of whistle blower mechanism are taken to their logical conclusion within a reasonable timeframe. After the investigation, established cases are brought to the Group Ethics Committee for decision making. All Whistle Blower cases are periodically presented and reported to the Company's Audit Committee. The details of this process are provided in the Whistle Blower Policy and is posted on the Company's website https://www.eslsteel.com/ .

SECRETARIAL STANDARDS

The Company has in place proper system to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

AWARDS, RECOGNITIONS & CERTIFICATIONS

Your Company has received multiple awards, recognitions and certifications during the financial year 2021-22, which includes the following:

- Great Place to Work' (2nd time in a row);
- Apex India Safety Award 2021;
- Excellence in Supply Chain in Steel at 2nd Annual Warehouse & Logistics Excellence Awards 2021;
- Excellence in Equality & Diversity Award' and with 'HR Excellence in Change Management Award;
- '1st Vaccination Centre of Jharkhand to vaccinate the highest number of lives in the state;
- ISO 27001:2013 – Information Security Management system;
- UK Cares Certifications. BS EN ISO 9001:2015 - Quality Management System, BS 4449:2005 Grade B500B Bar 8 to 36mm, SS 560:2016 Grade B500B Bar 8 to 36mm – For Singapore, CS2:2012 Grade 500B Bar 8 to 36mm – For Hongkong

GREEN INITIATIVE

In support of "Green Initiative" taken by the Ministry of Corporate Affairs ("MCA") in the Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode, the Company will continue to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., in electronic form, to the email address provided by the Members to the Depositories or to the Company.

Your Company impresses upon its shareholders to contribute to this green initiative in full measure by registering their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to take necessary steps for registering the same so that they can also become a part of the initiative and contribute to the Green Movement.

APPRECIATION

The Directors would like to thank the employees, shareholders, customers, suppliers, bankers, advisors, auditors, regulatory authorities and all the other stakeholders of the Company for their confidence and continued support to the Management. Your directors would also like to place on record their appreciation to the Central and State Governments for the valuable support. Your Company also recognizes and appreciates the cooperation and support from its holding company Vedanta Limited.

For and on behalf of the Board of Directors

	Navnath Laxman Vhatte	**Poovannan Sumathi**
	Chief Executive Officer &	**Non-Executive Director**
Place: Bokaro	**Whole Time Director**	**(DIN: 07147100)**
Dated:21st July 2022.	**(DIN: 09048441)**	

ANNEXURE A

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014 DURING THE FINANCIAL YEAR 2021-22

A) CONSERVATION OF ENERGY

(i) Steps taken for Conservation of Energy

ESL has been a front runner in adopting technological innovations in the manufacturing process. The thrust on energy conservation continued during the year. The Company recognized the importance of the energy conservation in decreasing the effects of global warming and climate change. The various measures undertaken by the Company includes:

a. Modification of Intake Pump house VT pump will lead to annual energy savings of 185.02 MWH.
b. Managing speed control of Zn Dedusting ID fan, Mg Dedusting Main ID fan and cooling tower motor will lead to annual energy savings. Of 443. MWH.
c. CFBC Boiler Fan Load reduction by arresting leakage/tube replacement of APH will lead to annual energy savings of 3376.98 MWH
d. Replacement of conventional lights with suitable LED lights will lead to annual energy savings of. 264.64 MWH

(ii) Proposed Project in Energy Savings

ESL has taken various measures for saving energy across the plant. Major energy saving projects are as mentioned below:

a. Installation of Roof top Solar Power Plant with 4.5 MW capacity- approval stage
b. Installation of VFD for secondary dedusting fan for Steel Melting Shop with estimated annual saving of 3285 MWH.
c. Installation of VFD at Sinter Plant Main ID Fan -1&2 with estimated annual Saving is 8760 MWH
d. Reduction of power consumption of CCM hot water, cold-water & circulating pumps at DIP by installation of VFD in place of Soft Starter with estimated annual saving of 956.10 MWH.
e. Reduction in Auxiliary load by replacement of 3 no’s of boiler feed pump recirculation valve with estimated annual saving of 2326 MWH.

B) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

Conscious efforts are being made to ensure that the technology is absorbed and necessary measures to minimize energy consumption are incorporated in the Plant. Energy Management system for bulk energy data collection and analysis across the plant initiated, work toward achieving ISO 50001 energy management certification also initiated.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

a. Improvement in productivity and reduction in conversion cost

b. Establish production of various grade of value-added product in wire rod mill.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

(iv) Expenditure incurred on Research and Development

The Company is continuously working for the development of new products, grades, etc. for exploring the opportunity in new market segment. Further, trials of different types of coal to achieve the optimized coal blend were also undertaken during the year. The said costs have been included under the respective operating cost heads.

B) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Rs. In Lakhs
Foreign Exchange earnings	**65,072.70**
Foreign Exchange outgo	**96,600.50**
Net Foreign Exchange outgo	**31,527.80**

For and on behalf of the Board of Directors

Navnath Laxman Vhatte
Chief Executive Officer &
Whole Time Director
(DIN: 09048441)

Poovannan Sumathi
Non-Executive Director
(DIN: 07147100)

Place: Bokaro
Dated:21st July 2022.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022
[*Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014*]

To,
The Members
ESL Steel Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ESL Steel Limited (hereinafter called "Company") for the financial year ended March 31, 2022 ("Period under Review"). The secretarial audit was conducted in a manner that provided us a reasonable outlook for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the Period under Review, 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, minutes, forms, and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of:

1. The Companies Act, 2013 ('Act') and the rules made thereunder including any re-enactment thereof;

2. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

4. As confirmed and certified by the management, there is no law specifically applicable to the Company based on the sectors / businesses.

We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Director, Non-Executive Director, and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance. 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.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

We further report that

There are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that

During the Audit Period, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above-referred laws, rules, standards, etc.

For M/s Vinod Kothari & Company
Company Secretaries in Practice
Unique Code: P1996WB042300

Nitu Poddar
Partner
Membership No.: 37398
CP No.: 15113
UDIN: A037398D000621355
Peer Review Certificate No.: 781/2020

Place: New Delhi
Date: 14.07.2022

The report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report

Annexure-I

Auditor and Management Responsibility

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
ESL Steel Limited

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

1. The maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure-II;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct fact are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. Our Audit examination is restricted only up to legal compliances of the applicable laws to be done by the Company and we have not checked the practical aspects relating to the same;

4. Given the challenges and limitations posed by Covid-19, lockdown restrictions (wherever applicable), as well as considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as the correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;

6. Wherever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events, etc.;

7. Compliance with the provisions of corporate and other applicable laws, rules, regulations, and standards is the responsibility of the management. Our examination was limited to the verification of procedure on a test basis;

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the audit practices;

9. The contents of this Report have to be read in conjunction with and not in isolation from the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;

10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

INDEPENDENT AUDITORS' REPORT

The Members of ESL Steel Limited (Formerly Electrosteel Steels Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ESL Steel Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss(including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other notes for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and it's loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note no. 44 of the financial Statement which indicates that matters relating to denial of approval for Consent to Operate (CTO) and Environmental Clearance (EC) are pending before Ministry of Environment, Forest and Climate Change (MoEF), irrespective of the direction of Hon'ble Supreme Court of India issued on December 09, 2021 to process the EC Application as per the applicable law within a period of three months. Pending decision on the matter by the MoEF for the reasons stated in the said note, the financial statements of the company even though have been prepared on going concern assumption, the uncertainty on the Company's ability to continue as a going concern continues to exist as on this date. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

<table>
<tr><th>Key Audit Matters</th><th>Addressing the key audit matters</th></tr>
<tr><td colspan="2">Impairment of Property, Plant and Equipment (PPE), Capital Work in Progress (CWIP) and Intangible Assets <u>(as described in note 5.4 and 6.1 of the financial statements)</u></td></tr>
<tr><td>Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the forecast for cash flows, production, volume of operations, selling prices of the product and its discount rate.

The above includes the evaluation of plant and equipment pertaining to expansion project undertaken in earlier years and its prospects for implementation in near future and implementation in this respect.

Impairment testing of PPE, CWIP and Intangible assets were carried out during the year ended March 31, 2018 and provision of Rs. 5,11,193.01 lakhs were made. No further provision or reversal thereof has been considered necessary during this year.</td><td>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of Impairment includes the following:

• Critical evaluation of internal and external factors impacting the entity's performance and indicators of impairment (or reversal thereof) in line with Ind AS 38;
• Analyzing the management's review, contention and representation regarding the project in progress and adjustments possible against carrying value of the assets. This includes, reviewing the feasibility study of the project carried out by an independent technical consultant and status of plant and equipment so far procured for the same;
• Reviewed the physical verification of plant and equipment and finding there from and adequacy of provision made against the discrepancies;
• Review of impairment covering the entire block of tangible and intangible assets and capital work in progress and valuation models used to determine the recoverable amount by analyzing the key assumptions used by management in this respect including:
– Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances;
– Price assumptions used in the models; and
– The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use.
• Review of projections without taking future expansion and projected outcome thereagainst and impact thereof on overall impairment assessment.
• Placing reliance on the management's assumption for future prospects, expansion of current capacity, expected volume of business and sustainability of the cash flows.</td></tr>
<tr><td colspan="2">Recognition of Deferred Tax Assets <u>(as described in note 48 of the financial statements)</u></td></tr>
<tr><td>Deferred tax assets amounting to Rs. 2,63,457.43 lakhs (attributable to depreciation and losses carry forwards) have been carried forward in the financial statements as at March 31, 2022.</td><td>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of recognition of Deferred Tax includes the following:

• Utilisation of Deferred tax assets have been tested on the basis of internal forecasts prepared by the Company and probability of future taxable income;
• We critically examined the temporary differences between the carrying amounts for Ind AS financial statement and tax purposes;
• Reversal of deferred liability due to timing differences and possible adjustments of deferred tax assets there against; and</td></tr>
</table>

<table>
<tr><th>Key Audit Matters</th><th>Addressing the key audit matters</th></tr>
<tr><td></td><td>Critical review of the underlying assumptions for consistency and principle of prudence for arriving at reasonable degree of probability on the matters.
Review of management's assumption with respect to profit in future periods and taxability thereof and placing reliance on such assumptions and projections given the current and future scale of operations and prevailing conditions and situations.</td></tr>
<tr><td colspan="2">Evaluation of Accounting of Iron Ore Mines <u>(as described in note 7.1 of the financial statements)</u></td></tr>
<tr><td>Recognition of Mining rights and Assets, stripping activity assets and generation thereagainst is based on Technical/ commercial evaluation by the management in respect of categorization of Mines as exploratory, development, producing, production profile, stripping ratio, and proved/ probable reserves, impairment, and liability for decommissioning costs.</td><td>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of disclosure includes the following:
Review of the Production Profile and related overburden as submitted by the management to the authorities based on which the commercial production date, amortization, cost of production and decommissioning cost has been estimated;
Identified the cost assumptions used that have the most significant impact on the capitalization, provisions and tested the appropriateness of these assumptions.
Examined the valuation process/methodology and checks being performed to ensure that the valuation of inventory as per the policy followed in this respect.
Evaluated the approach adopted by the management in determining the expected costs of decommissioning.
Reviewed the appropriateness of discount and inflation rates used in the estimation for decommissioning liability and verified the unwinding of interest as well as understanding if any restoration was undertaken during the year.
Assessed the appropriateness of the disclosures made in the financial statements.
Reliance has been placed on the judgments and estimation of the internal/ external experts for the purpose of technical /commercial evaluation and also submission made to authorities in this respect.</td></tr>
<tr><td colspan="2">Non-Renewal of Consent to Operate from JPSCB <u>(as described in note 44 of the financial statements)</u></td></tr>
<tr><td>The Company's application for renewal of Consent to Operate ('CTO') was denied by Jharkhand State Pollution Control Board ('JSPCB'). Further Environmental Clearance has also not been granted by Ministry of Environment and Forest (MoEF).

MoEF vide it's letter dated August 25, 2021 has rejected the above proposal sighting the reason for pendency of similar matters for granting EC lying before certain high courts whereby SOPs issued for the purpose have been stayed and matters have not been</td><td>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of "Going Concern" include the following:
Obtained the status of the case from the legal department and their view on the matter;
Evaluated the steps being taken by management for ensuring the related compliances including those relating to compensatory land and/or costs thereof to be provided by the company and plans for future course of actions in this respect;
Reviewed the appropriateness of provision made for afforestation and other costs to be incurred based on the report received from EIA consultant after</td></tr>
</table>

Key Audit Matters	Addressing the key audit matters
finally decided. Pursuant a SLP filed on September 25, 2021 before Hon'ble Supreme Court of India against the said decision of MoEF, Hon'ble Supreme Court vide order dated December 09, 2021 has set aside the impugned order and directed MoEF to process the EC Application of ESL as per the applicable law within a period of three months. Pending decision of MoEF on the mater, Hon'ble Supreme Court has directed that operation of steel plant shall not be interfered with on the ground of want of EC, FC, CTE or CTO.	considering the various concerns raised during the public hearing on the matter and disclosures made in this respect by the management; and • Reliance placed on the legal expert's view vis-à-vis direction of Hon'ble Supreme court of India concerning the operation of the plant and consultants recommendation and report, pending final decision on the matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditors' report thereon. The other information as stated above is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the 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 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 in the audit or otherwise appears to be materially misstated.

Responsibilities of the Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act; and

   f) With respect to the adequacy of the internal financial controls with reference to financial statements in place 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 control with reference to financial statements.

3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 40(A) to the financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note no. 47(d) to the financial statements;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures and generally accepted auditing practices followed in terms of SAs that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and

v. The company has not declared any dividend during the year thereby reporting under Section 143(11)(f) is not applicable for the company.

4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the remuneration (including sitting fees) paid by the Company to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

For Lodha & Co,
Chartered Accountants
Firm's ICAI Registration No.:301051E

Place: Kolkata
Date: April 19, 2022

R. P. Singh
Partner
Membership No: 52438
UDIN: 22052438AHJQRO7826

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

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of ESL Steel Limited of even date)

i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of Property, Plant and Equipments and Intangible Assets.

b. The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to this program, a comprehensive and detailed verification of Property, plant and Equipment and Capital Work in Progress was carried out by engaging the services of an independent firm of professional for the purpose. The discrepancies noted on such verification as stated in Note no. 6.1 of the financial statements even though material in certain cases have been properly dealt with in the books of account.

c. According to the information and explanations given to us, the records examined by us and based on the title documents, records, confirmation from Security Trustees provided to us, we report that, the title deeds, comprising of all the immovable properties of land and building are held in the name of the Company as on the balance sheet date except certain land for which lease deeds are yet to be executed as detailed below: (Refer Note no. 5.3 of the financial statements).

(Amount Rs. In Lakhs)

Particulars	**Area**	**Gross Block**
Land- Pending execution of Lease Deed	325.19 acres	5,530.82
Land- Pending compliance of compensatory afforestation*	455.35 acres	31,937.81

*Amount includes estimated compensation towards compensatory afforestation capitalized as Right of Use (ROU) Assets, pending clearance from MoEF.

As stated in Note no. 5.3, the title deed with respect to above land are to be regularised after obtaining necessary approvals of the authorities and charge holders.

d. The company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets during the year. Accordingly, clause 3 (i)(d) of the Order is not applicable to the Company.

e. As per the information and explanation given to us and as represented by the management no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, clause 3 (i)(e) of the Order is not applicable to the Company.

ii) a. As informed, the inventories of the Company except for materials in transit and iron ore raised from mines and lying as inventory at year end have been physically verified by the independent firm of professionals along with the management during the year. In respect of inventory at iron ore mines such verification has been carried out by the management jointly with government officials as required for the payment of royalty thereagainst. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable, and procedure followed for such verification is appropriate. As the Company’s inventory of raw materials comprises mostly of bulk materials such as coal, coke, iron ore, etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. The material discrepancies noted during the year on verification as stated in Note no. 30.1 of the financial statement have been properly dealt with in the books of the account.

b. According to the information and explanation given to us the company has been sanctioned working capital limit in excess of Rupees Five Crores on the basis of securities of Current Assets of the company. On the basis of examination of returns/statements submitted by the Company to the banks in this respect, as provided to us for the purpose, there were in agreement with the books and records and the financial statements prepared therefrom by the management.

iii) The Company has not made investments, provided any guarantee of security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided any guarantees/securities to parties covered under Section 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable to the Company.

v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2022 from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder and therefore, the provisions of clause 3(v) of the Order is 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. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it. Further, there were no undisputed amounts payable in respect of these statutory dues in arrear as at March 31, 2022 for a period of more than six months from the date they become payable.

b. Disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, prior to the effective date i.e., June 04, 2018 stand extinguished in terms of the resolution plan approved by Hon'ble NCLT. This is supported by the legal opinion taken by the company and various judicial pronouncements on the said matter. Having regard to this, there are no dues of Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, which have not been deposited on account of any dispute.

viii) In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) a. In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

b. According to the information and explanations given to us by the management, the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

c. In our opinion and on the basis of information and explanations given to us by the management, the Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

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

e. In our opinion and on the basis of examination of the books of records the company does have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.

x) a. 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) or term loans during the year. Accordingly, provisions of clause 3 (x)(a) of the Order is not applicable.

b. 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. Accordingly, clause 3 (x)(b) of the Order is not applicable to the Company.

xi) a. During the course of our examination of books of account carried out during the year in accordance with generally accepted auditing practices in India, we have neither come across incidence of any material fraud by or on the company nor have we been informed of any such case by the management.

b. No report under sub-section (12) of section 143 of the Companies Act 2013 in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 have been filed with the Central Government by us.

c. As represented to us by the management and as far as ascertained from examination of books of and records in accordance with generally accepted auditing practices in India, we have taken into consideration the whistle blower complaints received by the company during the year and those considered relevant and material have been taken into account while determining the nature, timing and extent of audit procedures.

xii) The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.

