

Ref. No. : EIL/SD/35th AR/2021-2022/1211

Date : 12th November, 2021

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

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

Dear Sir/Madam,

Sub: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attached herewith a Notice of 35th Annual General Meeting to be held on Monday, 6th December, 2021 at 11:00 a.m. through Video Conferencing / Other Audio Visual Means (VC/OAVM) along with the Annual Report for the financial year ended on 31st March, 2021. The Annual Report is being sent to the shareholders of the Company by the permitted mode(s).

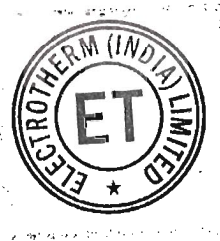
You are requested to kindly take the same on your record.

Thanking you,

Yours faithfully,
For Electrotherm (India) Limited



Shailesh Bhandari
Managing Director
(DIN: 00058866)



Encl: As above

ELECTROTHERM (India) Limited

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

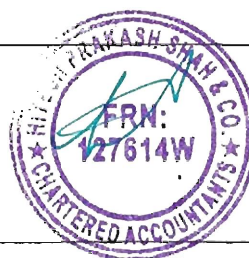
REGD. OFFICE:
A-1, Skylark Apartment, Satellite Road,
Satellite, Ahmedabad-380015.
Phone: +91-79-26768844, Fax: +91-79-26768855
CIN : L29249GJ1986PLC009126
Email: sec@electrotherm.com

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



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

Statement on Impact of Standalone Audit Qualifications for the Financial Year ended 31 st March, 2021 (See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)				
I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Crores)	Audited Figures (as reported after adjusting for qualifications) (Rs. In Crores)
	1.	Turnover / Total Income	2530.59	2530.59
	2.	Total Expenditure	2467.29	2652.00
	3.	Net Profit / (Loss)	63.30	(121.41)
	4.	Earnings Per Share	49.69	(95.30)
	5.	Total Assets	1896.87	1896.87
	6.	Total Liabilities	2803.66	4025.38
	7.	Net Worth	(906.79)	(2128.51)
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	
II.	Audit Qualification (each audit qualification separately)			
	a.	Details of Audit Qualification	Non-provision of interest on Non-Performing Assets (NPA) accounts of banks of Rs. 184.71 Crore for the year under consideration and the total amount of such unprovided interest till date is Rs. 1221.72 Crore.	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification : Whether appeared first time / repetitive / since how long continuing	Repetitive (Since Financial Year 2011-12)	





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

Place : Palodia.

Date: 15th October, 2021

ELECTROTHERM (India) Limited

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

Statement on Impact of Consolidated Audit Qualifications for the Financial Year ended 31st March, 2021 (See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)				
I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Crores)	Audited Figures (as reported after adjusting for qualifications) (Rs. In Crores)
	1.	Turnover / Total Income	2522.28	2522.28
	2.	Total Expenditure	2472.80	2683.07
	3.	Net Profit / (Loss)	49.49	(160.78)
	4.	Earnings Per Share	38.85	(126.20)
	5.	Total Assets	1896.72	1896.72
	6.	Total Liabilities	2939.10	4259.31
	7.	Net Worth	(1042.38)	(2362.59)
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	
II.	Audit Qualification (each audit qualification separately)			
	a.	Details of Audit Qualification	Non-provision of interest on Non-Performing Assets (NPA) accounts of banks of Rs. 210.27 Crore for the year under consideration and the total amount of such unprovided interest till date is Rs. 1320.21 Crore.	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification : Whether appeared first time / repetitive / since how long continuing	Repetitive (Since Financial Year 2011-12)	



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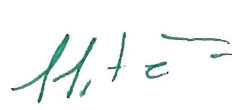




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d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's views	The loan accounts of the Company and its two subsidiaries i.e. Hans Ispat Limited and Shree Ram Electro Cast Limited has been classified as Non-Performing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

Place : Palodia

Date: 15th October, 2021

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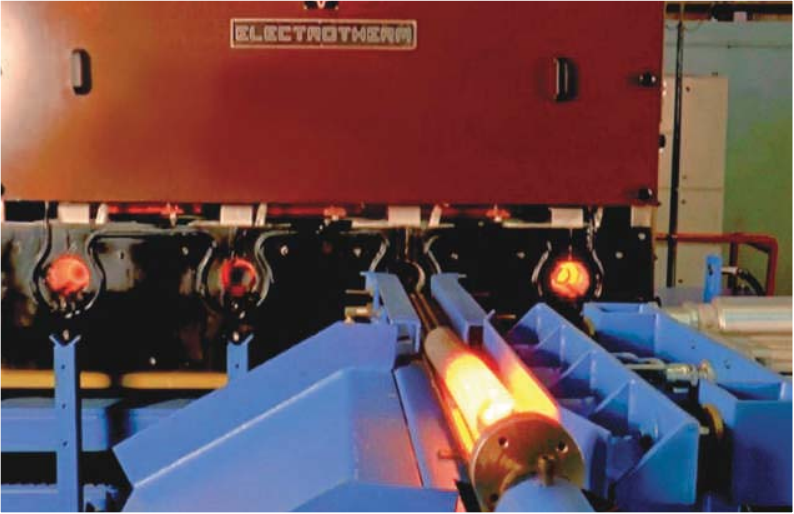
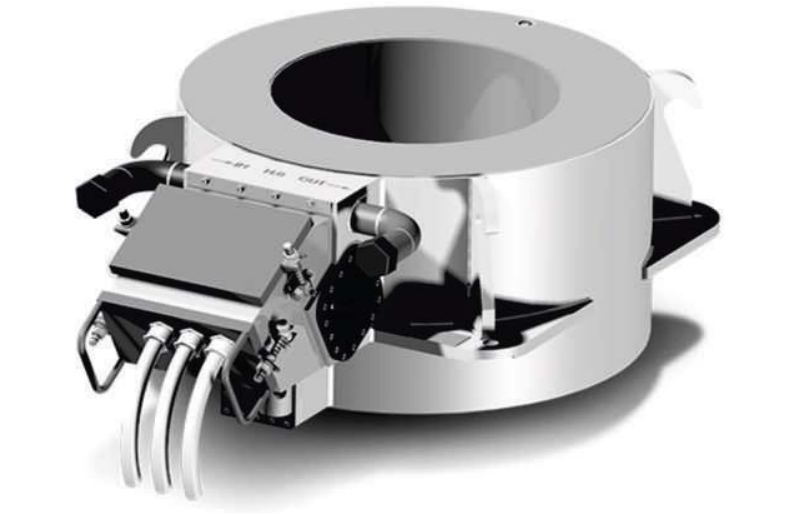
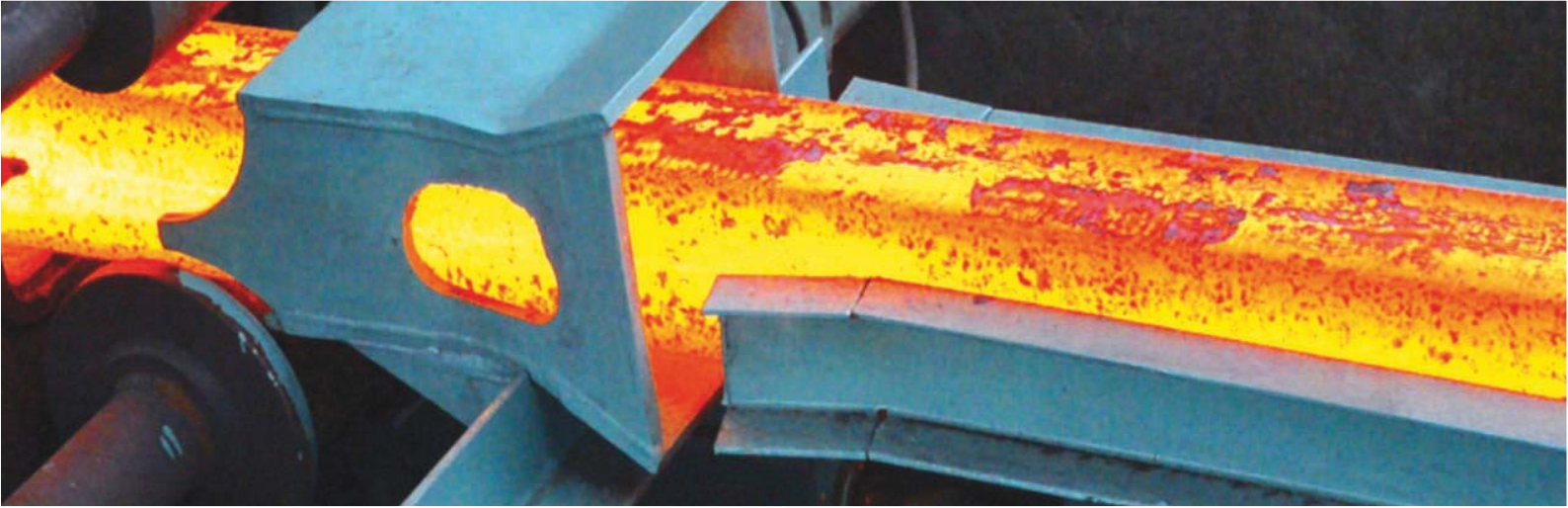
35th ANNUAL REPORT 2020-21

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



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www.electrotherm.com



**CORPORATE INFORMATION****Board of Directors**

Mr. Dinesh Mukati	Non-Executive Chairman & Independent Director
Mr. Shailesh Bhandari	Managing Director
Mr. Suraj Bhandari	Whole-time Director
Mr. Mukesh Bhandari	Non-Executive Director
Mr. Pratap Mohan	Independent Director
Ms. Nivedita Sarda	Independent Director
Mr. Aditya Jain	Non-Executive Director (w.e.f. 17 th August, 2020)

Key Managerial Personnel

Mr. Fageshkumar R. Soni	Company Secretary (upto 31 st July, 2021)
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Auditors

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

Banks / Financial Institutions

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

Registered Office

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 Email : sec@electrotherm.com
 Website: www.electrotherm.com
 Phone: +91-79 - 26768844
 Fax: +91-79 - 26768855

Registrar & Transfer Agent

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

Engineering & Technologies Division

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

Special Steel Division & Electric Vehicle Division

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

Transmission Line Tower Division

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

Read Inside

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NOTICE

NOTICE is hereby given that the **35th Annual General Meeting** of Members of **Electrotherm (India) Limited** will be held on **Monday, 6th December, 2021 at 11.00 a.m.** through Video Conferencing / Other Audio Visual Means (VC/OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt audited standalone and consolidated financial statements of the Company for the financial year ended on 31st March, 2021 together with report of Board of Directors and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Aditya Jain (DIN : 01568183), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To ratify the remuneration of the Cost Auditor for the financial year ending on 31st March, 2022:**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration, decided by the Board of Directors on the recommendation of the Audit Committee, of Rs. 2,00,000 (Rupees Two Lakhs Only) to M/s V. H. Savaliya & Associates, Cost Accountants (Membership No.13867) for conducting the audit of cost records of the Company for the financial year ending on 31st March, 2022."

By Order of the Board
For Electrotherm (India) Limited

Shailesh Bhandari
Managing Director
DIN: 00058866

Date: 15th October, 2021
Place: Palodia

Registered Office:

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

NOTES:

1. In view of the extraordinary circumstances due to COVID-19 pandemic prevailing in India, the requirement of social distancing and continuing restrictions on the movement of persons at several places in the country, the Ministry of Corporate Affairs (MCA) provided relaxation vide its circular No. 14/2020 dated 8th April, 2020, circular No. 17/2020 dated 13th April, 2020 and circular No. 20/2020 dated 5th May, 2020 read with circular No. 02/2021 dated 13th January, 2021 ('MCA Circulars') and SEBI vide their Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January,

2021 ('SEBI Circulars') allowed the Companies to hold Extra Ordinary General Meeting (EGM) / Annual General Meeting (AGM) of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without physical presence of the Members at a common venue. In view of the above and in compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars, SEBI Circulars and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 35th AGM of the Company is being conducted through VC/OAVM and physical attendance of Members to AGM venue is not required. The Members can attend and participate in the AGM through VC/OAVM.

2. Pursuant to the above mentioned MCA circular No. 14/2020 dated 8th April, 2020 and SEBI Circular dated 12th May, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.
3. Pursuant to order dated 24.05.2021, 07.06.2021 and 17.06.2021 by the Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") in appeal filed by the Company against the order dated 04.05.2021 of the Hon'ble National Company Law Tribunal, Ahmedabad in pending petitions related to appointment of independent directors and oppression & mismanagement, there is stay on the further Board Meeting and in view of further clarification required about the interpretation of the order of Hon'ble NCLAT, the Board Meeting was not being convened to consider the Audited Financial Statements for the year ended on 31 March, 2021. As per the approval of the Hon'ble NCLAT in their order dated 27th September 2021, in relation to the calling the board meeting, the Audited Standalone and Consolidated Financial statements were approved by the Board of Directors at their meetings held over October 14 - 15, 2021. Further based on the application of the Company as per the provisions of section 96(1) of the Companies Act, 2013, the Registrar of Companies, Gujarat has granted the extension of time for holding of 35th Annual General Meeting of the Company for the Financial Year ended on 31st March, 2021 by a period of 3 (three) months i.e. up to 31st December, 2021.
4. A body corporate intending to send their authorized representative(s) to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of resolution of the Board of Directors or other governing body authorizing such representative(s) to attend and vote on their behalf at the Meeting.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit

NOTICE

- Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to special business in respect of Item No. 3 of the Notice to be transacted at the AGM is annexed hereto.
 8. Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 with respect to Directors seeking appointment / re-appointment at the Annual General Meeting is attached hereto.
 9. Relevant documents referred to in the accompanying Notice and the statement pursuant to section 102(1) of the Companies Act, 2013 and also the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements will be available electronically for inspection by the members without any fees from the date of circulation of this Notice up to the date of AGM, i.e. 6th December, 2021. Members seeking to inspect such documents can send an email to sec@electrotherm.com
 10. The requirement to place the matter relating to ratification of appointment of Auditors by Members at every AGM is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 31st Annual General Meeting held on 5th September, 2017 for a period of five years.
 11. There is no money lying to unpaid / unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government.
 12. In terms of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, Company has uploaded the data regarding unpaid/unclaimed dividend for the last seven years on the website of the Company www.electrotherm.com as well as website of the Investor Education and Protection Fund Authority, Ministry of Corporate Affairs (MCA) www.iepf.gov.in.
 13. In compliance with the above mentioned MCA Circulars and SEBI Circulars, Notice of the 35th AGM, Annual Report and instruction for e-voting are being sent to the members through electronic mode whose email addresses are registered with the Company/Depository Participant(s). The Copy of Notice of 35th AGM and Annual Report will also be available on the website of (i) the Company at www.electrotherm.com, (ii) the BSE Limited (BSE) at www.bseindia.com and National Stock Exchange of India Limited (NSE) at www.nseindia.com and (iii) Central Depository Services (India) Limited (CDSL) at www.evotingindia.com.
 14. In compliance with the provisions Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and above mentioned MCA Circulars, the members are provided with the facility to cast their vote by electronic means through the remote e-voting or through e-voting on the date of AGM, by using the platform provided by CDSL and the business may be transacted through such voting. The process for electronically voting is mentioned herein below.
 15. The Voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on cut-off date i.e. Monday, 29th November, 2021.
 16. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.
 17. Mr. Arvind Gaudana, Practising Company Secretary of M/s Gaudana & Gaudana has been appointed as the Scrutinizer to scrutinize the electronically voting (remote e-voting or voting at AGM through electronically) process in a fair and transparent manner.
 18. The Scrutinizer's decision on the validity of the vote shall be final.
 19. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such vote cast through remote e-voting shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM through VC/OAVM, however such Member shall not be allowed to vote again during the AGM.
 20. After completion of the scrutiny of the e-voting, the Scrutinizer will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the AGM or a person authorised by the Chairman, not later than three days from the conclusion of the AGM. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
 21. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.electrotherm.com. The Company shall simultaneously forward the result to BSE, NSE and CDSL.
 22. The Resolutions shall be deemed to be passed on the date of the AGM conducted through VC/OAVM, subject to receipt of the requisite number of votes in favour of the Resolutions.
 23. The AGM will be held through VC/OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