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

xiv) a. The Internal audit of the Company has been carried out by a firm of Chartered Accountants. The system followed, in our opinion, is generally commensurate with the size and nature of its business.

b. Further, the internal audit reports as submitted to us by the management have been considered by us in during the course of our audit.

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

xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

b. The Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid certificate of registration as required under Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.

c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

d. In our opinion and based on the representation received by us from the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year and as such requirement for disclosing the amount in this respect under clause 3(xvii) of the Order is not applicable.

xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due for payment.

xx) 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, there was no unspent amount on account of CSR as envisaged under Section 135 of the Act. Hence, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

xxi) The company does not have any subsidiary/associate hence consolidated financial statements are not applicable to the company and thereby reporting under clause 3(xxi) of the Order is not applicable

For Lodha & Co
Chartered Accountants
Firm's ICAI Registration No.:301051E

Place: Kolkata
Date: April 19, 2022

R. P. Singh
Partner
Membership No: 52438
UDIN: 22052438AHJQRO7826

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report the Members of ESL Steel Limited of even date)

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

We have audited the internal financial controls with reference to financial statements of ESL Steel Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 over financial reporting criteria established by the Company considering the essential components of internal control stated under the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework) ("COSO 2013"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in COSO 2013.

For Lodha & Co
Chartered Accountants
Firm's ICAI Registration No.:301051E

R. P. Singh
Partner
Membership No: 52438
UDIN: 22052438AHJQRO7826

Place: Kolkata
Date: April 19, 2022

ESL STEEL LIMITED
[Formerly known as Electrosteel Steels Limited]
BALANCE SHEET AS AT March 31, 2022

(Rs. in lakhs)

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS				
Non-current assets				
(a)	Property, Plant and Equipment	5	4,56,766.56	4,76,305.09
(b)	Capital work-in-progress	6	80,611.34	83,465.94
(c)	Other Intangible Assets	7	54,195.73	425.97
(d)	Financial Assets:			
	(i) Other Financial Assets	8	8,623.71	1,112.17
(e)	Non Current Tax Assets (net)	9	1,630.06	1,286.10
(f)	Deferred Tax Assets (net)	48	2,63,457.43	2,75,228.77
(g)	Other Non-Current Assets	10	11,877.00	233.31
	Total Non-Current Assets		**8,77,161.83**	**8,38,057.35**
Current assets				
(a)	Inventories	11	1,17,967.10	63,552.34
(b)	Financial Assets:			
	(i) Investments	12	18,015.91	40,889.96
	(ii) Trade Receivables	13	8,057.82	10,289.77
	(iii) Cash and Cash Equivalents	14	6,411.03	12,082.00
	(iv) Bank Balances other than (iii) above	15	53,557.95	27,256.07
	(vi) Other Financial Assets	16	3,532.61	1,25,525.74
(c)	Other Current Assets	17	30,381.36	16,758.17
	Total Current Assets		**2,37,923.78**	**2,96,354.05**
TOTAL ASSETS			**11,15,085.61**	**11,34,411.40**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity Share Capital	18	1,84,903.02	1,84,903.02
(b)	Other Equity	19	4,27,869.81	4,37,530.37
	Total Equity		**6,12,772.83**	**6,22,433.39**
Liabilities				
Non-current liabilities				
(a)	Financial Liabilities:			
	(i) Borrowings	20	2,40,202.51	2,86,247.91
	(ii) Lease Liabilities	39	1,526.84	478.16
(b)	Provisions	21	22,661.58	21,869.42
	Total Non-Current Liabilities		**2,64,390.93**	**3,08,595.49**
Current liabilities				
(a)	Financial Liabilities:			
	(i) Borrowings	22	46,041.60	45,509.16
	(ii) Lease Liabilities	39	21,942.50	28,081.62
	(iii) Operational Buyers' Credit / Suppliers' Credit	45	75,166.51	55,122.71
	(iv) Trade Payables	23		
	- Total Outstanding dues of micro enterprises and small enterprises		14,675.90	11,002.84
	- Total Outstanding dues of creditors other than micro enterprises and small enterprises		32,205.09	27,268.57
	(v) Other Financial Liabiities	24	8,425.17	4,417.16
(b)	Other Current Liabilities	25	38,395.22	31,264.73
(c)	Provisions	26	1,069.86	715.73
	Total Current Liabilities		**2,37,921.85**	**2,03,382.52**
	Total Liabilities		**5,02,312.78**	**5,11,978.01**
TOTAL EQUITY AND LIABILITIES			**11,15,085.61**	**11,34,411.40**

Significant accounting policies and other accompanying notes (1 to 51) form an integral part of the financial statements

As per our report of even date

For Lodha & Co,
Chartered Accountants

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2022

For and on behalf of the Board of Directors

Poovannan Sumathi Non-Executive Director
(DIN : 07147100)

Navnath Laxman Vhatte Whole time Director
(DIN : 09048441)

Mahesh Iyer Chief Financial Officer

Manish Kumar Chaudhary Company Secretary
M.No. ACS 23037

ESL STEEL LIMITED

[Formerly known as Electrosteel Steels Limited]

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

Particulars	Note No.	Period ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations			
Sale of Products	27	6,47,434.78	4,66,804.69
Other Operating Income	28	12,152.13	10,338.08
Total Revenue from Operations		**6,59,586.91**	**4,77,142.77**
Other Income	29	20,396.88	12,780.64
Total Income		**6,79,983.79**	**4,89,923.41**
Expenses			
Cost of Materials Consumed	30	4,59,173.41	2,68,286.00
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	31	(25,000.09)	13,058.66
Employee Benefits Expense	32	16,158.68	15,440.21
Finance Costs	33	33,822.02	37,652.67
Depreciation and Amortisation Expense	34	34,529.97	34,642.80
Other Expenses	35	1,53,031.81	95,390.24
Total Expenses		**6,71,715.80**	**4,64,470.58**
Profit/ (Loss) before exceptional items and tax		**8,267.99**	**25,452.83**
Exceptional Items	36	**(5,847.67)**	**(27,634.25)**
Profit/ (loss) before tax		**2,420.32**	**(2,181.42)**
Tax expense:	48		
(1) Current tax		-	-
(2) Income Tax for earlier years		-	(181.26)
(3) Deferred Tax		11,879.51	(2,75,201.36)
Profit/ (loss) for the year		**(9,459.19)**	2,73,201.20
Other Comprehensive Income:			
(i) Items that will not be reclassified to profit or loss	37	(309.54)	(78.44)
(ii) Income tax relating to items that will not be reclassified to profit or loss	48	108.17	27.41
Other Comprehensive Income (net of taxes)		**(201.37)**	**(51.03)**
Total Comprehensive Income for the year (comprising of Profit/(Loss) and Other Comprehensive Income for the year)		**(9,660.56)**	**2,73,150.17**
Earning per Equity Share [Face value of Rs. 10 each]:	42		
Basic and Diluted		(0.51)	14.78

Significant accounting policies and other accompanying notes (1 to 51) form an integral part of the financial statements

As per our report of even date

For Lodha & Co,
Chartered Accountants

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2022

For and on behalf of the Board of Directors

Poovannan Sumathi Non-Executive Director
(DIN : 07147100)

Navnath Laxman Vhatte Whole time Director
(DIN : 09048441)

Mahesh Iyer Chief Financial Officer

Manish Kumar Chaudhary Company Secretary
M.No. ACS 23037

ESL STEEL LIMITED
[Formerly known as Electrosteel Steels Limited]
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A. Cash flow from Operating Activities		
Profit/(Loss) before tax	**2,420.32**	**(2,181.42)**
Adjustment to reconcile Profit/(Loss) before tax to net cash generated from operating activities		
Provision against Compliance Cost for Environmental Clearence	694.49	21,350.95
Provision against Capital work in progress	4,587.67	6,283.30
Adjustment pertaining to land	565.51	-
Provision for Obsolete and Non-moving Stores and Spares	76.94	395.18
Depreciation and amortization expenses	34,529.97	34,642.80
Loss/(profit) on sale/discard of fixed assets	260.20	201.68
Sundry Credit balances/Provision no longer required written back	(8,820.26)	(850.46)
Sundry Balances written-off	6,722.73	716.55
Unrealised (gain)/ Loss on foreign currency translation and transaction	751.92	(650.28)
Net gain/(loss) on Derivative Instruments on fair valuation through profit and loss	(200.26)	1,075.57
Interest Income	(6,245.69)	(10,100.44)
Net Gain/(loss) on Current Investments on Fair Valuation through profit and loss	(616.92)	(867.94)
Impairment Allowance for doubtful debts, Advances and deposits	65.30	512.21
Finance Cost	33,822.02	37,652.67
Operating profit before Working Capital Changes	**68,613.94**	**88,180.37**
Movements in working capital :		
Decrease/(Increase) in Inventories	(54,491.71)	23,127.32
(Decrease)/Increase in Trade Payables, Other financial/Non-Financial liabilities and Provisions	37,390.42	1,113.18
Decrease/(Increase) in Trade Receivables	(2,440.30)	17,313.91
Decrease/(increase) in loans and advances, Other financial/non-financial asets and other assets	1,06,413.69	(1,22,811.31)
Cash generated from / (used in) operations	**1,55,486.04**	**6,923.47**
Income taxes (paid)/refund (net)	(343.96)	920.23
Net Cash flow generated by/ (used in) Operating Activities (A)	**1,55,142.08**	**7,843.70**
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipments including intangible assets and movement in Capital Work in Progress	(77,921.95)	(5,112.33)
Proceeds from sale of Property, Plant and Equipments	3.56	1.14
Movement in Fixed Deposits and other bank balances (having original maturity of more than three months)	(33,443.05)	(16,445.83)
Investment in mutual funds	(2,25,488.73)	(2,34,393.89)
Sale Proceeds on disposal of mutual funds	2,48,979.70	3,04,418.19
Interest received	13,588.24	2,500.16
Net Cash flow generated / (used in) Investing Activities (B)	**(74,282.23)**	**50,967.44**
Cash flow from Financing Activities		
Repayment of long-term borrowings (net)	(45,512.96)	(25,327.31)
Payment of Lease Liability	(7,164.89)	(247.30)
Interest and other borrowing cost paid	(33,852.97)	(38,232.15)
Net Cash flow generated / (used in) Financing Activities (C)	**(86,530.82)**	**(63,806.76)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(5,670.97)	(4,995.62)
Cash and cash equivalents at the beginning of the year	12,082.00	17,077.62
Cash and cash equivalents at the end of the year (Refer Note no. 14)	**6,411.03**	**12,082.00**

(Rs. in lakhs)

Notes

1. The above Statement of Cash flow has been prepared under Indirect Method as set out in Ind AS 7 "Statement of Cash Flows" as notified under Companies Act, 2013

2. Change in Company's liabilities arising from financing activities:

Particulars	As at March 31, 2021	Cash flows*	Non-Cash Flows	As at March 31, 2022
Non-current borrowings [Refer Note no. 20]	2,86,247.91	(3.80)	(46,041.60)	2,40,202.51
Current maturities of long term debt [Refer Note no. 22]	45,509.16	(45,509.16)	46,041.60	46,041.60
Finance Lease Liabilities [Refer Note no. 39]	28,559.78	(7,164.89)	2,074.45	23,469.34
Interest accrued but not due on borrowings [Refer Note no. 24]	1,991.61	(1,991.61)	1,960.65	1,960.65

*Includes cash flows on account of both principal and interest.

3. Cash and cash equivalents consists of the following for the purpose of the Cash Flow Statement:

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Balances with Banks		
In Current Accounts	4,411.03	5,082.00
Fixed Deposits with original maturity of less than 3 months	2,000.00	7,000.00
Total cash and cash equivalents (Refer Note No. 14)	**6,411.03**	**12,082.00**

Significant accounting policies and other accompanying notes (1 to 51) form an integral part of the financial statements

As per our report of even date
For Lodha & Co,
Chartered Accountants

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2022

For and on behalf of the Board of Directors

Poovannan Sumathi Non-Executive Director
(DIN : 07147100)

Navnath Laxman Vhatte Whole time Director
(DIN : 09048441)

Mahesh Iyer Chief Financial Officer

Manish Kumar Chaudhary Company Secretary
M.No. ACS 23037

ESL STEEL LIMITED
[Formerly known as Electrosteel Steels Limited]

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH, 31, 2022

A. Equity Share Capital (Rs. in lakhs)

Particulars	Amount
Balance as at March 31 ,2020	1,84,903.02
Changes during the year	-
Balance as at March 31 ,2021	**1,84,903.02**
Changes during the year	-
Balance as at March 31 ,2022	**1,84,903.02**

B. Other Equity
As at March 31, 2022

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Reserves and Surplus		Other Comprehensive Income	Total
			Securities premium	Retained earnings	Re-measurement of defined benefit plan	
Balance as at March 31, 2021	9,59,908.68	(1,74,593.58)	1,79,036.44	(5,26,821.17)	-	4,37,530.37
Profit/(Loss) for the Year	-	-	-	(9,459.19)	-	(9,459.19)
Other Comprehensive Income for the year	-	-	-	-	(201.37)	(201.37)
Total comprehensive income for the year	**-**	**-**	**-**	**(9,459.19)**	**(201.37)**	**(9,660.56)**
Transfer to Retained Earning				(201.37)	201.37	-
Balance as at March 31, 2022	**9,59,908.68**	**(1,74,593.58)**	**1,79,036.44**	**(5,36,481.73)**	**-**	**4,27,869.81**

As at March 31, 2021

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Reserves and Surplus		Other Comprehensive Income	Total
			Securities premium	Retained earnings	Re-measurement of defined benefit plan	
Balance as at March 31, 2020	9,59,908.68	(1,74,593.58)	1,79,036.44	(7,99,971.34)	-	1,64,380.20
Profit/(Loss) for the Year	-	-	-	2,73,201.20	-	2,73,201.20
Other Comprehensive Income for the year	-	-	-	-	(51.03)	(51.03)
Total comprehensive income for the year	**-**	**-**	**-**	**2,73,201.20**	**(51.03)**	**2,73,150.17**
Transfer to Retained Earning	-	-	-	(51.03)	51.03	-
Balance at March 31, 2021	**9,59,908.68**	**(1,74,593.58)**	**1,79,036.44**	**(5,26,821.17)**	**-**	**4,37,530.37**

Refer Note no. 19 for nature and purpose of reserves

Significant accounting policies and other accompanying notes (1 to 51) form an integral part of the financial statements

As per our report of even date

For Lodha & Co,
Chartered Accountants

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2022

For and on behalf of the Board of Directors

Poovannan Sumathi — Non-Executive Director
(DIN : 07147100)

Navnath Laxman Vhatte — Whole time Director
(DIN : 09048441)

Mahesh Iyer — Chief Financial Officer

Manish Kumar Chaudhary — Company Secretary
M.No. ACS 23037

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 CORPORATE INFORMATION

ESL Steel Limited ("ESL" or "the Company") is a public limited company in India having its registered office at, Siyaljori, P.O. Jogidih, O.P. Bangaria, P.S. Chandankyari, Bokaro, Jharkhand and is engaged in the manufacture and supply of Billets, TMT Bars, Wire Rods and Ductile Iron(DI) Pipes and also deals in Pig Iron and Iron and Steel Scrap products generated while manufacturing these products. It also produces Metallurgical Coke, Sinter and Power for captive consumption. The Company caters to the needs of construction, automobile, industrial machinery and equipments and water Infrastructure development. The company is a subsidiary of Vedanta Limited.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

i. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"). The Company has complied with Ind As issued, notified and made effective till the date of authorisation of the financial statements.

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

ii. Application of new and revised standards:

Effective April 01, 2021, the company has adopted the amendment vide Companies (Indian Accounting Standards) Amendment Rules, 2021 notifying amendment to existing Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" related to practical expedient for modification of financial instruments due to Inter-Bank Offered Rate Reforms. Further, extension on practical expedient to rent concession was continued under Ind AS 116 "Leases" and amendments were made consequent to issue of Conceptual Framework for financial reporting under Ind AS 102 "Share-based Payment", Ind AS 103 "Business Combinations", Ind AS 106 "Exploration for and Evaluation of Mineral Resources", Ind AS 114 "Regulatory Deferral Accounts", Ind AS 1 "Presentation of Financial Statements", Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", Ind AS 34 "Interim Financial Reporting", Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" and Ind AS 38 "Intangible Assets".

There were certain other updates mostly clarifactory in nature under Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 104 "Insurance Contracts", Ind AS 105 "Non-current assets held for sale and discontinued operations", Ind AS 111 "Joint Arrangements", Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes", Ind AS 16 "Property, Plant and Equipment", Ind AS 27 "Separate Financial Statements", Ind AS 28 "Investments in Associates and Joint Ventures" and Ind AS 40 "Investment Property".

Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

iii. Recent accounting pronouncements

On April 04, 2022, Ministry of Corporate Affairs (MCA) has made certain ammendments to existing Ind AS vide Companies (Indian Accounting Standard) Ammendment Rules, 2022. These ammendments to the extent relevant to the company's operation include ammendment to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials)or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There are other ammendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are not relevant to the company.

Even though the company will evaluate the impact of above, none of these ammendments as such are vital in nature and are not likely to have material impact on the financial statements of the company.

3 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis except for

a) certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period;

b) certain class of Property, Plant and Equipment which on the date of transition have been fair valued to be considered as deemed costs; and

c) Defined benefit plans- Plan Assets measured at fair value

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

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS-1 ‘Presentation of Financial Statements’ and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair value measurement

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

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

a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2: Inputs other than quoted prices included in inputs that are observable, either directly or indirectly for the asset or liability.

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

The Company has an established control framework with respect to the measurement of fair value. This includes a finance team headed by Chief Financial Officer who has overall responsibility for overseing all significant fair value measurements who regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

B. 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 includes deemed cost on the date of transition i.e. have been fair valued to be considered as deemed costs and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.

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

The cost of replacing part of an item of PPE 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 PPE are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The company's leased assets (other than those dealt hereunder as Mining Assets) comprises of land, building, plant and machinery etc and these have been seperately shown/disclosed under PPE as Right of Use (ROU) Assets.

Direct Expenditure on implementation of the project prior to commencement of production and stabilization thereof for commercial production of the respective plant facility, are classified as Project Development Expenditure and disclosed under Capital Work-in-Progress (net of income earned during the project development stage).

Capital work in progress includes Project Development expenditure, equipment to be installed, construction and erection costs, etc. Such cots are added to the related items of PPE and are classifed to the appropriate categories when completed and ready for its intended use.

C. LEASES

The Company’s lease assets (other than those dealt hereunder as Mining Assets) primarily consist of leases for land, office space, transit houses, vehicles, plant and equiments, furnitures and fixtures etc. The Company assesses whether a contract 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: (i) the contract involves the use of an identified asset (ii)the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability where applicable for all lease arrangements, except for leases with a term of twelve months or less (short-term leases)and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.
Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considerd for arriving at ROU and lease liabilities when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost 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 of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. ROU asset are separately presented/disclosed under PPE. Lease liability obligations is presented seperately under the head "Financial Liabilities" and lease payments are classified as financing cash flows.

The right-of-use assets are initially recognized 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. Direct costs incurred in this respect are added to the said cost and lease incentives if any are deducted therefrom. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

D. DEPRECIATION AND AMORTISATION

Depreciation on PPE except otherwise stated, is provided as per Schedule II of the Companies Act, 2013 on straight line method over the estimated useful lives. Certain Plant and Machinery 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 entire component/ PPE.
Depreciation on PPE commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows:

Category	Useful life
Buildings	Upto 60 years
Roads	Upto 10 years
Plant and machinery	Upto 40 years
Computer equipment	3 to 6 years
Furniture and fixtures, Electrical Installation and Laboratory Equipments	10 Years
Railway Sidings	15 Years
Office equipment	5 Years
Vehicles	
- Motor cycles, scooters and other mopeds	10 Years
- Others	8 Years

For Buildings and Plant and Machinery, the useful life has been determined based on internal assessment and independent evaluation carried out by technical experts. The useful life in case of remaining assets have been taken as per Schedule II of the Act. The company believes that the useful life as given above represents the period over which the company expects to use the assets.

Major Furnance relining are depreciated over a period of 15 years (average expected life)

Pipe Moulds of 350 MM and above are depreciated over a period of three years. Other such moulds are charged to consumption in the year of issue.

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.

Mining Rights capitalised as Intangible Assets are amortised on unit of production basis over total estimated remaining commercial proved and probable mine reserve of respective mines.

Other Intangible Assets i.e. Computer Software are amortised over useful life using straight line method over a period of 3-5 years.

Machinery Spares which can be used in connection with an item of PPE and whose use are expected to be irregular, are amortised over the useful life of the respective PPE.

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

E. MINING ASSETS

Acquisition Costs

Costs associated with acquisition of lease/licenses and rights to explore, stamp duty, registration fees and other such costs are capitalised as Mining Rights and classified under Intangible Assets. Other assets pertaining to mining operations are capitalised under respective head of Property, Plant and Equipment.

Bid premium and royalties payable with respect to mining operations is contractual obligation. The said obligations are variable and linked to market prices. The Company has accounted for the same as expenditure on accrual basis as and when related liability in this respect arises as per respective agreements/ statute.

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset. Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories. Other production stripping cost incurred are expensed in the statement of profit and loss.

Developmental stripping costs are presented along with the related mining rights and are amortised over the remaining useful life thereof.

Site restoration, rehabilitation and environmental costs.

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit and loss over the life of the asset through amortisation over the useful life of the respective mining area and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements which are reviewed periodically.

F. INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition/deemed cost on transition date, comprising of purchase price inclusive of taxes and duties (net of Input Credit) less accumulated amortization and impairment losses.

G. DERECOGNITION OF TANGIBLE AND INTANGIBLE ASSETS

An item of PPE/ROU/Intangible assets 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/Intangible Assets 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.

H. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

Tangible, Intangible and ROU 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 to 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 that reflects current market assessments of the time value of money and the risk specific to the asset.

I. FINANCIAL INSTRUMENTS

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

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

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

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

i. **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 comprising of borrowings, trade and other payables 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, 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.

ii. **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.

iii. For the purpose of para (i) and (ii) 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.

iv. **Financial Assets or Liabilities at Fair value through profit or loss (FVTPL)**

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.

v. **Derivative and Hedge Accounting**

The company enters into derivative financial instruments such as foreign exchange forward 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 is assesed and measured at inception and on an ongoing basis to reduce the risk associated with the exposure being hedged.

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/liability, at fair value through profit or loss. Transaction costs attributable to the same 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.

Hedging instrument which 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 remains therein till that time 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.

vi. **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 assets 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.

In case of 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.

vii. **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, 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.

viii. **Offsetting financial instruments**

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

ix. **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.

J. INVENTORIES

Inventories are valued at lower of the cost or net realizable 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 finished products in which they will be incorporated 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 raw material cost plus costs of conversion, comprising labor costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

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

By-products and scrap are valued at net realisable value.

K. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the reporting date exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of Profit and Loss account. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

L. 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.

M. 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 recognised and 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.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognized but disclosed in the financial statement by way of notes when inflow of economic benefit is probable.

N. EMPLOYEE BENEFITS

Employee benefits are accrued in the year in which services are rendered by the employee.

Short-term Employee Benefits

Short term Employee benefits are recognised as an expense in the statement of profit and loss in the year in which services are rendered.

Post-employment Benefit Plans

Contribution to defined contribution plans such as Provident Fund etc. is being made in accordance with the statute and are recognized as and when incurred.

Contribution to gratuity, superannuation etc., under defined benefit plans in keeping with the related scheme are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in Other Comprehensive Income for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, if any, and as reduced by the fair value of plan assets, where funded. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

Other Long-term Employee Benefits (Unfunded)

The cost of providing long-term employee benefits consisting of Leave Encashment is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

O. REVENUE RECOGNITION

i. **REVENUE FROM SALE OF PRODUCT**

Revenue from Sales is recognised when control of the products has been transferred and/or the products are delivered to the customers. Delivery occurs when the product has been shipped or delivered to the specific location as the case may be, and control has been transferred and either the customer has accepted the product in accordance with the contract or the company has objective evidence that all criteria for acceptance has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable net of returns, claims and discounts to customers. Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the Company are excluded from revenue.

Discount as estimated based on expected sales volume or otherwise is deducted from Revenue from Operations. Past experience is used to estimate the discounts, using the most likely method and revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

The Company provides warranties for defects, replacement etc. that existed at the time of sale based on historical trend and records.

ii. **INTEREST, DIVIDEND AND CLAIMS**

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

iii. **EXPORT BENEFITS**

Export incentives are accounted for in the year of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to such benefit is fulfilled.

P. BORROWING COST

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), minining assets or other intangible assets which are capitalized to the cost of the related assets. A qualifying asset 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.

Q. RESEARCH AND DEVELOPMENT

Research and development cost (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

R. 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 Operating 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.

S. 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 income statement 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 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 with respect to carry forward of any unused tax losses/depreciation to the extent that it is probable that taxable profits will be available against these can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefits can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted 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.

T. EARNINGS PER SHARE

Basic earnings per share are computed by dividing the net profit 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.

U. SEGMENT REPORTING

Operating segments are identified and reported taking into account the different risk and return, organisation structure and the internal reporting provided to the chief-operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Segment manager who allocates resources and assess the operating activities, financial results, forecasts, or plans for the segment.

V. BUYERS' CREDIT/ SUPPLIER'S' CREDIT and VENDOR FINANCING

The Company enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months (for raw materials) and up to 36 months (for project and materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet.

Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non-cash item and settlement of operational buyer's credit/ suppliers' credit by the Company is treated as cash flows from operating activity reflecting the subtsance of the payment.

Where such arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the balance sheet. Payments made to vendors are treated as cash item and disclosed as cash flows from operating/ investing activity depending on the nature of the underlying transaction. Settlement of dues to banks and financial institution are treated as cash flows from financing activity.

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 notes provide an overview of the areas that involved a high degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant note together with information about basis of calculation of each affected line item in the financial statements. The key assumptions concerning the future and other key sources of estimation/assumptions at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and related revenue impact within the next financial year are discussed below:

a) **Depreciation / amortisation of and impairment loss on property, plant and equipment / intangible assets.**

Property, plant and equipment, ROU and intangible assets are depreciated/amortized over the estimated useful lives in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013 and estimate for proven and probable mineral reserve, 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. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount. In such situation Assets' 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.

In earlier years, the company determined the recoverable amount of the CGU based on the transaction price in terms of approved resolution plan and impairment with respect to carrying value of the assets was provided. This has been reviewed based on the assumptions and adjustments for forecasts wich may vary subsequently. According to such review, no further adjustment in the carrying value thereof has been considered essential. As at March 31, 2022, the carrying amount of Property, Plant and Equipment, Intangible assets and Capital Work in Progress is Rs.5,91,573.63 lakhs (March 31, 2021: Rs. 5,60,197.00 lakhs)

b) **Arrangement contain leases and classification of leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account among other thing, the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

c) **Impairment loss on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors 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. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

d) **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. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

The Company has significant amount of unused tax losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing for utilisation thereof against taxable profit together with future tax planning strategies. The management has reviewed the rationale for continuing recognition of DTA recognised in earlier years based on the likely timing and level of profitability in future and expected utilisation of deferred tax thereagainst DTA has been continued to be carried forward for future period. Since these are based on assumptions and projections and thereby are inherently uncertain. The amount of DTA may vary in subsequent period depending upon then prevailing conditions, circumstances and profitability.

e) **Going Concern assumption**

As indicated in Note no. 44 of the financial statements, Hon'ble Supreme Court vide order dated December 09, 2021 has set aside the impugned order and directed MoEF to process the EC Application of ESL as per the applicable law within a period of three months. Further, the said Court has allowed the operation until the decision of MoEF. On receipt of EC, necessary application for obtaining Consent to Establish (CTE) and then for Consent to Operate (CTO) will be made. Even though there is uncertainity in this respect as on this date and considering that effective steps are being taken for obtaining required clearances and EAC has decided favourably on the matter and also the direction given by the Hon'ble Supreme Court of India that operations of steel plant shall not be interferred with on the ground of want of EC, the accounts of the company have been prepared on going concern basis.

f) **Mining Rights and Assets**

Mine Reserve and Site restoration Cost

Provision for site restoration are estimated based on available information, taking into account applicable local legal requirements, mining plans, available information, data base using existing technology, current prices and discount rates. All assumptions are reviewed annualy and variations are accounted for accordingly.

Commitment under MDPA arrangement

In terms of the Mine development and production agreement ('MDPA')signed with respect to two mine blocks the Company is required to fulfil certain minimum production quantities each year from commencement of mining lease. In the event the Company is unable to fulfil the required minimum production quantities, it would be liable to pay penalty, as prescribed in the MDPA.

Based on management's evaluation and mining plan submitted, the accounts have been prepared on the assumption that there will not be any shortfall in minimum production as required under MDPA.

g) **Defined benefit obligation (DBO)**

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. An actuarial valuation involves making various assumptions that may differ based on actual developments in future. These include the determination of the discount rate, inflation, future salary increases and mortality rates. Due to the complexities involved in the valuation and being long-term in nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

h) **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 uses in-house and external legal professional to make judgment 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.

In accordance with ARP, contingent liabilities prior to the effective date of NCLT Order have been extinguished which has been further substantiated based on various judicial pronouncements including those of Hon'ble Supreme Court of India. The said order of Hon'ble Supreme Court has been submitted to various judicial authorities for disposal of the same and accordingly the same has not been disclosed in the financial statements. Although there can be no assurance with regard to final outcome of the legal proceeding, the company does not expect to have an adverse impact in this respect.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

5 PROPERTY, PLANT AND EQUIPMENT:

As at March 31, 2022												
Particulars	**Freehold land**	**ROU - Land Leasehold**	**Buildings**	**ROU - Building Leasehold**	**ROU - Equipments Leasehold**	**Plant and Equipment**	**Furniture and Fixtures**	**Vehicles**	**ROU - Vehicles Leasehold**	**Office Equipments**	**Railway Siding**	**Total**
Gross Block												
As at March 31, 2021	41,129.61	37,469.57	1,99,609.83	319.64	746.38	8,09,416.00	630.51	389.54	18.77	3,566.72	20,040.29	11,13,336.86
Additions	-	1,050.48	697.42	230.58	311.32	16,675.07	390.79	39.25	1,532.55	715.56	67.30	21,710.32
Deductions/ Disposal	(3,458.12)	-	-	-	-	(796.99)	(94.99)	(187.09)	-	(86.32)	-	(4,623.51)
Other Adjustments	1,773.57	(1,773.57)	-	(10.10)	(6.53)	-	-	-	(1.90)	-	-	(18.53)
As at March 31, 2022	**39,445.06**	**36,746.48**	**2,00,307.25**	**540.12**	**1,051.17**	**8,25,294.08**	**926.31**	**241.70**	**1,549.42**	**4,195.96**	**20,107.59**	**11,30,405.14**
Accumulated Depreciation												
As at March 31, 2021	-	2,283.48	38,288.03	207.21	364.33	1,66,104.07	298.36	255.28	1.56	2,126.14	5,117.98	2,15,046.44
Charge for the year	-	1,189.34	3,911.10	93.50	175.08	27,032.82	48.02	15.63	266.07	143.41	770.61	33,645.58
Deductions/ Disposal	-	-	-	-	-	(343.13)	(61.75)	(159.47)	-	(62.76)	-	(627.11)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**-**	**3,472.82**	**42,199.13**	**300.71**	**539.41**	**1,92,793.76**	**284.63**	**111.44**	**267.63**	**2,206.79**	**5,888.59**	**2,48,064.91**
Impairment												
As at March 31, 2021	19,848.34	-	77,522.21	-	-	3,15,599.82	156.95	60.27	-	1,112.86	7,684.88	4,21,985.33
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Deductions/ Disposal	-	-	-	-	-	(207.79)	(22.27)	(19.37)	-	(21.76)	-	(271.19)
Other Adjustments	(1,842.13)	-	-	-	-	5,701.66	-	-	-	-	-	3,859.53
As at March 31, 2022	**18,006.21**	**-**	**77,522.21**	**-**	**-**	**3,21,093.69**	**134.68**	**40.90**	**-**	**1,091.10**	**7,684.88**	**4,25,573.67**
Net carrying amount												
As at March 31, 2022	**21,438.85**	**33,273.66**	**80,585.91**	**239.41**	**511.76**	**3,11,406.63**	**507.00**	**89.36**	**1,281.79**	**898.07**	**6,534.12**	**4,56,766.56**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