NOTICE

24. Process for those shareholders whose email ids are not registered:

- (a) **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to Company on sec@electrotherm.com or RTA email id on ahmedabad@linkintime.co.in.
- (b) **For Demat shareholders** - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to Company on sec@electrotherm.com or RTA email id on ahmedabad@linkintime.co.in.

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

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

- (i) The voting period begins on Friday, 3rd December, 2021 at 9:00 a.m. and ends on Sunday, 5th December, 2021 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 29th November, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listed Companies are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

NOTICE

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login, the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration / EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<ol style="list-style-type: none"> 1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

NOTICE

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - 6) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image

NOTICE

verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; sec@electrotherm.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to get any information on the accounts or operations of the Company or express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sec@electrotherm.com.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

ITEM NO. 3:

The Board of Directors of the Company at their Meeting held over October 14-15, 2021, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. V. H. Savaliya & Associates, Cost Accountants (Membership No.13867), Ahmedabad, to conduct the audit of the cost accounting records of the Company for the financial year ending on 31st March, 2022 at a remuneration of Rs. 2,00,000/- (Rupees Two Lacs Only).

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

Accordingly, consent of the Members is sought for approving the Ordinary Resolution as set out in Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending on 31st March, 2022.

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

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

By Order of the Board
For Electrotherm (India) Limited

Shailesh Bhandari
Managing Director
DIN: 00058866

Date: 15th October, 2021

Place: Palodia

Registered Office:

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

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

Name of Director	Mr. Aditya Jain
Director Identification Number (DIN)	01568183
Date of Birth (Age)	21/03/1977 (44 years)
Date of First Appointment on the Board	17/08/2020
Qualification	B.Sc (Special) in Chemistry & MBA - Marketing & International
Experience / Expertise in functional areas	He is having around 5 years experience in Singapore based Company and around 15 years' experience as Director of AddRec Solutions Private Limited, which is a global recruitment and HR solutions company, providing organizations with solutions & services to meet their workforce needs across the world with services in India, Gulf, Africa and Singapore and providing staffing, search, HR, assessment and selection services.
Terms and conditions of appointment / re-appointment	He retires by rotation at 35 th AGM and being eligible offers himself for re-appointment.
Remuneration sought to be paid and the remuneration last drawn	Remuneration last drawn is NIL.
No. of Shares held in the Company	250 Equity Shares
Relationship with other Directors, Manager and other KMP	None
Number of Meetings of the Board held & attended during the year	2/3
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil
Memberships / Chairmanships of committees of other public companies (excluding foreign companies and Section 8 companies)	None

BOARDS' REPORT

BOARD'S REPORT

To,
The Members
Electrotherm (India) Limited

Your Directors have pleasure in presenting the 35th Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended on 31st March, 2021.

FINANCIAL SUMMARY OR HIGHLIGHTS:

The standalone financial performance of the Company for the year ended on 31st March, 2021 is summarized below:

(Rs. In Crores)

Particulars	2020-2021	2019-2020
Total Income	2530.59	2862.09
Total Expenses	2467.29	2852.65
Profit / (Loss) before Exceptional Items and Tax	63.30	9.44
Add/(Less) : Exceptional Items	-	35.54
Profit / (Loss) before Tax	63.30	44.98
Less: Tax Expenses	-	-
Profit / (Loss) for the Year	63.30	44.98
Other Comprehensive Income / (Loss)	1.34	(2.70)
Total Comprehensive Income	64.64	42.28
Earning Per Equity Share	49.69	35.31

Previous year figures has been regrouped and/or reclassified to confirm to the classification of the current period.

STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS:

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

During the year ended on 31st March, 2021, the total income of the Company was Rs. 2530.59 Crores compared to Rs. 2862.09 Crores of previous financial year. The net profit for the current financial year was Rs. 63.30 Crores as compared to profit Rs. 44.98 Crores of previous financial year. A detailed analysis of performance for the year is included in the Management Discussion and Analysis, which forms part of this Annual Report.

CHANGE IN NATURE OF BUSINESS:

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

TRANSFER TO RESERVES:

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

DIVIDEND:

In view of accumulated losses during the previous financial years and fund requirements, the Board of Directors of the Company do not recommend any dividend on Equity Shares and on Preference Shares for the year ended on 31st March, 2021.

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

There are no material changes and commitments, except the impact of Covid-10 pandemic, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report. The operations and financial position of the Company have been impacted due to Covid-19 pandemic and the Company continues to monitor any material changes to the future economic conditions.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated financial statements of the Company for the financial year 2020-2021 are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards ("Ind AS") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which form part of this Annual Report.

SUBSIDIARY / JOINT VENTURE COMPANIES:

The Company has the following subsidiaries / joint venture companies as on 31st March, 2021:

1. Hans Ispat Limited
2. Electrotherm Services Limited (erstwhile known as Shree Hans Papers Limited)

BOARDS' REPORT

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

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

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

During the financial year 2020-2021, none of the companies have become or ceased to be subsidiaries, joint ventures or associate companies.

NUMBER OF BOARD MEETINGS:

During the financial year 2020-2021, Four (4) Board Meetings were held and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. Details of the composition of the Board and its Committees and of the meetings held, attendance of the Directors at such meetings and other relevant details are provided in the Corporate Governance Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

❖ Retirement by Rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mr. Aditya Jain (DIN: 01568183), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

❖ Appointment/ Cessation of Directors:

During the financial year 2020-2021, the shareholders of the Company, at the 34th Annual General Meeting held on 17th August, 2020 (i) appointed Mr. Suraj Bhandari (DIN : 07296523) as a Director and Whole-time Director for a period of three years with effect from 13th November, 2019 and concluding on 12th November, 2022 (ii) re-appointed Mr. Shailesh Bhandari (DIN : 00058866) as a Managing Director for a period three years with effect from 1st February, 2020 and concluding on 31st January, 2023, subject to outcome of the Interlocutory Application (IA) filed in Company Petition under Section 241 & 242 of the Companies Act, 2013 and (iii) appointed Mr. Aditya Jain (DIN: 01568183) as Non-Executive Director, liable to retire by rotation.

❖ Key Managerial Personnel:

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

During the financial year 2020-2021, Mr. Avinash Bhandari resigned as a Chief Executive Officer (CEO) – Steel Division of the Company with effect from 30th June, 2020. Further Ms. Shraddha Vyas was appointed as a Chief Financial Officer (CFO) of the Company with effect from 1st July, 2020 and she resigned as CFO with effect from 11th March, 2021.

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

❖ Declaration of Independence

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

❖ Annual Evaluation of Board's Performance

In terms of the provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and Listing Regulations, the Nomination and Remuneration Committee has carried out the annual evaluation of performance of the Board and its Committees and the Board of Directors has carried out the annual evaluation of the performance of individual directors. The manner in which the evaluation was carried out is provided in the Corporate Governance Report, which is part of this Annual Report.

❖ Nomination and Remuneration Policy

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

PARTICULARS OF INVESTMENT, LOAN AND GUARANTEE:

Particulars of investment made, loan and guarantee given as covered under the Section 186 of the Companies Act, 2013, has been provided in Note No. 5, 6 and 31 of the notes to the financial statement which form part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee. The Board of Directors on the recommendation of Corporate Social

BOARDS' REPORT

Responsibility (CSR) Committee had approved the Corporate Social Responsibility Policy. With a view to enlarge the scope of CSR activities, the Company has revised the CSR Policy and same is available on the website of the company at www.electrotherm.com. The composition and terms of reference of the CSR Committee are detailed in the enclosed Corporate Governance Report.

The Annual Report on CSR Activities during the financial year 2020-2021 forming part of this Board's Report is annexed herewith as "Annexure –B" to this report.

RELATED PARTY TRANSACTIONS:

The Company has, pursuant to the approval of the shareholders through special resolution under Section 188 of the Companies Act, 2013, entered into related party transactions on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.electrotherm.com.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. The details of transaction with related parties for the financial year ended on 31st March, 2021 is given in Note No. 38 of the financial statements which is part of this Annual Report of the Company.

FIXED DEPOSIT:

During the financial year 2020-2021, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further there are no outstanding deposits as on 31st March, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts for the financial year ended on 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- the Directors had prepared the Annual Accounts on a going concern basis;

- the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT:**❖ Statutory Auditor:**

Pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Hitesh Prakash Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 127614W), were appointed as Statutory Auditors of the Company at the 31st Annual General Meeting held on 5th September, 2017 for a term of five (5) years beginning from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting.

Auditors' Report:

In the Independent Auditors' Report for the year ended on 31st March, 2021, there are certain matters of emphasis related to (a) Note No. 15(c) in respect of non-payment of installments due to lender of the loan for the period from December 31, 2019 to March 31, 2021 and Interest due for the period from March 31, 2020 till March 31, 2021 and requested respective lenders to allow this moratorium period for the said payment and the lenders are yet to confirm the revised repayment schedule (b) Note No. 31(a) (vii) and 37 in respect of pending litigations / cases and recovery proceedings against the company and the Directors of the Company (c) Note No. 33(a) in respect of default in the repayment of loan and further its treatment in the books of accounts of the assignment / settlement of debts of various banks and the financial institution (d) Note No. 33(a)(i)(e) in respect of petition filed by Central Bank of India, a financial creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad (e) Note No. 35(c) in respect of confirmation / reconciliation of few accounts of "Trade Receivables", "Trade Payable", "Advance from Customers", "Advances recoverable in Cash or Kind" and "Advance to suppliers and other parties" including old balances and (f) Note No. 35(e) in respect of inventories carried at net realizable value / Inventory written down.

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

With regard to the qualification in the Independent Auditors' Report in reference to Note No. 34(b) of non-provision of interest on NPA accounts of banks on approximate basis of Rs. 184.71 Crores for the year under consideration and total amount of such unprovided interest till date is Rs. 1221.72 Crores, the Board of Directors submits that the loan accounts of the Company have been classified as Non-Performing Assets (NPA) by the Bankers and some of the Bankers has not charged interest on the said accounts and therefore provision for interest has not been made in the books of accounts. The quantification has been done only for the loans which have not been settled.

BOARDS' REPORT

❖ **Cost Auditor:**

Pursuant to the consent and certificate received from M/s V. H. Savaliya & Associates, Cost Accountants, Ahmedabad and as per Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has on the recommendation of the Audit Committee appointed him as Cost Auditor, to conduct the cost audit of the Company for the financial year ending on 31st March, 2022, at a remuneration as mentioned in the notice convening the Annual General Meeting, subject to ratification of the remuneration by the Members of the Company.

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

❖ **Secretarial Auditor:**

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

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

- With regard to composition of the Nomination and Remuneration Committee under Regulation 19 (1)/(2) of the SEBI (LODR) Regulations, 2015, the Company has submitted the waiver requests to the National Stock Exchange of India Ltd and BSE Ltd as matter of interpretation and remitted the amount of penalty as abundant precaution without accepting the said non-compliance. The NSE informed the Company that waiver of fine was considered favorably. The waiver request submitted to BSE is pending.
- With regard to non-submission of disclosures of defaults on payment of interest/ repayment of principal amount on loans from banks / financial institutions for the period from 31st December, 2020 to till 31st March, 2021, the Company will ensure to submit disclosures within the time line.
- With regard to Minutes of the meetings of Board of Directors of ET Elec-Trans Limited, one of the unlisted subsidiary were not regularly placed at the meeting of the Board of Directors of the Company as per Regulation 24(3) of the SEBI (LODR) Regulations, 2015, the same were not placed due to non-receipt of Minutes from ET Elec-Trans Limited.

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

The information required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 with respect to conservation of energy,

technology absorptions and foreign exchange earnings and outgo is given in **"Annexure - D"** which forms part of this Annual Report.

PARTICULARS OF EMPLOYEES:

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

AUDIT COMMITTEE:

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

As on 31st March, 2021, the Audit Committee consists of (i) Mr. Pratap Mohan, Independent Director as Chairman (ii) Mr. Dinesh Mukati, Independent Director as Member and (iii) Ms. Nivedita Sarda, Independent Director as Member.

RISK MANAGEMENT POLICY:

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

In the opinion of the Board of the Directors of the Company, there are elements of risks in the nature of various legal cases including for recovery of dues, attachment of certain properties which may threaten the existence of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

Presently, there are certain significant and material orders passed by the regulator / court / tribunal which may impact the Company and its operations in future as mentioned in Note No. 33 & 37 of the standalone financial statements which is part of this Annual Report.

Further, Central Bank of India, a financial creditor has filed a petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 before Hon'ble National Company Law Tribunal, Ahmedabad, for initiating Corporate Insolvency Resolution Process (CIRP) against the company. The Company has filed its affidavit of objection and the Bank has filed rebuttal affidavit and now the matter is pending for further hearing and consideration.

CORPORATE GOVERNANCE:

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

WHISTLE BLOWER POLICY/VIGIL MECHANISM:

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly the Board of Directors has formulated Whistle Blower Policy/Vigil Mechanism in compliance with the provision of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The policy provides for a framework and process whereby concerns can be raised by

BOARDS' REPORT

its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details of the Whistle Blower Policy/Vigil Mechanism are explained in the Corporate Governance Report. The Whistle Blower Policy/Vigil Mechanism is available on the website of the Company at www.electrotherm.com.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the Annual Return as on 31st March, 2021 is available on the website of the Company at www.electrotherm.com.

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

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

SECRETARIAL STANDARDS:

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

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

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

OTHER DISCLOSURES:

- a) During the financial year 2020-2021, there was no change in authorized share capital, subscribed and paid-up share capital of the Company. Also, there was no reclassification/sub-division in authorized share capital of the Company.
- b) There was no reduction of share capital or buy back of shares or change in capital traction resulting from restructuring.

- c) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- d) The Company has not issued sweat equity shares to its directors or employees.
- e) The Company does not have any Employees Stock Option Scheme for its Employees/Directors.
- f) During the financial year 2020-2021, the Company has not made allotment of any securities and as such, the requirement for obtaining credit rating was not applicable to the company.
- g) There is no money lying to unpaid / unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government.
- h) The Auditors has not reported any frauds under sub-section (12) of Section 143 of the Companies Act, 2013.
- i) The details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or financial institutions along with the reasons thereof is not applicable, as during the financial year, there was no one time settlement or valuation done by the Company.
- j) There are certain pending petitions before the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad, inspection / investigation by Ministry of Corporate Affairs and adjudication proceedings before SEBI as mentioned in Note No. 37 of the standalone financial statements which is part of this Annual Report.