(Rs. in lakhs)

As at March 31, 2021												
Particulars	**Freehold land**	**ROU - Land Leasehold**	**Buildings**	**ROU - Building Leasehold**	**ROU - Equipments Leasehold**	**Plant and Equipment**	**Furniture and Fixtures**	**Vehicles**	**ROU - Vehicles Leasehold**	**Office Equipments**	**Railway Siding**	**Total**
Gross Block												
As at March 31, 2020	66,455.73	5,531.76	1,99,589.11	360.90	661.70	8,00,919.59	592.68	389.29	-	3,478.05	20,046.13	10,98,024.94
Additions	-	6,611.69	20.72	4.31	178.22	8,964.38	37.83	8.71	18.77	91.85	-	15,936.48
Deductions/ Disposal	-	-	-	-	-	(467.97)	-	(8.46)	-	(3.18)	(5.84)	(485.45)
Other Adjustments	(25,326.12)	25,326.12	-	(45.57)	(93.54)	-	-	-	-	-	-	(139.11)
As at March 31, 2021	**41,129.61**	**37,469.57**	**1,99,609.83**	**319.64**	**746.38**	**8,09,416.00**	**630.51**	**389.54**	**18.77**	**3,566.72**	**20,040.29**	**11,13,336.86**
Accumulated Depreciation												
As at March 31, 2020	-	1.67	34,415.31	101.36	70.89	1,39,891.64	265.00	247.98	-	1,218.62	4,353.81	1,80,566.28
Charge for the year	-	2,281.81	3,872.72	105.85	293.44	26,314.29	33.36	12.53	1.56	910.04	766.24	34,591.84
Deductions/ Disposal	-	-	-	-	-	(101.86)	-	(5.23)	-	(2.52)	(2.07)	(111.68)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	**-**	**2,283.48**	**38,288.03**	**207.21**	**364.33**	**1,66,104.07**	**298.36**	**255.28**	**1.56**	**2,126.14**	**5,117.98**	**2,15,046.44**
Impairment												
As at March 31, 2020	19,848.34	-	77,522.21	-	-	3,12,899.17	156.95	62.55	-	1,113.49	7,686.90	4,19,289.61
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Deductions/ Disposal	-	-	-	-	-	(148.54)	-	(2.28)	-	(0.63)	(2.02)	(153.47)
Other Adjustments	-	-	-	-	-	2,849.19	-	-	-	-	-	2,849.19
As at March 31, 2021	**19,848.34**	**-**	**77,522.21**	**-**	**-**	**3,15,599.82**	**156.95**	**60.27**	**-**	**1,112.86**	**7,684.88**	**4,21,985.33**
Net carrying amount												
As at March 31, 2021	**21,281.27**	**35,186.09**	**83,799.59**	**112.43**	**382.05**	**3,27,712.11**	**175.20**	**73.99**	**17.21**	**327.72**	**7,237.43**	**4,76,305.09**

5.1 Gross block includes certain property, plant and equipment i.e. freehold land which have been valued on April 01, 2015 i.e. the date of transition by an Independent Valuer and considered as "deemed cost" resulting in increase in value thereof by Rs. 15,513.41 lakhs (March 31, 2021: Rs. 17,355.54 lakhs)

5.2 Gross book value of Railway siding includes Rs. 121,37.50 lakhs (March 31, 2021: Rs 12,070.19 lakhs), incurred for construction of Railway siding ownership of which has not been vested with the company.

(Rs. in lakhs)

5.3 ROU Land Leasehold includes:-

a)Rs. 5,461.16 lakhs in respect of 325.19 acres which are under process of regularisation by conversion to leasehold land (including Rs.4,144.74 lakhs being demand for such conversion) pending execution of lease deed against which Rs. 3,315.79 lakhs has been paid as advance. Such Leasehold land has been accounted for in accordance with Ind AS 116 with effect from April 01, 2019 pending execution of Lease deed and will be amortised over the tenure of lease on execution of the deed thereof;

b) Estimated cost of compensatory area of land to be provided against 455.35 acres of forest land amounts to Rs. 30,164.24 lakhs (on proportionate basis) including demand of Rs. 23,552.55 lakhs (as dealt herein below under 5.3(d)) against which Rs. 2,295.98 lakhs has been paid. The title deed for such land pertain to forest department pending compliance of requirement of afforestation and approval from respective authorities; and

c) Necessary steps are being taken for regularisation etc., as detailed in Note no. 44 in respect of above land and execution of title deed in this respect is subject to necessary approval from relevant authorities and charge holders.

d) As per the Stage 1 clearence, the company apart from afforestation cost was required to provide five times of non-forest land in exchange of land used by the company for the Steel Plant and Rs. 23,552.55 lakhs being the cost as estimated by the management to be incurred in this respect and considered adequate for meeting the liability in this respect had been provided in the financial statements. Further, Rs. 6,611.69 lakhs being the NPV for area under utilisation as per the report of EIA consultant had been capitalised during the previous year as detailed in Note no. 44. The costs to be incurred in this respect, pending regularisation of title deed etc. and determination of further amount if any in this respect has been considered as ROU Assets and have been amortised considering a period of thirty years from the date of demand/capitalisation.

5.4 In earlier years, the Company had carried out the Impairment testing determining the Fair Value less cost to Sale and Value in Use of PPE (including those under Capital Work in Progress and Intangible Assets). The said Valuation was been carried out by an Independent Valuer appointed in this respect.

For the said purpose, the entire Steel manufacturing facility consisting of DI Pipe, Wire Rod, TMT Bar, Steel Billets and Pig Iron was considered as a single unit for arriving at the value in use. This had been estimated as per the Discounted Cash Flow method based on future projections and assumptions.

The recoverable amount of the CGU was determined to be Rs. 6,08,186.00 lakhs as on that date and impairment of Rs. 5,11,193.01 lakhs was provided in that year. During the year, no further impairment/reversal thereof has been indicated and provision for impairment as determined has remained unchanged.

5.5 Refer note. No. 20 in respect of charge created against borrowings. This includes 325.19 acres of land to be converted to leasehold land as stated in Note no. 5.3(a) above.

6 CAPITAL WORK-IN-PROGRESS

	Particulars	Refer Note No.	As at March 31, 2022		As at March 31, 2021	
(a)	Capital Work in Progress	6.2				
	As per last Balance Sheet		95,301.02		96,776.15	
	Add: Addition during the year		10,327.51		2,184.02	
	Less: Capitalisation during the year		(9,020.43)		(3,659.16)	
	Less: Adjustment during the year	36.1(b)	(11,573.04)	85,035.06	-	95,301.02
(b)	Project Development Expenditure	6.2				
	As per last Balance Sheet		68,832.61		71,469.15	
	Less: Capitalisation during the year		(5,276.12)		(2,636.54)	
	Less: Adjustment during the year	36.1(b)	(8,710.02)	54,846.47	-	68,832.61

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

(c)	Impairment					
	As per last Balance Sheet		(74,384.39)		(77,233.58)	
	Less: Transfer to Property, Plant and Equipment		5,701.66		2,849.19	
	Less: Adjustment during the year	36.1(b)	9,412.54	(59,270.19)	-	(74,384.39)
(d)	Provision against Capital Work in Progress	6.1				
	As per last Balance Sheet		(6,283.30)		-	
	Recognised during the year		-		(6,283.30)	
	Reversal during the year	36.1(b)	6,283.30	-	-	(6,283.30)
				80,611.34		**83,465.94**

6.1 The project undertaken in earlier years for enhancing the production capacity from 1.5MTPA to 2.57MTPA mainly consisting of one Blast Furnace, Horizontal Coke Oven and other related equipments and facilities and selection of vendors etc, for the project is under progress. Accordingly, Rs. 73,157.62 lakhs being cost of various plant and equipment acquired for the project in earlier years has been carried forward as capital work in progress. During the year on completion of physical verification of project equipments and material carried forward as capital work in progress, discrepancies arising thereof as stated in Note no. 36.1(b) has fully been adjusted and shown under exceptional items as stated in Note no. 36.1(b). The balance amount being carried forward in capital work in progress is proposed to be used in the planned expansion project post technical evaluation and consequential adjustments, as considered appropriate.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

6.2 Project Development Expenditure

'Project Development Expenditure' as given in 6(b) above, represents proportionate Interest and other directly attributable expenditure related to the above project accounted pending allocation to the respective assets and/or otherwise to be adjusted on completion of the project.

6.3 Ageing Schedule of Capital Work in Progress

Particulars	Amount in CWIP for a Period of				As at March 31, 2022	Amount in CWIP for a Period of				As at March 31, 2021
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress										
Old Expansion Project (1-5 MTPA to 2.57 MTPA)	2,824.57	-	-	69,985.48	72,810.05	-	280.01	16.22	87,056.69	87,352.92
Sustaining Capex- Modification and Addition	7,458.66	342.63	-	-	7,801.29	2,396.32	-	-	-	2,396.32

6.4 Projects Overdue and expected Completion date

a) The expansion project from 1.5 MTPA to 2.57 MTPA which was started as a part of the main project was required to be completed within three years in terms of the resolution plan approved by Hon'ble NCLT on April 17, 2018. However, this could not be progressed due to pending issue of CTO as dealt with in Note no. 44. Effective steps are being taken towards obtaining the CTO and the project will be commenced subsequent to such approval.

b) Status with respect to other projects are as follows:

Particulars	Amount in CWIP for a Period of				As at March 31, 2022	Amount in CWIP for a Period of				As at March 31, 2021
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Sustaining Capex- Modification and Addition										
SMS PLANT	49.88	-	-	-	49.88	-	454.81	-	-	454.81
WIRE ROD	-	-	-	-	-	784.48	-	-	-	784.48
REBAR ML	-	-	-	-	-	22.58	-	-	-	22.58
BF2	186.67	-	-	-	186.67	16.21	10.78	-	-	26.99
BF3	3,799.06	-	-	-	3,799.06	28.20	-	-	-	28.20
COMN FACLITY	1,674.55	-	-	-	1,674.55	808.82	9.13	-	-	817.95
V. COKEOVEN	310.93	-	-	-	310.93	261.31	-	-	-	261.31
DIP	17.40	-	-	-	17.40	-	-	-	-	-
SINTER PLANT	983.84	-	-	-	983.84	-	-	-	-	-

7. OTHER INTANGIBLE ASSETS

(Rs. in lakhs)

As at March 31, 2022

Particulars	Gross Block				Amortisation				Impairment				Net carrying amount
Particulars	As at March 31, 2021	Additions	Other Adjustments	As at March 31, 2022	As at March 31, 2021	Charge for the period	Other Adjustments	As at March 31, 2022	As at March 31, 2021	For the period	Other Adjustments	As at March 31, 2022	As at March 31, 2022
Mining Rights	-	53,892.03	-	53,892.03	-	728.06	-	728.06	-	-	-	-	53,163.97
Computer Softwares	834.12	762.12	-	1,596.24	353.49	156.33	-	509.82	54.66	-	-	54.66	1,031.76
As at March 31, 2022	**834.12**	**54,654.15**	**-**	**55,488.27**	**353.49**	**884.39**	**-**	**1,237.88**	**54.66**	**-**	**-**	**54.66**	**54,195.73**

As at March 31, 2021

Particulars	Gross Block				Amortisation				Impairment				Net carrying amount
	As at March 31, 2020	Additions	Other Adjustments	As at March 31, 2021	As at March 31, 2020	Charge for the period	Other Adjustments	As at March 31, 2021	As at March 31, 2020	For the period	Other Adjustments	As at March 31, 2021	As at March 31, 2021
Mining Rights	-	-	-	-		-	-	-	-	-	-	-	-
Computer Softwares	496.58	337.54	-	834.12	302.53	50.96	-	353.49	54.66	-	-	54.66	425.97
As at March 31, 2022	**496.58**	**337.54**	**-**	**834.12**	**302.53**	**50.96**	**-**	**353.49**	**54.66**	**-**	**-**	**54.66**	**425.97**

7.1 Refer note. No. 20 in respect of charge created against borrowings.

7.2 Lease deed in respect of Iron Ore and Manganese Block with Lease Area of 117.21 Hectares having proposed mining plan of 1,56,58,750 MT in Nadidihi Iron and Manganese Ore Block Village and another Iron Ore Block with Lease Area of 74.50 Hectares having proposed mining plan of 2,25,22,752 Mt in Nadidihi Iron Ore Block Village allotted to the company has been executed on November 20, 2021 with the Government of Odisha. The commercial operation of these mines have been commenced on February 11, 2022 and Rs. 53,892.03 lakhs being costs incurred for acquisition of licences, rights for mining, stamp duty, registration fee and other such costs till the said date has been capitalised as Mining Rights and shown under Intangible Assets.

(Rs. in lakhs)

8 OTHER FINANCIAL ASSETS

Particulars		Refer Note No.	As at March 31, 2022	As at March 31, 2021
(a)	Security Deposits			
	Considered good		303.59	53.89
	Considered doubtful		63.91	840.81
	Less: Impairment Allowance for doubtful deposit	8.1	(63.91)	(840.81)
(b)	Fixed Deposits with Banks (having maturity of more than 12 months)	15.2	8,177.31	1,036.14
(c)	Interest receivable on fixed deposits	15.2	142.81	22.14
			8,623.71	**1,112.17**

8.1 Movement of Impairment Allowances for doubtful deposits

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Balance at the beginning of the year	840.81	853.94
Recognised during the year	63.91	-
Reversal during the year	(840.81)	(13.13)
Balance at the end of the year	**63.91**	**840.81**

9 NON-CURRENT TAX ASSETS (NET)

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Advance Income Tax including Tax deducted at source		1,630.06	1,286.10
		1,630.06	**1,286.10**

10 OTHER NON-CURRENT ASSETS

Particulars		Refer Note No.	As at March 31, 2022	As at March 31, 2021
(a)	Capital advances			
	Considered good		11,489.40	17.51
	Considered Doubtful		-	2,656.72
	Less: Impairment Allowance for doubtful Capital Advances	10.1	-	(2,656.72)
(b)	Prepaid Expenses		387.60	156.97
(c)	Gratuity Fund Receivable		-	58.83
			11,877.00	**233.31**

10.1 Movement of Impairment Allowances for doubtful advances

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Balance at the beginning of the year	2,656.72	3,010.03
Recognised during the year	-	-
Reversal during the year	(2,656.72)	(353.31)
Balance at the end of the year	**-**	**2,656.72**

11 INVENTORIES

Particulars		Refer Note No.	As at March 31, 2022	As at March 31, 2021
(a)	Raw Materials	11.3	53,149.60	31,608.38
(b)	Raw Materials in transit		4,493.37	2,028.56
(c)	Semi Finised Goods/ Work In Progress		30,577.35	6,630.96
(d)	Finished Goods		2,311.86	4,286.65
(e)	Finished Goods in transit		486.76	479.41
(f)	Stores and Spares	11.1	22,751.85	18,499.05
	Less: Provision for Obsolete and Non-moving Stores and Spares	11.2	(4,275.10)	(4,239.70)
(g)	Stores and Spare Parts in transit		1,663.45	430.67
	Less: Provision for Obsolete and Non-moving Stores and Spares		(41.54)	-
(h)	Scrap and By Products		6,849.50	3,828.36
			1,17,967.10	**63,552.34**

11.1 Stores and Spares stock includes stock of DI Pipe Mould of size 350 mm and above amounting to Rs. 707.38 lakhs (March 31, 2021: 1,156.04 lakhs).

(Rs. in lakhs)

11.2 The Company has a policy of provisions against obsolete and non-moving stores and spares for a period above two years. The movement in provisions are as follows:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Balance at the beginning of the year	4,239.70	3,844.52
Recognised during the year	76.94	395.18
Reversal during the year	-	-
Balance at the end of the year	**4,316.64**	**4,239.70**

11.3 Raw Materials includes Rs. 4,271.82 lakhs (March 31, 2021: Rs. 833.66 lakhs) of Coke and Rs. 5,256.52 lakhs (March 31, 2021: Rs. 6,455.34 lakhs) of Iron Ore procured from third parties. Such materials produced internally have been included under Semi-Finished goods.

11.4 Also refer Note no. 43 in respect of charge created against borrowings

12 INVESTMENTS

Particulars	As at March 31, 2022		As at March 31, 2021	
Investments measured at fair value through Profit and Loss	**Units**	**Amount**	**Units**	**Amount**
Investment in Mutual Funds (quoted)				
(a) Tata Liquid Fund- Direct Plan- Growth Option (Face Value: Rs. 1,000)	89,308.44	3,001.17	-	-
(b) NIPPON India Liquid Fund- Direct Plan- Growth Option (LFAGG) (Face Value: Rs. 1,000)	-	-	3,24,548.21	16,333.19
(c) UTI Liquid Cash Plan - Direct- Growth Plan (Face Value: Rs. 1,000)	-	-	3,86,559.56	13,028.94
(d) Axis Overnight Fund- Direct Growth Plan (Face Value: Rs. 1,000)	1,78,017.88	2,000.64	-	-
(e) Tata Overnight Fund- Direct Plan- Growth Option (Face Value: Rs. 1,000)	1,78,365.82	2,000.27	-	-
(f) Aditya Birla Sunlife Liquid Fund- Regular Growth Plan (Face Value: Rs. 100)	13,14,007.33	4,508.68	-	-
(g) HDFC Overnight Fund- Direct Growth Plan (Face Value: Rs. 1,000)	63,350.99	2,000.28	-	-
(h) ICICI Prudential Overnight Fund- Direct Plan - Growth Option (Face Value: Rs. 100)	17,45,645.06	2,000.65	-	-
(i) ICICI Prudential Liquid Fund- Direct Plan- Growth Option (Face Value: Rs. 100)	7,94,345.19	2,504.22	37,82,886.68	11,527.83
		18,015.91		**40,889.96**

12.1 Aggregate amount of quoted Investments in Mutual Funds	18,015.91	40,889.96
12.2 Aggregate amount of NAV of Investments in Mutual Funds	18,015.91	40,889.96

12.3 Particulars of Investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed herein above.

12.4 Also refer Note no. 43 in respect of charge created against borrowings

13 TRADE RECEIVABLES

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Unsecured			
Considered good	13.1	7,822.16	9,690.20
Considered good, having significant increase in Credit Risk	13.1	235.66	599.57
Credit Impaired		112.53	1,920.90
Less: Impairment Allowance for doubtful debts	13.2	(112.53)	(1,920.90)
		8,057.82	**10,289.77**

13.1 Trade Receivables ageing schedule based on the due date for payment there against are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed Trade Receivables- Considered Good		
Within the credit period	4,983.78	6,257.62
Less than 6 Months	2,838.38	3,217.04
6 months - 1 Year	-	185.29
1-2 Years	-	30.25
	7,822.16	**9,690.20**
Undisputed Trade Receivables- Significant increase in Credit Risk		
6 months - 1 Year	198.59	185.29
1-2 Years	24.95	561.52
2-3 years	12.11	38.05
	235.66	**784.85**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Disputed Trade Receivables- Credit impaired		
Less than 6 Months	20.52	-
6 months - 1 Year	2.15	-
1-2 Years	10.50	-
2-3 years	42.75	314.37
More than 3 years	36.61	1,606.53
	112.53	**1,920.90**

13.2 Movement of Impairment Allowances for doubtful debts

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,920.90	1,920.90
Recognised during the year	112.53	-
Reversal during the year	(1,920.90)	-
Balance at the end of the year	**112.53**	**1,920.90**

13.3 Also refer Note no. 43 in respect of charge created against borrowings

14 CASH AND CASH EQUIVALENTS

	Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
(a)	**Balances with Banks:**			
	- In Current Accounts		4,411.03	5,082.00
(b)	Fixed Deposits with original maturity of less than 3 months		2,000.00	7,000.00
			6,411.03	**12,082.00**

14.1 Also refer Note no. 43 in respect of charge created against borrowings

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
(a)	**Balances with Banks:**			
	- In Current Accounts	15.1 and 15.3	3.65	5,177.66
(b)	Fixed Deposits with Banks (having original maturity of more than 3 months)	15.1 and 15.2	53,554.30	22,078.41
			53,557.95	**27,256.07**

15.1 Refer Note no. 43 in respect of charge created against borrowings

15.2 Fixed Deposits with banks includes:

a) Rs. 56,188.08 lakhs (March 31, 2021: Rs. 22,913.69 lakhs) (including Rs. 3,185.71 lakhs (March 31, 2021: Rs. 1,028.87 Lakhs) disclosed under other non-current assets) which have been lodged with bank as margin money against Letter of Credit/Bank Guarantees/OD facilities issued/granted by them; and

b) Rs. 5,543.53 lakhs (March 31, 2021: Rs. 55.90 lakhs) (including Rs. 4,361.60 lakhs (March 31, 2021: Rs. 7.27 lakhs) disclosed under other non-current assets) lying with Customers/ Vendors/ Government Authorities in term of agreement/orders.

15.3 Balances with banks in current account includes

a) Nil (March 31, 2021: Rs. 2,821.25 lakhs) and balances with government authorities includes Nil (March 31, 2021: Rs. 148.57 lakhs) against accounts freezed and amount withheld by commercial tax department against sales tax demand.

b) Includes Rs. 3.65 lakhs (March 31, 2021: Rs. 2,356.41 lakhs) in respect of Interest Service Reserve Account maintained in terms of agreement with borrowers as detailed in Note no. 20

16 OTHER FINANCIAL ASSETS

	Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
(a)	Earnest Money/ Security Depoits to Vendors			
	Considered good	16.2	2,156.55	1,17,658.08
	Considered Doubtful		101.38	36.08
	Less: Impairment Allowance for doubtful deposits	16.1	(101.38)	(36.08)
(b)	Earnest Money to Customers			
	Considered good		-	4.00
	Considered Doubtful		-	6.75
	Less: Impairment Allowance for doubtful debts	16.1	-	(6.75)
(c)	Derivative Assets at fair value through profit and loss	46(d)(iii)	566.88	-
(d)	Interest receivable		222.83	7,686.06
(e)	Export incentive receivables		86.35	177.60
(f)	Insurance Claim Receivable		500.00	-
			3,532.61	**1,25,525.74**

(Rs. in lakhs)

16.1 Movement of Impairment Allowances for doubtful Debts and Deposits

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Balance at the beginning of the year	42.83	72.26
Recognised during the year	65.92	-
Reversal during the year	(7.37)	(29.43)
Balance at the end of the year	**101.38**	**42.83**

16.2 Includes Interest bearing security deposit of Nil (March 31, 2021: Rs. 1,17,000.00 lakhs) lying with the holding company in terms of Agreement for Sale and Purchase of Coking Coal, Limestone and other supplies to be refunded on expiration of the contract along with interest at SBI 1Y MCLR+0.15.

16.3 Refer Note no. 43 in respect of charge created against borrowings

17 OTHER CURRENT ASSETS

	Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
(a)	Balance with Government Authorities			
	Considered good	17.2	3,283.75	914.96
	Considered doubtful		340.28	501.55
	Less: Impairment Allowance for doubtful balances	17.1	(340.28)	(501.55)
(b)	Advances for supply of goods and services			
	Considered good		24,364.74	11,512.15
	Considered doubtful		895.67	1,362.54
	Less: Impairment Allowance for doubtful balances	17.1	(895.67)	(1,362.54)
(c)	Prepaid Expenses		2,269.62	3,386.40
(d)	Advances against salaries		6.31	12.10
(e)	Stamp papers on hand		-	10.22
(f)	MEIS Licences		148.29	578.97
(g)	Others- GST Clearing accounts		308.65	343.37
			30,381.36	**16,758.17**

17.1 Movement of Impairment Allowances for doubtful balances:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,864.09	1,437.36
Recognised during the year	-	501.56
Reversal during the year	(628.14)	(74.83)
Balance at the end of the year	**1,235.95**	**1,864.09**

17.2 Includes Rs. 1,288.43 lakhs (March 31, 2021: Nil) related to Input Tax Credit on burnout based on the order of Hon'ble Supreme Court of India and Rs. 525.57 lakhs (March 31, 2021: Nil) lying as deposit paid under protest against various judicial authorities in terms of the respective Orders.

17.3 Refer Note no. 43 in respect of charge created against borrowings

18 EQUITY SHARE CAPITAL

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	**Authorised:**		
	10,02,00,00,000 (March 31, 2021: 10,02,00,00,000) Equity Shares of Rs. 10/- each	10,02,000.00	10,02,000.00
		10,02,000.00	**10,02,000.00**
(b)	**Issued, Subscribed and Fully Paid Up:**		
	1,84,90,30,224 (March 31, 2021: 1,84,90,30,224) Equity Shares of Rs. 10/- each	1,84,903.02	1,84,903.02
		1,84,903.02	**1,84,903.02**

18.1 Reconciliation of the number of Equity Shares Outstanding:

Particulars	As at March 31, 2022	As at March 31, 2021
No. of shares as at the beginning	1,84,90,30,224	1,84,90,30,224
Changes during the year	-	-
No. of shares as at the end	**1,84,90,30,224**	**1,84,90,30,224**

18.2 Shareholders holding more than 5% Shares Equity Shares:

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Nos	Holding %	Nos	Holding %
Vedanta Limited (Holding and Promoter Company)	1,76,55,53,040	95.49%	1,76,55,53,040	95.49%

18.3 The Company has one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each Holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive assets of the Company remaining after distribution of all preferential amounts, in proportion of their shareholding.

(Rs. in lakhs)

19 OTHER EQUITY

	Particulars		As at March 31, 2022	As at March 31, 2021
(a)	**Capital Reserve**	19.1(A)		
	As per last Balance Sheet		**9,59,908.68**	**9,59,908.68**
(b)	**Capital Reserve on Amalgamation**	19.1(B)		
	As per last Balance Sheet		**(1,74,593.58)**	**(1,74,593.58)**
(c)	**Securities Premium**	19.2		
	As per last Balance Sheet		**1,79,036.44**	**1,79,036.44**
(d)	**Retained Earnings**	19.3		
	As per last Balance Sheet		(5,26,821.17)	(7,99,971.34)
	Profit/(Loss) for the Year		(9,459.19)	2,73,201.20
	Transfer from Other Comprehensive Income		(201.37)	(51.03)
			(5,36,481.73)	**(5,26,821.17)**
(e)	**Other Comprehensive Income**	19.4		
	Re-measurement of defined benefit plan			
	As per last Balance Sheet		-	-
	Other Comprehensive Income for the year		(201.37)	(51.03)
	Transfer to Retained Earnings		201.37	51.03
			-	-
			4,27,869.81	**4,37,530.37**

19.1 Capital Reserve

A) Capital Reserve includes:

a) Rs. 9,61,219.97 lakhs recognised on Consolidation and Reduction of Equity Share Capital of the Company on Jun 14, 2018 in terms of Hon'ble NCLT Order dated April 17, 2018.

b) Further on amalgamation of erstwhile VSL with the company with effect from October 01, 2018:

i) Differential of Rs. 519.85 lakhs arising on cancellation of equity shares acquired by erstwhile VSL pursuant to 'Exit Offer' with respect to face value thereof were added to capital reserve and

ii)Differential of Rs. 1,831.14 lakhs with respect to the cost of investment in the books of VSL and face value thereof was adjusted to Capital Reserve.

B) Capital Reserve on Amalgamation represents the excess of consideration paid i.e. equity shares issued with respect to net assets and reserves acquired consequent to amalgamation of erstwhile VSL with the company.

19.2 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.

19.3 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings/losses of the company. This includes Other Comprehensive Income of (Rs. 447.11 lakhs) (March 31, 2021: (Rs. 245.74 lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.

19.4 Other Comprehensive Income

This includes gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 19.3 above.

20 BORROWINGS

	Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
	Secured Borrowings			
(a)	**From Banks:**			
	- Term Loan	20.1, 20.2, and 20.3	2,70,484.11	3,13,475.47
	Total (a)		**2,70,484.11**	**3,13,475.47**
	Unsecured Borrowings			
(a)	Inter-Corporate Deposits from Holding Company	20.2 and 20.3	15,760.00	18,281.60
			15,760.00	**18,281.60**
	Less: Disclosed under Current Maturity of Long Term Debt- Unsecured	22	(2,521.60)	(2,521.60)
	Less: Disclosed under Current Maturity of Long Term Debt- Secured	22	(43,520.00)	(42,987.56)
			2,40,202.51	**2,86,247.91**

20.1 Security

(i) Term Loan from banks is secured by:

a) First ranking pari passu charge by way of hypothecation on all fixed assets of the Borrower, including the bank accounts and the bank balances earmarked against the Interest Service Reserve Account and amounts lying therein;

b) First ranking pari passu charge by deed of Hypothecation on November 28, 2018 and October 08, 2021 in favour of Vistra ITCL (India) Limited, security trustees by way of deposit of 1,993.35 acres and 264.45 acres respectively of title deed of mortgageable lands.

c) Corporate Guarantee, in favour of the Security Trustee for the benefit of the Lenders in form and substance satisfactory to the Security Trustee. These shall be collectively referred to as the "Security"; and

d) Negative Pledge over shares of the company i.e. post merger, Guarantor (M/s Vedanta Ltd.) to hold 76% of the shares of the company and Non Disposal Undertaking of these shares in favour of the Security Trustee acting for the Lenders.

(Rs. in lakhs)

20.2 The interest rate for the above loans ranges from 6.55% to 9.35%.

20.3 **Repayment terms:**

Year	**Term Loan from Banks**	**Inter-Corporate Deposit from Holding Company**
2022-2023	43,520.00	2,521.60
2023-2024	43,520.00	2,521.60
2024-2025	43,520.00	2,521.60
2025-2026	43,520.00	2,521.60
2026-2027	43,520.00	2,521.60
2027-2028	43,520.00	2,521.60
2028-2029	10,880.00	630.40

20.4 The amount disclosed herein above represents the amortised cost in accordance with Ind AS 109 "Financial Instruments".

21 PROVISIONS

Particulars		**Refer Note No.**	**As at March 31, 2022**	**As at March 31, 2021**
(a)	Provision for Employee Benefits	32.1	524.02	518.47
(b)	Provision for Compliance Cost for EC	21.1 and 21.3	22,030.57	21,350.95
(c)	Provision for Site Restoration for Mines	21.2 and 21.3	106.99	-
			22,661.58	**21,869.42**

21.1 Provision for compliance cost for EC represents cost to be incurred being estimated cost of damages etc., for forest area diversion, wild life development and green belt conservation and other concerns raised on public hearing for granting EC based on the report of EIA consultant appointed in terms of TOR as detailed in Note no. 44.

21.2 Provision for site restoration for mines relates to compensatory afforestation, mine closure and rehabilitation obligations. These amounts have been computed based on the Mining Plan submitted to the authority and will be incurred on closure of the mines over a period of 1 to 5 years.

21.3 Movement of the Provisions are as follows:

Particulars	**Provision for Compliance Cost for EC**		**Provision for Site Restoration for Mines**	
	As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
Balance at the beginning of the year	21,350.95	-	-	-
Recognised during the year	679.62	21,350.95	106.99	-
Written back during the year	-	-	-	-
Balance at the end of the year	**22,030.57**	**21,350.95**	**106.99**	**-**

22 BORROWINGS

Particulars		**Refer Note No.**	**As at March 31, 2022**	**As at March 31, 2021**
(a)	Current maturities of long-term debts- Unsecured	20	2,521.60	2,521.60
(b)	Current maturities of long-term debts- Secured	20	43,520.00	42,987.56
			46,041.60	**45,509.16**

22.1 The company has availed borrowings (both fund and non-fund based) from banks on the basis of security of current assets. The quarterly return or statements of current assets filed in this respect are in agreement with the books of accounts.

22.2 Also refer Note no. 43 in respect of security against working capital facilities

23 TRADE PAYABLES

Particulars	**Refer Note No.**	**As at March 31, 2022**	**As at March 31, 2021**
Payable for goods and services	23.2		
Due to Micro and Small Enterprises	23.1	14,675.90	11,002.84
Others		32,205.09	27,268.57
		46,880.99	**38,271.41**

23.1 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 available with the company regarding the status of suppliers.