APPRECIATION:

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

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

Dinesh Mukati
Chairman
(DIN: 07909551)

Place : Palodia
Date : 15th October, 2021

ANNEXURE TO THE BOARDS' REPORT

ANNEXURE - A
FORM AOC-1
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures
PART A: SUBSIDIARIES

Sr. No	Name of Subsidiary	Date since when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	Extent of shareholding [in percentage (%)]
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Jinhua Indus Enterprises Limited	11/04/2007	31/12/2020	RMB	2.06	(2.79)	1.01	1.74	0.62	-	(0.05)	-	(0.05)	-	100.00
2	Jinhua Jahari Enterprises Limited #	26/06/2007	31/12/2020	RMB	0.54	1.48	2.92	0.90	-	1.22	(0.68)	(0.01)	(0.69)	-	-
3	ET Elec-Trans Limited	27/11/2008	31/03/2021	INR	0.90	(1.48)	0.00	0.58	-	-	(0.00)	-	(0.00)	-	80.49
4	Hans Ispat Limited	01/06/2010	31/03/2021	INR	36.42	(143.56)	54.32	161.46	-	86.35	(13.01)	-	(13.01)	-	100.00
5	Electrotherm Services Limited (erstwhile known as Shree Hans Papers Limited)	01/06/2010	31/03/2021	INR	0.35	(4.23)	0.33	4.21	-	0.16	0.00	-	0.00	-	100.00
6	Shree Ram Electro Cast Limited	20/05/2010	31/03/2021	INR	8.19	(36.46)	1.38	29.65	0.01	-	(0.07)	-	(0.07)	-	100.00*

Exchange Rate as on 31/03/2021 1 RMB = Rs. 11.16/-

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

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

(₹ in Crores)

Name of Joint Ventures	Bhaskarpara Coal Company Limited
1. Latest audited Balance Sheet Date	31/03/2021
2. Date on which the Joint Venture was associated or acquired	21/11/2008
3. Shares of Joint Ventures held by the Company on the year ended	
- No. of Shares	90,45,127 Equity Shares of Rs. 10 each
- Amount of Investment in Joint Venture	Rs. 9.04
- Extend of Holding%	52.63%
4. Description of how there is significant influence	The Company is holding more than 20% of the total share capital
5. Reason why the Joint Venture is not consolidated	Not Applicable
6. Networth attributable to Shareholding as per latest audited balance sheet	Rs. 6.96
7. Profit / (Loss) for the year	0.031
(i) Considered in Consolidation	0.016
(ii) Not Considered in Consolidation	0.015

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

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

Place : Palodia
Date : 15th October, 2021

Shailesh Bhandari
Managing Director
(DIN: 00058866)

Suraj Bhandari
Whole Time Director
(DIN: 07296523)

ANNEXURE TO THE BOARDS' REPORT

ANNEXURE – 'B'

Annual Report on Corporate Social Responsibility (CSR) Activities for financial Year 2020-21

1. Brief outline on CSR Policy of the Company:

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

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

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Shailesh Bhandari	Chairman (Managing Director)	2	2
2.	Mr. Dinesh Mukati	Member (Non-Executive & Independent Director)	2	2
3.	Mr. Pratap Mohan	Member (Non-Executive & Independent Director)	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.electrotherm.com.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): As the average CSR obligation of the Company during the financial year is less than ten crore rupees, impact assessment of CSR projects is not applicable.

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

6. Average net profit of the company as per section 135(5) : Rs. 66.04 Crore

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 1.32 Crore

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 1.32 Crore

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

Total Amount Spent for the Financial Year (in Rs.) (crore)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of Transfer	Name of the Fund	Amount.	Date of Transfer
1.33	N.A.				

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

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

ANNEXURE TO THE BOARDS' REPORT

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (Rs. in Crores)	Mode of Implementation - Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
1	Support of disable, poor and needy people	Poverty, promoting and preventing health care	Yes	Gujarat	Bhachau -Kutch	0.006	No	Shree Navjivan Viklang Sevashraya	NA
2	Student of scheduled tribal cast	Promoting education	Yes	Gujarat	Vadodara	0.168	No	Shree Gujarat Vanvasi Kalyan Parisad	NA
3	Pre-school activities and distributing study material		Yes	Gujarat	Bhachau -Kutch	0.002	Yes	NA	NA
4	Animal Welfare – Distribution of Green / Dry Grass	Animal Welfare	Yes	Gujarat	Bhachau -Kutch	0.021	Yes	NA	NA
5	Covid -19 Relief work– during nationwide lockdown	Disaster management	Yes	Gujarat	Ahmedabad and Samakhiyali (Bhachau -Kutch)	0.126	Yes	NA	NA
			Yes	Gujarat	Bhachau -Kutch	0.008	No	Seva Nidhi Trust	NA
6	Multiple activities	Health, education, cultural & welfare programmes, natural calamities, to help poor, widows, handicapped, orphans, old aged, mentally disables and underprivileged section	No	Odisha & Delhi	Entire Odisha & Delhi	1.000	No	Odia Samaj	NA
Total						1.331			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 1.331 Crore

ANNEXURE TO THE BOARDS' REPORT

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

Sr. No.	Particular	Amount (Rs. in crore)
(i)	Two percent of average net profit of the company as per Section 135(5)	1.32
(ii)	Total amount spent for the Financial Year	1.33
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.01

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

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

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

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

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

(a) Date of creation or acquisition of the capital asset(s): **None**

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

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

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

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

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

Place : Palodia
Date : 15th October, 2021

Dinesh Mukati
Chairman
(DIN: 07909551)

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

ANNEXURE TO THE BOARDS' REPORT

ANNEXURE – C
FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2021[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Electrotherm (India) Limited** for the financial year ended on **31st March, 2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendment thereof;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the amendment thereof;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- (vi) Following laws specifically applicable to the Company:-
 1. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder;
 2. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975;
 3. Environment Protection Act, 1986 and the rules, notifications issued thereunder;
 4. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
 5. Motor Vehicles Act, 1988 to the extent of product certification before production and from time to time primarily in respect of vehicles manufactured by the Company.

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

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

ANNEXURE TO THE BOARDS' REPORT

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

- (i) *The Company has received Notices from National Stock Exchange of India Limited (NSE) & BSE Limited (BSE) with regard to Regulation 19(1)/(2) of the SEBI (LODR) Regulations, 2015 – composition of the Nomination and Remuneration Committee. The NSE has levied the penalty of Rs. 6,46,640/- (inclusive taxes) for the period from 11th February, 2020 to 10th November, 2020 and the BSE has levied the penalty of Rs. 3,13,880/- (inclusive taxes) for the period from 1st July, 2020 to 10th November, 2020. The Company has submitted the reply alongwith waiver requests to NSE and BSE as matter of interpretation and remitted the amount of penalty as abundant precaution without accepting the said non-compliance. The NSE vide its letter dated 28th June, 2021, informed the Company that waiver of fine was considered favorably. The waiver request submitted to BSE is pending.*
- (ii) *The Company has not made/submitted the disclosures of defaults on payment of interest/ repayment of principal amount on loans from banks / financial institutions, under SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21st November, 2019, for the period from 31st December, 2020 till 31st March, 2021 during the period under review.*
- (iii) *The Minutes of the Meetings of the Board of Directors of ET Elec-Trans Limited, one of the unlisted subsidiary were not regularly placed at the Meeting of the Board of Directors of the Company as per Regulation 24(3) of the SEBI (LODR) Regulations, 2015.*

I further report that

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

Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were usually sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

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

- (a) In the pending Company Petitions filed by Mr. Siddharth Bhandari, one of the Promoter and erstwhile Whole-time Director and Dr. Rakesh Bhandari, one of the Promoter of the Company before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 149, 150, 152, 159 and 176 of the Companies Act, 2013, the Petitioners have filed

Interlocutory / Miscellaneous Application related to agenda of the proposed board meeting to be held on 2nd March 2021 and the Hon'ble NCLT has passed order dated 2nd March 2021 that the appointment of Mr. Sanjay Bhandari and Mr. Mukesh Bhandari as Whole-time Director be kept on hold. Now the petition alongwith the IA / MA are pending before the Hon'ble NCLT for hearing.