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
a) Principal amount remaining unpaid but not due as at year end	14,675.90	11,002.84
b) Interest amount remaining unpaid but not due as at year end	-	-
c) 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	-	-
d) 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	-	-
e) Interest accrued and remaining unpaid as at year end	-	-
f) 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	-	0.09

(Rs. in lakhs)

23.2 Trade Payable ageing schedule based on the outstanding based on the period from date of transaction are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed - Non MSME		
Less than 1 year	30,604.82	26,723.12
1-2 years	1,525.63	208.81
2-3 years	57.65	89.54
More than 3 years	-	155.04
	32,188.10	**27,176.51**
Undisputed - MSME		
Less than 1 year	14,675.91	11,002.84
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	14,675.91	**11,002.84**
Disputed - Non MSME		
Less than 1 year	16.98	23.21
1-2 years	-	12.20
2-3 years	-	19.16
More than 3 years	-	37.49
	16.98	**92.06**
	46,880.99	**38,271.41**

23.3 Unbilled amount included above being less than 1 year are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed - Non MSME	8,966.28	6,501.08
Undisputed - MSME	1,524.61	1,011.89
	10,490.89	**7,512.97**

24 OTHER FINANCIAL LIABILITIES

	Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
(a)	Interest accrued but not due on borrowings	20	1,960.65	1,991.61
(b)	Earnest Money Deposit		216.91	98.01
(c)	Capital Vendors	24.1	3,977.75	1,178.70
(d)	Derivative Instrument Liability at fair value through profit and loss (net)	46(d)(iii)	-	185.03
(e)	Others Payables			
	- Employees payable		2,074.45	886.89
	- Others		195.41	76.92
			8,425.17	**4,417.16**

24.1 Includes Rs. 828.95 lakhs (March 31, 2021: Rs. 828.95 lakhs) provided for balance amount of demand (Net of Advance of Rs. 3,315.79 lakhs) for execution of leasehold agreement (Refer Note No. 5.3(a)).

25 OTHER CURRENT LIABILITIES

	Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
(a)	Advance from customers		16,407.59	21,014.54
(b)	Statutory Dues Payables		21,987.63	10,250.19
	(includes Royalty on Iron Ore mines, Provident Fund, GST, Tax deducted at source etc.)		**38,395.22**	**31,264.73**

26 PROVISIONS

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	32.1	116.03	79.81
Other Provisions	26.1	953.83	635.92
		1,069.86	**715.73**

26.1 Other Provisions represent amount provided in respect of defined contribution for employee benefit including contractual workmen pursuant to the Order of Hon'ble Supreme Court pending final decision/demand from the relevant authorities in this respect. Movement of such Provisions are as follows:

Particulars	Refer Note No.	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year		635.92	318.04
Recognised during the year		317.91	317.88
Written back during the year		-	-
Balance at the end of the year		**953.83**	**635.92**

(Rs. in lakhs)

27 REVENUE FROM OPERATIONS

Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Sale of Products:			
- Export Sales		65,072.70	45,236.42
- Domestic Sales		5,82,362.08	4,21,568.27
		6,47,434.78	**4,66,804.69**

27.1 Disclosure as per Ind AS 115:

Disaggregate Revenue

The break up with respect to type of revenue stream of the Company are as follows:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2022	For the Year ended March 31, 2021
	Government		Non-Government	
Within India				
- Billets	-	-	11,973.66	5,961.38
- TMT bars	16,674.47	8,932.52	1,94,377.90	1,33,717.27
- Wire rods	-	-	2,03,474.53	1,40,910.89
- DI pipes	1,457.69	53,501.66	82,425.59	8,367.23
- PIG Iron	-	-	71,807.59	54,328.98
- Others	-	-	170.65	15,848.34
Outside India				
- Billets	-	-	34,166.10	36,659.37
- Wire rods	-	-	25,180.00	8,577.05
- DI pipes			39.26	-
- PIG Iron			5,687.34	-
	18,132.16	**62,434.18**	**6,29,302.62**	**4,04,370.51**

28 OTHER OPERATING INCOME

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Scrap/ By-products and Others	11,193.02	8,816.15
Incentive on Exports	959.11	1,521.93
	12,152.13	**10,338.08**

29 OTHER INCOME

	Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a)	Interest income on Fixed deposits, Security Deposits, overdue debts etc. measured at amortised cost		6,245.69	10,100.44
(b)	Interest income on financial assets measured at amortised cost		2.72	3.18
(c)	Sundry Credit balances/Provision no longer required written back	29.1	8,820.26	850.46
(d)	Net (gain)/loss on foreign exchange fluctuation		1,716.71	184.68
(e)	Net gain/(loss) on Derivative Instruments on fair valuation through profit and loss		200.26	-
(e)	Net Gain on Current Investments at Fair Value through profit and loss		616.92	867.94
(f)	Miscellaneous Income	17.2	2,794.32	773.94
			20,396.88	**12,780.64**

29.1 Includes provision created against old debit balances of certain suppliers/service providers/ Trade Receivables being no longer recoverable have been written off with corresponding provision made in earlier year thereagainst being written back.

30 COST OF MATERIALS CONSUMED

Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Raw material and other materials consumed			
Inventory at the beginning of the year		33,636.94	42,473.86
Add: Purchases		4,83,179.44	2,59,449.08
Less: Inventory at the end of the year		57,642.97	33,636.94
	30.1	**4,59,173.41**	**2,68,286.00**

30.1 Based on the physical verification of Inventories carried out by an Independent professionals and on reconciliation with book stock, the variation thereof (Increase/(Decrease)) have been adjusted to the Cost of Material consumed/ Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress. This also includes adjustments arising on heap clearences of material:

Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cost of Material consumed			
Raw Material		(2,279.31)	(2,388.26)
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress			
Finished Goods		(6.83)	(2.69)
Semi-Finished Goods		-	(6.18)
Scrap/ By-products		(422.92)	(676.97)
		(2,709.06)	**(3,074.10)**

(Rs. in lakhs)

31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(i)	**Inventories at the end of the year**			
(a)	Finished Goods		2,798.62	4,766.06
(b)	Semi-Finished Goods		30,577.35	6,630.96
(c)	Scrap / By-products		6,849.50	3,828.36
			40,225.47	**15,225.38**
(ii)	**Inventories at the beginning of the year**			
(a)	Finished Goods		4,766.06	19,659.99
(b)	Semi-Finished Goods		6,630.96	5,973.64
(c)	Scrap / By-products		3,828.36	2,650.41
			15,225.38	**28,284.04**
		30.1	**(25,000.09)**	**13,058.66**

31.1 Also Refer Note no. 30.1 for adjustments carried out on reconciliation of physical stock with book stock.

31.2 Disclosures as required under Ind AS 2 "Inventories" are as follows:

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
a) Inventories recognised as expense	5,43,743.19	3,85,956.40

32 EMPLOYEE BENEFITS EXPENSE

	Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a)	Salaries and wages	32.1	14,877.08	14,531.46
(b)	Contribution to Provident and Other Funds	32.1	903.77	704.93
(c)	Staff welfare expenses		377.83	203.82
			16,158.68	**15,440.21**

32.1 POST RETIREMENT EMPLOYEE BENEFITS

The disclosures required under Ind AS 19 on ''Employee Benefits'', are given below:

(I) Defined Contribution Plans

The Company makes contributions to Provident Fund and Pension Scheme for eligible employees. Under the schemes, the Company is required to contribute a specified percentage/fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority. Contributions towards provident funds are recognised as an expense for the year. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment.

Contributions to Defined Contribution Plans, recognized for the year are as under:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Employer's Contribution to Provident Fund	413.82	394.96
Employer's Contribution to Pension Scheme	216.85	224.31
Employer's Contribution to Superannuation Scheme	104.66	51.45

(II) Post Employment Defined Benefit Plans:

The Post Employment defined benefit scheme are managed by TATA AIA is a defined benefit plan. The present value of obligation is determined based on independent 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. Details of such fund are as follows:

a) Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service. The amount of gratuity payable is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

b) Superannuation (Funded)

The Company's Superannuation scheme, a Defined Benefit plan, is administered through trust funds and covers certain categories of employees. Investments of the funds are managed by insurance companies /trustees themselves. Benefits under these plans had been are based on certain category of employees. Upon retirement, death or cessation of employment, Superannuation Funds purchase annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

(Rs. in lakhs)

(III) The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended March 31, 2022 and corresponding figures for the previous year:

(a) Change in the present value of the defined benefit obligation:

	Gratuity (funded)	
	As at March 31, 2022	**As at March 31, 2021**
Liability at the beginning of the year	1,109.65	1,083.16
Interest Cost	76.57	73.65
Current Service Cost	159.43	156.54
Benefits paid	(298.01)	(286.44)
Remeasurements - Due to Financial Assumptions	(32.59)	(11.77)
Remeasurements - Due to Experience Adjustments	334.55	94.51
Liability at the end of the year	**1,349.60**	**1,109.65**

(b) Changes in the Fair Value of Plan Asset

	As at March 31, 2022	**As at March 31, 2021**
Fair value of Plan Assets at the beginning of the year	1,168.49	1,090.07
Expected return on Plan Assets	80.63	74.12
Contributions by the Company	-	-
Benefits paid	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	(7.58)	4.30
Fair value of Plan Assets at the end of the year	**1,241.54**	**1,168.49**

(c) **Amount recognised in Balance Sheet**

	As at March 31, 2022	**As at March 31, 2021**
Liability at the end of the year	1,349.60	1,109.65
Fair value of Plan Assets at the end of the year	1,241.54	1,168.49
Amount recognised in the Balance Sheet	108.06	(58.84)

(d) **Components of Defined Benefit Cost**

	For the Year ended March 31, 2022	**For the Year ended March 31, 2021**
Current Service Cost	159.43	156.54
Interest Cost	76.57	73.65
Expected return on plan assets	(80.63)	(74.12)
Total Defined benefit recognised in Statement of Profit & Loss Account	155.37	156.07

(e) **Remeasurements recognised in Other Comprehensive Income**

	For the Year ended March 31, 2022	**For the Year ended March 31, 2021**
Remeasurements - Due to Financial Assumptions	(32.59)	(11.77)
Remeasurements - Due to Experience Adjustments	334.55	94.51
Remeasurements- Return on Assets	7.58	(4.30)
Remeasurements recognised in Other Comprehensive Income	309.54	78.44

(f) **Balance Sheet Reconciliation**

	As at March 31, 2022	**As at March 31, 2021**
Opening Net Liability	(58.84)	(6.91)
Defined Benefit Cost included in Statement of Profit and Loss Account	155.37	156.07
Remeasurements recognised in OCI	309.54	78.44
Employers Contribution	-	-
Benefit Paid Directly by Enterprise	(298.01)	(286.44)
Amount recognised in Balance Sheet	108.06	(58.84)

(g) respect of fund managed by insurer is

	As at March 31, 2022	**As at March 31, 2021**
Fund managed by Insurer	100.00%	100.00%

(Rs. in lakhs)

(h) **The Principal actuarial assumptions as at the Balance Sheet date are set out as below:**

	As at March 31, 2022	As at March 31, 2021
Summary of Financial Assumptions		
Discount Rate	7.14%	6.90%
Future Salary Increase	6.00%	6.00%
Salary Escalation- After Five Years	6.00%	6.00%
Expected Return on Plan Assets	7.14%	6.90%
Summary of Demographic Assumptions		
Mortality Rate [as % of IALM (2012-14) (Mod.) Ult. Mortality Table]	100.00%	100.00%
Disability Table (as % of above mortality rate)	5.00%	5%
Withdrawal Rate	1% to 8%	1% to 8%
Retirement Age	60/58 Years	60/58 Years
Average Future Service	21.94	22.35
Weighted Average Duration	13.17	13.34
Best Estimate of Employer's expected contribution for next year	187.02	171.17

Sensitivity Analysis

Particulars	Change in Assumption	Gratuity As at March 31, 2022	Gratuity As at March 31, 2021
Changes in Defined Benefit Obligations:			
Salary Escalation	+1%	140.44	127.10
Salary Escalation	-1%	(130.75)	(109.79)
Discount Rates	+1%	(128.82)	(107.99)
Discount Rates	-1%	139.57	127.23

The above sensitivity analysis is based on a change in assumption while holding all other assumption constant. Inpractice, this is unlikely to occur, and changes in some of the assumption may be co-related. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligations recognised in the balance sheet. The methods and type of assumption used in preparing the sensitivity analysis did not change compared to the prior period.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Year 1	114.80	58.35
Year 2	49.27	41.62
Year 3	49.22	39.78
Year 4	61.34	49.63
Year 5	63.93	49.11
Remaining Subsequent Years	1,011.04	871.15

Other Long Term Employee benefits

Compensated Absences

The obligation for compensated absences is recognised in the same manner as gratuity except remeasurement benefit which is treated as part of other comprehensive income. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2021 & March 31, 2020 is given below:

	As at March 31, 2022	As at March 31, 2021
Privileged Leave	509.98	572.12
Sick Leave	27.98	26.16
Average number of people employed	1,726	1,871

Risk analysis

Through its defined benefit plans, the Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and, management's estimation of the impact of these risks are as follows:

Investment risk

The Gratuity plan is funded with Tata AIA Limited and the company does not have any liberty to manage the fund provided to them. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

Longevity risk / Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(Rs. in lakhs)

33 FINANCE COSTS

	Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a)	Interest Expense on financial liabilities not measured at FVTPL		32,347.84	36,375.01
(b)	Other Borrowing Cost (i.e. LC charges, Suppliers Credit, Guarantee Comission etc.)		1,474.18	1,277.66
			33,822.02	**37,652.67**

34 DEPRECIATION AND AMORTISATION EXPENSE

	Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a)	Depreciation on Tangible Assets	5	33,645.58	34,591.84
(b)	Amortisation of Intangible Assets	7	884.39	50.96
			34,529.97	**34,642.80**

35 OTHER EXPENSES

	Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a)	Consumption of Stores and Spares		23,325.58	16,377.35
(b)	Power and Fuel		32,745.91	23,460.44
(c)	Freight and Forwarding Charges		22,459.76	20,007.59
(d)	Rent	39(v)	261.67	183.94
(e)	Rates and taxes		520.15	369.28
(f)	Mining Royalty		2,761.02	-
(g)	Mine Bid Premium and other mining expenses		17,641.16	-
(h)	Insurance		1,592.32	1,618.20
(i)	Repairs to Plant and Machinery		4,758.00	2,155.35
(j)	Repairs to Building		292.77	289.90
(k)	Repairs to Others		1.47	169.59
(l)	Operation & Processing charges		17,198.15	11,006.52
(m)	Machine Hire Charges		577.08	656.44
(n)	Material Handling Expenses		1,441.33	1,127.45
(o)	Listing & Registrar Expenses		45.23	12.94
(p)	Security Expenses		1,685.88	1,186.66
(q)	Advertisement and Business Promotion Expenses		58.20	35.04
(r)	Travelling & Conveyance		1,262.95	1,143.87
(s)	Legal & Professional Fees		3,485.02	3,371.03
(t)	Payment to Auditors	35.1	66.47	75.79
(u)	Net (gain)/loss on Derivative Instruments on fair valuation through profit and loss		-	1,075.57
(v)	Loss on Sale/Discard of Fixed Assets (Net)		260.20	201.68
(w)	Selling & Distribution Expenses		189.29	585.91
(x)	Impairment Allowance for Doubtful Debt and Deposits		65.30	-
(y)	Provision for Doubtful Advance		-	512.21
(z)	Provision for Obsolete and Non-moving Stores and Spares		76.94	395.18
(aa)	Charity and Donation		-	0.19
(ab)	Sundry Balances written-off		6,722.73	716.55
(ac)	Brand Fees	35.2	9,488.60	6,763.70
(ad)	Comission and Sitting Fees to Directors		54.25	10.25
(ae)	Other Miscellaneous Expenses		3,994.38	1,881.62
			1,53,031.81	**95,390.24**

35.1 Payment to Auditors

	Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a)	Statutory Audit Fee	30.00	26.50
(b)	Tax Audit Fee	4.00	3.50
(c)	Certification etc.*	31.68	44.50
(d)	Out of Pocket Expenses	0.79	1.29
		66.47	**75.79**

* This includes Nil (March 31, 2021: Rs. 20.00 Lakhs) for various certification and reports in connection with offering of US Guaranteed Senior Bonds by Vedanta Resources Finance II PLC

35.2 The company in terms of the Brand Licence Agreement dated September 24, 2019 with Vedanta Resources Limited has agreed to pay 1.5% of the Turnover as "Brand Fee". In accordance with the said agreement the company has paid advance of Rs. 7,512.37 lakhs (March 31, 2021: Rs. 8,662.42 lakhs) against which Rs. 9,488.60 lakhs (March 31, 2021: Rs.6,763.70 lakhs) has been recognised as expenses in terms of the agreement.