- (b) In the pending Company Petition filed by Mr. Mukesh Bhandari – erstwhile Chairman & Promoter, Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter and Dr. Rakesh Bhandari, Promoter of the Company before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013, the Petitioners had filed interim application seeking waiver of the mandatory requirement of section 244(1)(a) of the Companies Act, 2013. The Hon'ble NCLT vide its order dated 8th April, 2021 dismissed and disposed of the waiver application of the Petitioners and the main petition is pending. Some of the Respondents have filed Interlocutory Applications for their discharge and the same are pending for hearing. The financial implication of this petition is not ascertainable at this point of time.
- (c) Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter, Dr. Rakesh Bhandari, Promoter and Mr. Mukesh Bhandari – erstwhile Chairman & Promoter of the Company has filed a petition before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 222 of the Companies Act, 2013 against the Company and three shareholders inter alia, for suspension of their voting rights. Now the petition is pending before the Hon'ble NCLT for hearing.
- (d) Ministry of Corporate Affairs, Office of the Regional Director, North-Western Region, Ahmedabad has vide letter / order dated 24th December, 2019 and 24th December 2020 informed the Company about investigation into the affairs of the Company under section 210(1)(c) of the Companies Act, 2013 and directed to furnish various information / documents and the investigation is going on.
- (e) The Securities and Exchange Board of India (SEBI) had issued show cause notice to the Company and some of the directors / officers of the Company for alleged violations of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and after hearing, the Adjudicating Officer imposed penalty of Rs. 10 Lacs on the Company and Rs. 1.00 Lacs each on Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari and Mr. Siddharth Bhandari as Director and Mr. Pawan Gaur as Chief Financial Officer separately.

FOR, BHARAT PRAJAPATI & CO.
COMPANY SECRETARIES

BHARAT PRAJAPATI
PROPRIETOR
F.C.S. NO. : 9416
C. P. NO. : 10788
UDIN : F009416C001183371

Place : Ahmedabad
Date : 14th October, 2021

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

ANNEXURE TO THE BOARDS' REPORT

'ANNEXURE A'

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

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records and procedures followed by the Company with respect to secretarial Compliance.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the applicable laws such as direct and indirect tax laws and maintenance of financial records and books of account have not been review in this audit since the same have been subject to review by the statutory financial auditor, tax auditors and other designated Professionals.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR, BHARAT PRAJAPATI & CO.
COMPANY SECRETARIES

BHARAT PRAJAPATI
PROPRIETOR
F.C.S. NO. : 9416
C. P. NO. : 10788
UDIN : F009416C001183371

Place : Ahmedabad
Date : 14th October, 2021

ANNEXURE TO THE BOARDS' REPORT

ANNEXURE – D

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

A. CONSERVATION OF ENERGY:

(i) Steps taken or impact on conservation of energy

- Coke consumption reduction at BF#2 by maximizing Pulverized Coal Injection
- Elimination of LPG gas by installation of online billet shearing machine for billet cutting
- Reduction in coal consumption rate for power generation by implementing auto coal combustion control system & regular cleaning of boilers heating surface area through high pressure jet
- HPMV light are replaced with LED lights
- Reducing coal consumption in Re-heating furnace by increasing Direct Rolling percentage by way of connecting CCM#1 with RM-2 for 8 mm TMT rolling
- Reduction in power consumption by optimizing operation of the number of induction furnaces at DIP

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

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

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

Sr. No.	Description of Energy Efficiency improvement measures	Plant & Department	Investment (Lacs Rupees)	Verified Savings (Lacs Rupees)	Verified Energy Savings	Unit	Fuel
1	Improving Boiler's performance by implementing auto coal combustion control system	CPP - Process & Instrument	0	240	4800	MT / Year	I Coal
2	Boilers Heating Surface Area Cleaning through High Pressure Jet which improves Heat Transfer Rate	CPP - Process & Mechanical	1				
3	Installation of billet shearing machine for online hot billet cutting	SMS - CCM	68	26.5	41261	Kg / Year	LPG
4	HPMV 400W light are replaced with 15 No's of LED 180W light	RM 1 - Electrical	1.7	1.25	15658	kWh / Year	Electricity
5	HPMV 400W light are replaced with 10 No's of LED 35W light	RM 1 - Electrical	0.14	0.78	9709	kWh / Year	Electricity
6	Reducing coal consumption in Re-heating furnace by increasing Direct Rolling percentage by way of connecting CCM#1 with RM-2 for 8 mm TMT rolling	RM - 1 & 2 Process	0.1	36	600	MT / Year	Coal

ANNEXURE TO THE BOARDS' REPORT

Sr. No.	Description of Energy Efficiency improvement measures	Plant & Department	Investment (Lacs Rupees)	Verified Savings (Lacs Rupees)	Verified Energy Savings	Unit	Fuel
7	Reduce power consumption in induction furnace by implementing followings: 1. Reduced the number of running furnaces from three in each plant to two 2. Holding time of furnaces after superheating has been reduced 3. Reduction in sintering power due to less number of furnaces in operation 4. Improved Power factor by utilizing rated kW capacity	DIP - Process & Electrical	0	105	1322235	kWh / Year	Electricity
8	Coke consumption reduction at BF#2 by maximizing Pulverized Coal Injection	BF-2 Process	0	50.1	2100	MT / Year	Coke

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption

- Installation of new DiFOC induction furnace of 10 MW for reduction in energy consumption and improvement in productivity
 - Installation of billet shearing machine for online hot billet cutting at CCM
 - Installation of crop and cobble shear machine which leads to reduction in miss roll generation at RM-1
- 1) Benefits derived like product improvement, cost reduction, product development, import substitution etc.
 - Elimination of LPG gas cutting system & reduce metal loss by installation of online billet shearing machine at CCM.
 - 2) Imported Technology : None
 - 3) Expenditure incurred on Research and Development: NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Foreign exchange Earning : Rs. 195.71 Crores
2. Foreign Exchange Out Go : Rs. 135.89 Crores

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

Dinesh Mukati
Chairman
(DIN: 07909551)

Place : Palodia
Date : 15th October, 2021

ANNEXURE TO THE BOARDS' REPORT

ANNEXURE – E

PARTICULARS OF EMPLOYEES

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

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

Sr. No.	Name of Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration to employees	Percentage increase in Remuneration during FY 2020-2021
1	Mr. Dinesh Mukati *	Non-Executive Chairman & Independent Director	0.90	Nil
2	Mr. Shailesh Bhandari #	Managing Director	Nil	
3	Mr. Suraj Bhandari §	Whole-time Director	Nil	
4	Mr. Mukesh Bhandari	Non-Executive Director	Nil	
5	Mr. Pratap Mohan *	Independent Director	0.90	
6	Ms. Nivedita Sarda *	Independent Director	0.68	
7	Mr. Aditya Jain %	Non-Executive Director	Nil	
8	Mr. Avinash Bhandari &	Chief Executive Officer – Steel Division	Not Applicable	
9	Ms. Shraddha Vyas @	Chief Financial Officer (CFO)	Not Applicable	
10	Mr. Fagesh R. Soni	Company Secretary	Not Applicable	

* Reflects sitting fees.

Mr. Shailesh Bhandari was re-appointed as a Managing Director for a further period of three years with effect from 1st February, 2020 at monthly remuneration of Rs. 2,00,000/- and the payment of remuneration to Mr. Shailesh Bhandari with effect from 1st February, 2020 is subject to approval of lenders. During the financial year 2020-2021, no remuneration was paid to Mr. Shailesh Bhandari.

§ Mr. Suraj Bhandari was appointed as a Whole-time Director for a period of three years with effect from 13th November, 2019 upto 12th November, 2022 at a monthly remuneration of Rs. 1,50,000/-, subject to approval of lenders for payment of remuneration. During the financial year 2020-2021, no remuneration was paid to Mr. Suraj Bhandari.

% Mr. Aditya Jain was appointed as Non-Executive Director with effect from 17th August, 2020.

& Mr. Avinash Bhandari ceased to be a Chief Executive Officer (CEO) – Steel Division with effect from 30th June, 2020.

@ Ms. Shraddha Vyas was appointed as Chief Financial Officer (CFO) of the Company with effect from 1st July, 2020. She resigned as Chief Financial Officer (CFO) with effect from 11th March, 2021.

- The percentage increase in the median remuneration of employees in the financial year: Due to Covid-19 pandemic and impact on the operations and financial position, there was no increase in remuneration of employees in the financial year 2020-21.
- There were 2841 permanent employees on the rolls of the company as on 31st March, 2021.
- The average annual increase in the salaries of the employees, other than managerial personnel was NIL whereas there was no increase/decrease in remuneration to the managerial personnel i.e., Managing Director and Whole Time Director.
- The company affirms that the remuneration is as per the remuneration policy of the Company.
- During the financial year, there was no employee employed throughout the financial year or part of the financial year who was in receipt of remuneration in the aggregate of not less than Rs. 8.50 Lacs per month or Rs. 1.02 Crore per financial year. The statement containing the names of the top ten employees in terms of remuneration drawn as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

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

Dinesh Mukati
Chairman
(DIN: 07909551)

Place : Palodia
Date : 15th October, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE & DEVELOPMENTS****A. ENGINEERING & TECHNOLOGIES DIVISION:****Safe Sailing Through Turbulent Weather**

Financial year 2020-21 has been a truncated year having almost no business activity in first two months, and then 2nd wave of Covid-19 curtailing activities in the end months as well. Even the middle months were highly turbulent amid lock-downs and unlocking processes affecting almost all sectors. Inevitably, India's GDP shrunk by about 7.3% during the year. Our Engineering & Technologies (E&T) division was also badly impacted by the pandemic-induced restrictions and despite having handsome orders in hand, it could clock a sales of INR 656.49 Crore against INR 779 Crore in the previous year.

Steel making segment (domestic) contributed almost 34% of the revenue while export was about 30% during the year. Remaining businesses were obtained by foundry, heating / heat-treatment, spare parts and service verticals.

Despite restrictions on travelling inland as well as overseas, E&T's order booking remain healthy, exceeding INR 800 Crore worth of fresh order book including over INR 250 Crore from export.

Company's commitment to deliver best in class product and best in industry services was in the forefront all through the year. World's most energy efficient induction equipment from the company were the most preferred and sought after equipment in India and overseas market for steelmaking, foundry and heating industries. Further, Indian steelmaking segment also looked for company's state of the art ERF® (ladle refining furnaces) with ELdFOS® technology to improve quality of their end products and high speed casters to optimize operating cost.

Productivity improvement equipment like heavy-duty scrap poker, hydraulic grab, power optimizer, and load manager were also high in demand for improving efficiency of existing and new plants alike. The most spectacular growth was, however, seen in demand for E&T's well-engineered, custom-designed, highly efficient air pollution control system for meeting the environmental norms of the country.

The E&T division has always believed in continuous innovation and up-gradation, and in its pursuit for the same it enhanced most of its process equipment not only to make them Industry 4.0 compliant but also improved their efficiency, stability, safety, uptime and performance by using Artificial Intelligence (AI). Now company's most of the process equipment are laced with Robotic Process Automation eliminating or reducing human intervention in operations, and are available on Internet of Things (IoT) for remote assistance as well.

The E&T division of your company has been leader in customer-centric new technology, product and process development utilizing its vast experience and expertise of the industry, in-house research and strategic partnerships. It is fully geared up and future ready to meet expectations of the market and all stake holders by further consolidating its leadership position improving its market share, sales revenue and profitability over next several years.

B. STEEL & PIPE DIVISION:

India's steel sector has faced a severe setback due to the COVID-19 pandemic in the first half of the year 2020-21. Domestic markets recovered from a six month-long slowdown with the reopening of business activities. During second half of 2020-21, strong domestic demand aided the steel industry's production and sales growth.

While the country's production of crude steel almost remained same at 108.5 MT in the FY 2020-21 in comparison to 110.9 MT in the FY 2019-20. The Company's TMT production was at 2.58 lakh tonne in the FY 2020-21 as against 3.68 lakh tonne in the previous FY 2019-20 (including production of 100% subsidiary Hans Ispat Ltd.) and pipe production was at 1.30 lakh tonne in the FY 2020-21 as against 1.50 lakh tonne in the previous FY 2019-20.

Electrotherm's Steel Division was established in the year 2005 in Kutch, Gujarat. The Division produces TMT bars & ductile iron pipes and has a total manufacturing capacity of approximately 0.7 million tons per annum. The state-of-the-art steel plant at Kutch comprises of Blast furnaces, Sponge Iron Kilns, Induction Furnaces, Rolling Mills, Ladle Refining Furnace, and ductile iron pipe making facilities. ET TMT, in a short span of time, has emerged as the most preferred TMT bar brand in Gujarat.

ET TMT bars use a combination of Iron ore and Ladle Refining Furnace technology to produce the highest-quality steel that is refined to the fullest and meets the stringent Sulphur and Phosphorous BIS norms of Fe 500 D grade. While the use of iron ore ensures tramp free steel, refining ensures low Sulphur and Phosphorous levels. This is why ET TMT bars are now being preferred for use in critical infrastructure and construction projects.

The construction/real estate industry in the country is seeing a serious shift in the quality of TMT bars & its usage. Over the years, grade Fe415 has almost disappeared and has been replaced by Fe 500 grade. There is a further shift from Fe 500 to Fe 500D grade in the last 3 years.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

5 years back, the Company changed its marketing strategy and decided to move its focus from retail and real-estate to real-estate + projects + high end infrastructure projects. The Company not only has made serious changes in the production process and the way steel is produced at its plant, but also has changed its complete marketing strategy.

Over the last few years, the Company has received many approvals and certification from larger national level projects/Infrastructure development authorities including Research Design & Standard Organization (Indian Railways), Military Engineer services (India Army), Nuclear Power Corporation of India, Dedicated Freight Corridor Corporate of India Limited, Power Grid Corporate of India Limited and National Highway Authority of India. Today, the Company's products stand approved in more than 75 national and state level organizations for supplies in projects. The company's Fe500 D grade TMT production has increased from 45% of total production in FY 2019-20 to 61% in FY 2020-21 which clearly indicates the change in profile of its customers and the applications of the products it is selling now. More and more steel TMT bars are now being produced through the LRF route to meet the stringent sulphur and phosphorus BIS norms needed for the infrastructure sector.

Innovation has always been the driving force behind all of company's endeavors. The Company has been delivering world-class innovative solutions to the construction industry and will continue to do so in the future. The goal is to be a part of the journey that helps India "Build It Right".

The Company is proud to be associated with some of the best dealers and distributors in Western India. They have helped us establish an extensive network, enabling us to reach to our clients and deliver products on time. It is this wide distribution network that makes various products like Cut & Bend bars, Epoxy Coated bars, special grade bars available to the customers conveniently.