36 EXCEPTIONAL ITEMS

Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Provision against Compliance Cost for Environmental Clearance	36.1(a)	(694.49)	(21,350.95)
Adjustment against Capital-work-in-progress	36.1(b)	(4,587.67)	(6,283.30)
Adjustment pertaining to Land	36.1(c)	(565.51)	-
		(5,847.67)	**(27,634.25)**

(Rs. in lakhs)

36.1 Exceptional Item relates to:

a) Provision of Rs.21,350.95 lakhs made during the previous year ended March 31, 2021 in respect of costs for forest area diversion, wild life development and green belt conservation and other concerns raised on public hearing relating to environmental clearance in connection with issue of CTO. Over and above, Rs. 694.49 lakhs has further been provided for during the year ended March 31, 2022 in this respect based on the order concerning Site-Specific Wild Conservation Plan received from the Regional Chief Conservator of Forest.

b) Adjustment of Rs. 10,870.97 lakhs (including Rs. 4,587.67 for the year ended March 31, 2022) carried out during the year ended March 31, 2022, in respect of discrepancies ascertained on completion of physical verification of project equipment and material carried forward under Capital Work in Progress

c) Rs. 565.51 lakhs written off during the year ended March 31, 2022 being the cost of 102.43 acres of land located outside the plant for which details of original owners/sellers etc., are not available and the physical possession or the ownership of the same as such cannot be obtained.

37 COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	Refer Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of Defined benefit plans	32.1	(309.54)	(78.44)
		(309.54)	**(78.44)**

38 RELATED PARTY TRANSACTIONS

Related party disclosure as identified by the management in accordance with the Ind AS 24 on 'Related Party Disclosures' are as follows:

Names of the related parties and description of relationships:

	Company	Relationship
A	**Company**	**Relationship**
	Volcan Investment Limited (VIL)	Ultimate Holding Company
	Vedanta Limited (VL)	Holding Company

	Key Management personnel	Designation
B	**Key Management personnel**	**Designation**
	Prasun Kumar Mukherjee	Director
	Mahendra Singh Mehta	Director
	Poovannan Sumathi	Director
	Navnath Laxman Vhatte	Whole Time Director and Chief Executive Officer (Appointed w.e.f. July 30, 2021)
	Pankaj Malhan	Whole Time Director (Resigned w.e.f. April 20, 2021)
	Jalaj Kumar Malpani	Chief Financial Officer (Resigned w.e.f. July 31, 2020)
	Mahesh Iyer	Chief Financial Officer (Appointed w.e.f. August 01, 2020)

C **Group Entites or Companies under common control and with whom transaction have taken place during the year**

Bharat Aluminium Company Limited (BACL)
Sterlite Power Transmission limited (SPTL)
Vizag General Cargo Berth Private Limited (VGCBPL)
Maritime Ventures Private Limited (MVPL)
Vedanta Resources Limited (VRL)
Talwandi Saboo Power Limited (TSPL)
Hindusthan Zinc Limited (HZL)
Janhit Electoral Trust (JET)
Ferro Alloy Corporation Limited (FACL)
MALCO Energy Limited (Earlier Vedanta Aluminium Limited) (MEL)
Sterlite Technologies Limited (STL)
Minova Runaya Private Limited (MRPL)

E **Related party transaction:**

Nature of Transaction	Holding Company- VL	
	2021-22	**2020-21**
Recovery of Expenses	98.06	4.26
Purchase of materials	56,889.86	173.92
Purchase of assets	26.17	8.72
Interest Expenses	1,499.29	1,684.05
Interest Income	4,743.57	7,925.52
Security Deposit given	-	1,20,000.00
Guarantee Comission	919.01	989.87
Corporate Cost Allocation and reimbursement	3,703.76	2,690.58
Purchase of Scripts/Licences	-	354.29
Closing balance as at March 31		
Inter Corporate Deposit Payable	15,760.00	18,281.60
Security Deposit Receivable	-	1,17,000.00
Trade Payables	-	18.04
Reimbursement of Expenses Payable	905.43	2,412.53
Interest Receivable	-	7,528.03

(Rs. in lakhs)

Nature of Transaction	Key Management Personnel		Companies under Common control or Group Enterprises	
	2021-22	2020-21	2021-22	2020-21
Sale of goods				
SPTL	-	-	3,239.04	2,427.17
MRPL	-	-	2,962.74	-
STL	-	-	10.82	-
HZL	-	-	-	43.82
Purchase of assets				
HZL	-	-	2.53	-
Recovery of Expenses				
FACL	-	-	0.50	-
HZL	-	-	36.10	-
BACL	-	-	33.27	-
Reimbursement of Expenses	-	-		
BACL	-	-	6.63	3.42
FACL	-	-	2.25	-
HZL	-	-	3.71	254.33
VGCBPL	-	-	4.34	5.25
Purchase of Materials/Services Received				
VGCBPL	-	-	146.93	262.91
FACL	-	-	669.09	51.62
MEL	-	-	3,229.35	-
MVPL	-	-	645.67	528.11
Brand Fees				
VRL	-	-	9,488.60	6,763.70
Interest Received				
SPTL	-	-	58.35	36.10
Purchase of Scripts/Licences				
VGCBPL	-	-	127.67	3.02
HZL	-	-	84.70	-
BACL	-	-	112.20	432.15
Remuneration				
Jalaj Kumar Malpani	-	62.59	-	-
Pankaj Malhan	17.43	141.88	-	-
Mahesh Iyer	89.53	52.36	-	-
Navnath Laxman Vhatte	142.48	-	-	-
Director sitting fees and comission				
Prasun Kumar Mukherjee	27.25	5.25	-	-
Mahendra Singh Mehta	27.00	5.00	-	-
Closing balance as at March 31				
Remuneration Payable				
Mahesh Iyer	3.60	-	-	-
Navnath Laxman Vhatte	6.44	-	-	-
Trade Payable				
HZL	-	-	-	0.04
FACL	-	-	154.82	-
VGCBPL	-	-	0.73	0.74
MVPL	-	-	277.85	10.73
BACL	-	-	-	31.26
VRL	-	-	77.51	-
Advances Given				
VRL	-	-	-	1,898.72
Trade Receivable				
MRPL	-	-	474.35	-
SPTL	-	-	298.07	21.99
MEL	-	-	261.34	-

(Rs. in lakhs)

F **Compensation of Key management personnel**

The remuneration of directors and other member of key management personnel during the year was as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	224.69	219.05
Post-employment benefits	19.68	26.60
Other long-term benefits	5.07	11.18

Notes:

1. The above related party information is as identified by the management and relied upon by the auditor
2. In respect of above parties, there is no provision for doubtful debts as on March 31, 2022 and no amount has been written back or written off during the year in respect of debts due from/ to them
3. Post-Employee benefits and other long term employee benefits have been disclosed based on retirement/resignation of services but does not include provision made on acturial basis as the same is available for all the employees together.

4. Terms and conditions of transactions with related parties

All transactions are from related parties are made in ordinary course of business. For the year ended March 31 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39 DISCLOSURE AS PER IND AS 116

i) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Particulars	Vehicle	Land	Buildings	Equipment	Total
As at March 31, 2020	-	5,530.09	259.54	590.81	6,380.44
Addition	18.77	6,611.69	4.31	178.22	6,812.99
Adjustments	-	25,326.12	-	-	25,326.12
Deletion	-	-	45.57	93.54	139.11
Depreciation	1.56	2,281.81	105.85	293.44	2,682.66
As at March 31, 2021	**17.21**	**35,186.09**	**112.43**	**382.05**	**35,697.78**
Addition	1,532.55	1,050.48	230.58	311.32	3,124.93
Adjustments	(1.90)	(1,773.57)	(10.10)	(6.53)	(1,792.10)
Deletion	-	-	-	-	-
Depreciation	266.07	1,189.34	93.50	175.08	1,723.99
As at March 31, 2022	**1,281.79**	**33,273.66**	**239.41**	**511.76**	**35,306.62**

ii) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	21,942.50	28,081.62
Non-current lease liabilities	1,526.84	478.16
Total	**23,469.34**	**28,559.78**

iii) The following is the movement in lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	28,559.78	884.86
Additions	2,074.44	28,069.56
Finance cost accrued during the period	146.91	53.96
Deletions	-	(139.11)
Payment of lease liabilities	(7,164.89)	(247.30)
Payment of interest on lease liabilities	(146.92)	(62.19)
Closing	**23,469.32**	**28,559.78**

iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	21,942.50	28,081.62
Later than one year and not more than five years	1,526.84	478.16
Later than five years		-

v) Further to above, the Company has certain operating lease arrangements for office, transit houses, furnitures and fixtures etc. for short-term leases. Expenditure incurred on account of rental payments under such leases during the year and recognized as rent in the Profit and Loss account amounts to Rs. 261.67 lakhs (March 31, 2021: Rs. 183.94 lakhs).

40 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

A) CONTINGENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Guarantees given by banks on behalf of the Company	20.20	320.70
	20.20	**320.70**

(Rs. in lakhs)

Notes:
In view of the management supported by legal opinion and various judicial pronouncements, the contention of the claimants including in respect of statutory liability prior to June 04, 2018 are not tenable as per the Resolution Plan approved by Hon'ble NCLT and no outflow of fund with respect to these are expected. The Company's other pending litigations comprises of claims against the company and proceedings pending with 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 and does not expect any cash outflow in this respect.

B) CAPITAL AND OTHER COMMITMENTS

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (net)	1,05,423.66	1,782.45
		In Foreign Currency	**In Foreign Currency**
(b)	Forward Contract Outstanding		
	In USD/INR	8,56,96,940	4,06,02,220
	In GBP/USD	-	13,650
	In EURO/USD	1,46,818	6,05,460

(c) In terms of the MDPA signed with respect to two mine blocks in Odisha stipulates, that the company is required to fulfill certain minimum production quantities each year from commencement of mining lease. In the event the company is unable to fulfill the required minimum production quantities, it would be liable to pay penalty, as prescribed in the MDPA and Bank Guarantee of Rs. 7,954.42 lakhs has been provided in this respect.

Based on management's evaluation and mining plan submitted, the accounts have been prepared on the assumption that there will not be any shortfall in minimum production as required under MDPA.

41 Segment information

(a) Description of segments and principal activities

The Company is engaged in the manufacture and supply of TMT bars, Wire rods and Ductile Iron(DI) Pipes and also deals in Billets, Pig iron and Iron and Steel scrap products generated while manufacturing these products. In term of Ind AS 108 "Operating Segment", the Company has one business segment i.e. Iron and Steel and related products and all other activities revolve around the said business.

(b) Geographical information

The company is domiciled in India, however also sells its products outside India. The amount of its revenue from external customers broken down in each product is shown in the table below.

Particulars Revenue from external customers	As at March 31, 2022	As at March 31, 2021
In India		
- Billets	11,973.66	5,961.38
- TMT bars	2,11,052.37	1,42,649.79
- Wire rods	2,03,474.53	1,40,910.89
- DI pipes	83,883.28	61,868.89
- PIG Iron	71,807.59	54,328.98
- Others	170.65	15,848.34
Outside India		
- Billets	34,166.10	36,659.37
- Wire rods	25,180.00	8,577.05
- DI pipes	39.26	-
- PIG Iron	5,687.34	-

(c) There are no single customer directly or indirectly from whom more than 10% of the revenue is derived.

(Rs. in lakhs)

42 Calculation of Earning Per Share is as follows:

	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Net Profit/ (Loss) for basic and diluted earnings per share as per Statement of Profit and Loss	(9,459.19)	2,73,201.20
	Net Profit/ (Loss) for Basic and Diluted earnings per share	(9,459.19)	2,73,201.20
b)	Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)		
	Number of equity shares outstanding as on March 31	1,84,90,30,224	1,84,90,30,224
	Add: Movement in Equity Shares issued during the period	-	-
	Number of equity shares outstanding	1,84,90,30,224	1,84,90,30,224
	Weighted average number of equity shares considered for calculation of basic and diluted earnings per share	1,84,90,30,224	1,84,90,30,224
c)	Share of Rs. 10/- each:		
	Basic EPS (Rs.) (a/b)	(0.51)	14.78
	Diluted EPS (Rs.) (a/b)	(0.51)	14.78

43 The Company has availed various fund and non-fund based working capital facilities from banks amounting to Rs. 1,12,500.00 lakhs secured by First ranking pari passu charge by deed of Hypothecation executed in favour of Vistra ITCL (India) Limited, security trustees over the whole of the current assets of the company both present and future including stock of raw materials, stock-in-process, semi-finished goods, finished goods, stores and spares. Further secured by all of the book debts, amount outstanding, monies receivable, investments, claims and bills of the borrower and Letter of Comfort backed by Board Resolution from the Holding company.

44 In respect of company's application for obtaining Environmental Clearance (EC) from Ministry of Environment, Forest and Climate Change (MoEF), the Forest Advisory Committee (FAC) of MoEF granted the Stage 1 clearance and approved the related Terms of Reference (TOR) on August 25, 2020. Draft Environmental Impact Assessment (EIA)/Environment Management Plan (EMP) was submitted to JSPCB on November 05, 2020 and on conclusion of Public hearing by JSPCB, Final EIA/EMP report was uploaded on Parivesh Portal of MoEF on January 11, 2021 for consideration by Expert Advisory Committee (EAC). The proposal submitted by ESL after completing the public consultation process has been accepted by EAC in its 41st meeting held on July 30, 2021 and EAC has considered favourably and decided for issuance of EC to ESL subject to environmental safeguards to be taken by the company. Provision of Rs. 23,552.55 lakhs towards cost of land for Compensatory Afforestation pending final determination of amount thereof, have been made in earlier year. The company is currently in the process of identifying, procuring and handing over the land to the authorities. Provision for other cost etc. as required in this respect have also been estimated and made and included in Note 36.1(a) above.

MoEF vide it's letter dated August 25, 2021 has rejected the above proposal of EAC sighting the reason for pendency of similar matters for granting EC lying before certain high courts whereby SOPs issued for the purpose have been stayed and matters have not been finally decided. Pursuant to a SLP filed on September 25, 2021 before Hon'ble Supreme Court of India against the said decision of MoEF, Hon'ble Supreme Court of India vide order dated December 09, 2021 has set aside the impugned order and directed MoEF to process the EC Application of ESL as per the applicable law within a period of three months. On receipt of EC, necessary application for obtaining Consent to Establish (CTE) and then for Consent to Operate (CTO) will be made. However, MoEF vide its letter dated February 02, 2022 has deferred the grant of EC till Forest Clearance (FC) Stage-II is granted to the company. The company vide it's letter dated February 11, 2022 has requested for reconsideration of the said decision and for issuance of EC in terms of the above order of Hon'ble Supreme Court Order of India.

Pending issue of EC by MoEF as given herein above, Hon'ble Supreme Court has directed that operation of steel plant shall not be interfered with on the ground of want of EC, FC, CTE or CTO. Considering this and favourable conclusion of EAC for granting EC and effective steps being taken by the management for obtaining CTO, the accounts of the company have been prepared on going concern basis.

45 Operational Buyers' Credit and Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 0.28% to 1.50% per annum and in rupee from domestic bank at interest rate ranging from 2.00% to 8.00% per annum. These trade credits are largely repayable within 180 days from the date of draw down. Operational Buyer's credit availed in foreign currency is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. These facilities as stated in Note no. 43 above are secured by first pari passu charge over the present and future current assets of the Company.

(Rs. in lakhs)

46 FINANCIAL INSTRUMENTS

a) **The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Fair Value through Profit and Loss Account				
Derivative Assets - not designated as hedging instruments				
-Forward Contracts	566.88	566.88	-	-
Investments in Mutual Funds	18,015.91	18,015.91	40,889.96	40,889.96
Financial Assets at amortised cost				
Trade receivables	8,057.82	8,057.82	10,289.77	10,289.77
Cash and Bank Balances	4,414.68	4,414.68	10,259.66	10,259.66
Fixed Deposits with bank	63,731.61	63,731.61	30,114.55	30,114.55
Interest bearing Deposits	-	-	1,17,000.00	1,17,000.00
Other Financial Assets	3,412.13	3,412.13	8,601.77	8,601.77
Financial Liabilities (Current and Non-Current)				
Financial Liabilities at amortised cost				
Borrowings- Floating Rate	2,70,484.11	2,70,484.11	3,13,475.47	3,13,475.47
Borrowings- Fixed Rate	15,760.00	15,760.00	18,281.60	18,281.60
Lease Liability	23,469.34	23,469.34	28,559.78	28,559.78
Trade payables	46,880.99	46,880.99	38,271.41	38,271.41
Operational Buyers' Credit / Suppliers' Credit	75,166.51	75,166.51	55,122.71	55,122.71
Interest on Loans and Borrowings	1,960.65	1,960.65	1,991.61	1,991.61
Others financial liabilities	6,464.52	6,464.52	2,240.52	2,240.52
Fair Value through Profit and Loss Account				
Derivative Liabilities - not designated as hedging instruments				
-Forward Contracts	-	-	185.03	185.03

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 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 in the financial statements approximate their fair values.
- The Company's long-term debt has been contracted at floating rates of interest. 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 company.
- Investment in liquid and short-term mutual funds which are classified as fair value through profit and loss are measured using net asset value as published at the reporting date multiplied by the quantity held.
- 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. 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.

(Rs. in lakhs)

c) **Fair value hierarchy**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

Particulars	As at March 31, 2022	As at March 31, 2021	Fair value measurements at reporting date using		
			Level 1	Level 2	Level 3
Financial Assets					
– Derivative- not designated as hedging instruments					
o Forward Contracts	566.88	-	-	566.88	-
			(-)	(-)	(-)
– Investment in Mutual Funds	18,015.91	40,889.96	18,015.91	-	-
			(40,889.96)	(-)	(-)
– Investment in Fixed Deposits	63,731.61	30,114.55	-	63,731.61	-
			(-)	(30,114.55)	(-)
– Interest bearing Deposits	-	1,17,000.00	-	-	-
			(-)	(1,17,000.00)	(-)
Financial Liabilities					
– Borrowings- Floating Rate	2,70,484.11	3,13,475.47	-	2,70,484.11	-
			(-)	(3,13,475.47)	(-)
– Borrowings- Fixed Rate	15,760.00	18,281.60	-	15,760.00	-
			(-)	(18,281.60)	(-)
– Operational Buyers' Credit / Suppliers' Credit	75,166.51	55,122.71	-	75,166.51	-
			(-)	(55,122.71)	(-)
– Lease Liability	23,469.34	28,559.78	-	23,469.34	-
			(-)	(28,559.78)	(-)
– Derivative- not designated as hedging instruments					
o Forward Contracts	-	185.03	-	-	-
			(-)	(185.03)	(-)

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

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

-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. In respect of derivative financial instruments, the inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

d) **Derivatives 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:**

Category	Currency	As at March 31, 2022		As at March 31, 2021	
		No. of Deals	Amount in Foreign Currency	No. of Deals	Amount in Foreign Currency
Buy Forward	USD/INR	28	8,56,96,940	64	4,06,02,220
	EURO/USD	1	1,46,818	2	6,05,460
	GBP/USD	0	-	1	13,650

ii) **Unhedged Foreign Currency exposures are as follows: -** **(Amount in Foreign Currency)**

Nature	Currency	As at March 31, 2022	As at March 31, 2021
Trade Payables (Including acceptances)	EURO	-	85,476
Trade Receivable	USD	8,28,529	15,62,610

iii) The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(Amount in Rs. Lakh)

Paticulars	As at March 31, 2022	As at March 31, 2021
Not later than one month	370.24	(71.34)
Later than one month and not later than three months	121.16	(156.08)
Later than three months and not later than one year	75.48	42.39
Later than one year	-	-

(Rs. in lakhs)

e) **Sale of financial assets**

In the normal course of business, the Company transfers its bills receivable to banks. Under the terms of the arrangements, the Company surrenders control over the financial assets and transfer is without recourse. Accordingly, such transfers are recorded as sale of financial assets. Gains and losses on sale of financial assets without recourse are recorded at the time of sale based on the carrying value of the financial assets. In certain cases, transfer of financial assets may be with recourse. Under arrangements with recourse, the Company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with the banks. Accordingly, in such cases the amounts received are recorded as borrowings in the statement of financial position and cash flows from financing activities.

During the year ended March 31, 2022 and 2021, the Company transferred and recorded as sale of financial assets of Rs. 71,177.12 lakhs and Rs. 53,699.43 lakhs respectively, under arrangements without recourse and has included the proceeds from such sale in net cash flow generated by operating activities. These transfers resulted in loss (discounting charges) of Rs. 787.24 lakhs and Rs. 593.82 lakhs for the year ended March 31, 2022 and 2021 respectively.

f) **FINANCIAL RISK MANAGEMENT**

The Company's activities are exposed to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Director's reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

MARKET RISK

Market risk is the risk or uncertainty arising from possible market fluctuation 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, commodity price risk and other price risk. Financial instruments affected by market risk includes trade receivables, investment in fixed deposits and mutual funds, borrowings and trade and other payables.

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 trade and other payables and trade receivables.

In order to mitigate forex losses, the company has a comprehensive risk mangement review system wherein it actively hedges its foreign currency exposure with defined parameters through use of hedging instrument such as forward contracts. The Company periodically reviews its risk management initiatives and also takes expert advice on regular basis on hedging strategy.

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

(Amount in Foreign Currency)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	USD	USD	EURO	EURO
Trade Receivable	8,28,529	15,62,610	-	-
Trade and other Payables	-	-	-	-
Net assets/(liabilities)	**8,28,529**	**15,62,610**	**-**	**-**

Sensitivity analysis resulting in profit or loss arises mainly from USD denominated receivables and payables are as follows:

Particulars	Effect on Profit before tax: For the year ended March 31, 2022	Effect on Profit before tax: For the year ended March 31, 2021
PAYABLES (Weakening of INR by 5%)		
USD	-	-
RECEIVABLES (Weakening of INR by 5%)		
USD	0.41	0.78

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

Interest Rate Risk

The company exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing from the banks and financial institutions. Considering the same the carrying amount of said borrowing was considered to be at fair value.

Further there are deposits with banks and related party which are for short term period are exposed to interest rate falling due for renewal. These deposits are however generally for trade purposes and 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:

Particulars	Effect on Profit before tax: For the year ended March 31, 2022	Effect on Profit before tax: For the year ended March 31, 2021
Increase in 50 basis points		
Borrowings- Floating Rate	1,352.42	1,567.38

A decrease in 50 basis point would have an equal and opposite effect on the Company's financial statements.

(Rs. in lakhs)

Commodity price risk

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products. The Company is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs.

The Company aims to sell the products at prevailing market prices. Similarly, the Company procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction. Further, consequent to commencement of mining operations during the year supply of Iron Ore at the specified cost may be assured minimising the risk to that extent and may not have significant impact on the working results of the company.

Other price risk

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

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). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. 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. Further the company obtains necessary security including letter of credits and/or bank guarantee to mitigate its credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

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, there are two (March 31, 2021: three) customers having outstanding of Rs. 4,995.43 lakhs (March 31, 2021: Rs. 6,197.93 lakhs) which accounts for more than 10% of the accounts receivable.

The Company takes collateral or other credit enhancements to secure the credit risk. The Company has also taken advances, security deposits and Letter of Credit from its customers, which mitigate the credit risk to that extent.

Financial assets that are neither past due nor impaired

Cash and cash equivalents 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 amounting to Rs. 3,067.47 lakhs (March 31, 2021: Rs. 4,032.15 lakhs) which are past due at the end of the reporting period, no credit losses there against are expected to arise.

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 relies on internal accruals and borrowings from holding company to meet its fund requirement. The ongoing implementation measures will have a positive cash flow and in term help to control the liquidity crisis.

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.

Interest rate and currency of borrowings

Particulars	As at March 31, 2022		
	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	2,70,484.11	15,760.00	8.58%
Total	**2,70,484.11**	**15,760.00**	

Particulars	As at March 31, 2021		
	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	3,13,475.47	18,281.60	8.88%
Total	**3,13,475.47**	**18,281.60**	

(Rs. in lakhs)

Maturity Analysis of Financial Liabilities
As at March 31, 2022

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings	2,86,244.11	-	23,020.80	23,020.80	2,40,202.51	2,86,244.11
Interest payable	1,960.65	-	1,960.65	-	-	1,960.65
Lease Liability	23,469.34	20,968.77	633.80	339.93	1,526.84	23,469.34
Operational Buyers' Credit / Suppliers' Credit	75,166.51	-	75,166.51	-	-	75,166.51
Trade and other payables	53,345.51	53,345.51	-	-	-	53,345.51

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)	3,31,757.07	-	23,020.80	23,020.80	2,85,715.47	3,31,757.07
Interest payable	1,991.61	-	1,991.61	-	-	1,991.61
Lease Liability	28,559.78	27,868.26	197.79	90.84	402.89	28,559.78
Operational Buyers' Credit / Suppliers' Credit	55,122.71	-	55,122.71	-	-	55,122.71
Trade and other payables	40,511.93	40,511.93	-	-	-	40,511.93

The company has current financial assets which will be realised in ordinary course of business. Further it has significant retained surplus lying invested in fixed deposits and mutual funds so as to ensures that it has sufficient cash on demand to meet expected operational expenses and obligations.

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 impacting the risk profile of the Company.

The gearing ratio as at March 31, 2022 and March 31, 2021 are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Current loans and borrowings	46,041.60	45,509.16
Non-current loans and borrowings	2,40,202.51	2,86,247.91
Total loans and borrowings	**2,86,244.11**	**3,31,757.07**
Less: Cash and Cash Equivalents	6,411.03	12,082.00
Net Debt	**2,79,833.08**	**3,19,675.07**
Total equity attributable to the equity shareholders of the Company	6,12,772.83	6,22,433.39
Capital and Debt	**8,92,605.91**	**9,42,108.46**
Total capital (loans and borrowings and equity)	**0.46**	**0.51**

47 RATIOS

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	As at / For the year ended March 31, 2022	As at / For the year ended March 31, 2021	Variance	Remarks
Current Ratio	Current Assets	Current Liabilities	1.00	1.46	-31.52%	Due to optimum utilisation of Working capital limits
Debt-Equity ratio	Short Term Borrowings+ Long Term Borrwings+ Lease Liabilities	Total Equity	0.51	0.53	-5.17%	
Debt service coverage ratio	Earning before Interest, Depreciation and Tax+ Exceptional Items	Interest Expense+Principal Repayment of Long Term Debt+ Repayment of Lease Liabilities	0.89	1.55	-42.93%	Lower EBIDTA due to increase in price of principal inputs
Return on Equity Ratio	Profit after Tax+ Exceptional Items	Total Equity	-0.59%	48.33%	-101.22%	Due to increase in price of principal inputs
Inventory turnover ratio	Revenue from operations less EBITDA	Average Inventory	6.42	5.04	27.51%	Optimum Inventory Management inspite of increase in Sales/Production cost.
Trade Receivable turnover ratio	Revenue from Operation	Average Trade Receivables	71.90	34.75	106.91%	Due to better realisation

(Rs. in lakhs)

Particulars	**Numerator**	**Denominator**	**As at / For the year ended March 31, 2022**	**As at / For the year ended March 31, 2021**	**Variance**	**Remarks**
Trade payables turnover ratio	Total Purchases	Average Trade Payables including Operational Buyers' Credit / Suppliers' Credit	4.92	3.18	54.82%	Due to timely release of payments
Net capital turnover ratio	Revenue from operations	Working Capital	3,42,847.85	5.13	6680309.30%	On account of Working capital
Net profit ratio	Profit after Tax+ Exceptional Items	Revenue from Operation	-0.55%	63.05%	-100.87%	Due to increase in price of principal inputs
Return on capital employed	Earning before Interest and Tax+ Exceptional Items	Average Capital Employed (Capital Employed= Total Assets- Current Liabilities)	4.62%	8.17%	-43.46%	Due to increase in price of principal inputs
Return on Investments	Income generated from investments	Time weighted average investments	3.55%	2.17%	63.50%	Due to rate fluctuation of Mutual Funds

48 INCOME TAX

(a) Income Tax has been provided considering the provisions of Income Tax Act and based on the legal opinion and advices received in this respect.

(b) In assessing the relisability of deferred tax assets (DTA), the Company considers the extent to which, it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits against which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

Movement of Deferred Tax from beginning to the end of the financial year is as follows:

Particulars	**As at March 31, 2020**	**Charge/ (Credit) to Statement of**	**Charge/ (Credit) to Other**	**As at March 31, 2021**	**Charge/ (Credit) to Statement of**	**Charge/ (Credit) to Other**	**As at March 31, 2022**
Deferred Tax Liability							
a) Related to Property, Plant and Equipment and Intangible Assets	45,678.26	3,607.98	-	49,286.24	3,532.56	-	52,818.80
b) Fair Valuation of Mutual Funds	453.74	(430.64)	-	23.10	(18.29)	-	4.81
c) Loans carried at Amortised Cost	975.33	(260.89)		714.44	(184.73)		529.71
d) Forward Contract receivable	361.53	(361.53)		-	198.09	-	198.09
Total Deferred Tax Liability	**47,468.86**	**2,554.92**	**-**	**50,023.78**	**3,527.63**	**-**	**53,551.41**
Deferred Tax Assets							
a) Accumulated Unabsorbed depreciation	43,917.13	(1,99,396.88)	-	2,43,314.01	(12,473.60)	-	2,55,787.61
b) Accumulated Unabsorbed business loss	-	(67,753.42)	-	67,753.42	9,067.62		58,685.80
c) Provision for doubtful debts, advances, and other provisions	3,279.88	(10,417.92)	-	13,697.80	11,645.90	-	2,051.90
c) Amount deductible on payment basis	259.21	77.56	(27.41)	209.06	(166.30)	(108.17)	483.53
c) Others	12.64	(265.62)	-	278.26	278.26	-	-
Total Deferred Tax Assets	**47,468.86**	**(2,77,756.28)**	**(27.41)**	**3,25,252.55**	**8,351.88**	**(108.17)**	**3,17,008.84**
Deferred Tax Liability/(Assets) (Net)	**(0.00)**	**(2,75,201.36)**	**(27.41)**	**(2,75,228.77)**	**11,879.51**	**(108.17)**	**(2,63,457.43)**

The rationale for recognition of Deferred Tax Assets has been reviewed based on the expected sustainability of profit and growth in volume of business as per the current projections and estimates prepared by the management. Accordingly, Deferred Tax Assets of Rs. 11,771.34 lakhs (net) have been reversed during the year ended March 31, 2022 and balance amount of Rs. 2,63,457.43 lakhs based on management's assumption for reasonable certainty of utilisation thereof as required in terms of Ind AS 12 "Income Taxes" has been carried forward as at March 31, 2022.

In view of the management, future taxable income of the company considering the projected volume of operations based on current profitability and estimate for sustainability in this respect in future, will be sufficient to absorb the deferred tax assets for utilisation thereof over a period of time.

(c) **The Expiry date for accumulated business loss are as follows:**

Particulars	**Year of Expiry**	**Amount**
Business Loss	2023-2024	28,638.62
Business Loss	2026-2027	27,793.81
Business Loss	2027-2028	1,11,510.00
Unabsorbed depreciation	Not Applicable	7,31,992.96

(Rs. in lakhs)

(d) Reconciliation of Tax expense and the accounting profit multiplied by domestic tax rate for March 31, 2020

Particulars	**For the Year ended March 31, 2022**	**For the Year ended March 31, 2021**
Profit/ (Loss) before tax	**2,420.32**	**(2,181.42)**
Income Tax Charge/(Credit) thereon based on tax rate @ 34.94%	845.76	(762.27)
Adjustment for:		
Unrecognised Deferred Tax in earlier years recognised during the year	-	(2,85,878.20)
Difference in amount of Unabsorbed business loss considered for last year computation	(2,429.53)	(2,049.08)
Losses lapsed during the year	12,850.01	-
Other Permanent difference	613.27	70.39
Unrecognised Unabsorbed Business losses	-	13,417.80
	11,879.51	**(2,75,201.36)**

49 **Relationship with Struck-off Companies:** Based on information available with the company from the webiste of Ministry of Corporate Affairs. There were no transaction during the current year with such companies. During the previous year Rs. 4.70 lakhs was outstanding as payable to one such company i.e. HI-Q-CHEMIQUE PVT LTD. The amount being outstanding since long was written back in the previous year.

50 These financial statements have been approved by the Board of Directors of the Company on April 19, 2022, for issue to the shareholders for their adoption.

51 Schedule III to the Companies Act, 2013 vide notification dated March 24,2021 issued by Ministry of Corporate Affairs has been amended with effect from April 01, 2021 and these financial statement have been prepared giving effect to the said amendments. Accordingly, comparative figures for the previous year have been regrouped wherever applicable to make them comparable with those of the current year's figure.

As per our report of even date

For Lodha & Co,
Chartered Accountants

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2022

For and on behalf of the Board of Directors

Poovannan Sumathi — Non-Executive Director
(DIN : 07147100)

Navnath Laxman Vhatte — Whole time Director
(DIN : 09048441)

Mahesh Iyer — Chief Financial Officer

Manish Kumar Chaudhary — Company Secretary
M.No. ACS 23037