The Company also produces BIS approved Epoxy Coated TMT Bars at a single location. This is one of its kind integrated facility in the country. This results in faster delivery, lower transportation cost, no handling damage and also saves time.

The Company has received many approvals in the last two year for supply of its epoxy coated bars to prestigious infrastructure projects including Mumbai Trans Harbour Link, Mumbai Metropolitan Region Development Authority, Municipal Corporation of Greater Mumbai, City and Industrial Development Corporation, Thane Municipal Corporation, Maharashtra State Road Development Corporation. In view of the rising demand for the epoxy coated bars, the Company is doubling its production capacity. The epoxy coated bars new expansion project is expected to go on stream in October - 2021.

In FY 2020-21, COVID-19 pandemic has severely affected the performance of the TMT & Pipe Division.

FY 2021-22 has started on a slow note due to ongoing lockdown and restrictions in the first quarter. As government increases its emphasis on water projects, it is expected that the Pipe division will recover from the current slowdown situation very fast. In fact, the Union Budget of FY 2021-22 is envisaging a provision of huge fund of Rs. 50,000 Crore under the programme of Jal Jivan Mission (JJM) under the Ministry of Jal Shakti. GOI is sharply focusing on all Urban & Rural Water Supply Schemes of the 'Nal se Jal' & 'Har Ghar Jal' to make our Hon'ble PM's dream of 'Piped Water to All' come true. 'Nal Se Jal' Scheme is likely to attract a fund of approx. Rs.2.87 lakh Crore in next 5 years. All these schemes are going to create enormous demand of DI Pipes across the Country.

Also to improve the profitability, the Pipe Division started their exports in year 2017 and now the export is contributing approx. 2% of the total turnover of the Division helping in diversifying the markets geographically with improved realization.

The profitability of Division is likely to increase in the FY 2021-22 as the raw materials prices such as Iron Ore, Coal, and Coke etc. are expected to stabilize and steel demand is expected to increase. Also, the Company is taking initiatives and planning to add new value added Products in its products portfolio in line with International Standards which will help the company to reach the unexplored markets, both Domestic and International.

Overall outlook for the DI Pipe Division is expected to be positive in FY 2021-22 looking at the huge demand emerging out of markets of Uttar Pradesh & Andhra Pradesh which will result in increased demand for the DI Pipes, mitigating the Capacity of all the DI Pipe Manufacturers which may keep the competition low, resulting into good profitability.

C. ELECTRIC VEHICLE DIVISION:

The Electric Vehicle Division witnessed 75% growth in terms of revenue growth in FY 2020-21 vs 2019-20. Roll out of new models of Yo EDGE and Yo DRIFT in the second quarter of 2020-21 along with gradually increasing fuel cost and preference of personal transport due to covid-19 pandemic, saw strong customer demand leading to sales uptake.

Though the EV Industry (primarily 3W) registered a drop in sales in FY 2020-21 which was expected, given the outbreak of the Covid-19 pandemic and the subsequent lockdowns; the E2W industry saw and is seeing a positive sentiment and a high level of interest from the customers. A good thing that has happened is that people have started moving towards advanced lithium ion batteries over lead acid batteries. The growth in B2B segment in EV industry is encouraging, considering that ecommerce players like Amazon, Flipkart, Big basket and other corporates are transitioning to EVs.

The two-wheeler and three-wheeler electric segments will continue to offer a huge opportunity in India given that India is the world's largest two-wheeler market as well as one of the largest for three-wheelers. Vehicle segments like scooters, three wheelers, small commercial vehicles and public transportation are seeing faster EV penetration compared to private cars.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Our focus shall continue to remain on products in two wheeler and three wheeler segment as well as initiating manufacturing of power train in India which is in line with government's "make in India" policy.

FINANCIAL SITUATION:

Some lenders of the Company had assigned their debt to Edelweiss Asset Reconstruction Company Limited ("EARC"), Invent Assets Securitisation & Reconstruction Pvt. Ltd. ("Invent") and Rare Asset Reconstruction Limited ("Rare ARC"). The Company has entered into settlement with EARC, Invent and Rare ARC (for debts of Dena Bank) and Corporation Bank (now Union Bank of India) and Union Bank of India for payment of their debts.

The Reserve Bank of India (RBI) has notified the Covid-19 Regulatory Packages permitting lenders to grant moratorium period for all installments falling due between March 1, 2020 to August 31, 2020. The Company has not paid few of the installments due for the quarter ended on December 31, 2019 and the lender has deferred the said installments. The Company has not paid major of the installment and interest due thereon for the period from March 31, 2020 to March 31, 2021. The Company has requested respective lenders / ARC to allow this moratorium period for the payments and the revised repayment scheduled is yet to be confirmed by the respective lenders / ARCS.

Segment-Wise Performance:

The Business segment of the Company comprises of Engineering & Technologies Division, Special Steel Division and Electric Vehicle Division. The Segment wise performance of the Company for all the three divisions for the year ended on 31st March, 2021 is as under:

(Rs. In Crores)

Particulars	Engineering & Technologies Division	Special Steel Division	Electric Vehicle Division
Revenue from operations	656.50	1882.11	30.67
Segment Profit / (Loss) Before Financial Cost & Other Unallocable Item	27.94	85.13	0.12
Capital Employed	(162.96)	219.62	25.01

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

The revenue from operations of the Company for the financial year ended on 31st March, 2021 was Rs. 2526.79 Crores as compared to Rs. 2836.36 Crores of previous financial year.

Cost of Materials consumed including purchase of traded goods:

The cost of materials consumed including purchase of traded goods for the financial year ended on 31st March, 2021 was Rs. 1697.38 Crores as compared to Rs. 1981.50 Crores of previous financial year.

Depreciation and amortization:

Depreciation and amortization for the financial year ended on 31st March, 2021 is Rs. 116.85 Crores as compared to Rs. 129.99 Crores of the previous financial year.

Finance Costs:

Finance costs for the financial year ended on 31st March, 2021 is of Rs. 49.89 Crores as compared to Rs. 19.30 Crores of previous financial year.

Loan accounts of the Company have been classified as Non-Performing Assets by the Central Bank of India and Rare Asset Reconstruction Limited (being debt assignee of Indian Overseas Bank) and the Bankers have not charged interest on the said accounts and therefore provision for Interest (Other than upfront charges) has not been provided in the books of accounts and to that extent profit has been overstated and bankers loan liability has been understated. The extent of exact amount is under determination and reconciliation with the banks, however as per the details available with the company, the amount of unprovided interest, on approximate basis, on the said loans is Rs. 184.71 Crores for the financial year 2020-21 and total amount of Rs. 1221.72 Crores upto 31st March, 2021.

Profit Analysis:

The Profit for the financial year ended on 31st March, 2021 is Rs. 63.30 Crores as compared to profit of Rs. 44.98 Crores of previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Key Ratios:

The details of changes in the key financial ratios as compared to previous year are stated below:

Sr. No	Ratio	Financial Year 2020-2021	Financial Year 2019-2020	Change (%)	Reason significant changes of 25% or more as compared to previous year
1.	Debtors Turnover (Days)	42.29	43.54	(2.86)%	-
2.	Inventory Turnover (Days)	78.58	64.47	21.89%	-
3.	Interest Coverage Ratio	2.27	3.33	(31.88)%	Increase in interest/finance cost by 158%
4.	Current Ratio	0.59	0.64	(7.25)%	-
5.	Debt Equity Ratio	(2.34)	(2.25)	3.94%	-
6.	Operating Profit Margin (%)	9.10%	5.60%	62.68%	Increase in margin / realization of company's products
7.	Net Profit Margin (%)	2.56%	1.49%	71.62%	
8.	Return on Net Worth	(7.13)	(4.35)	63.78%	Negative as the Company's networth has been eroded.

RISK AND CONCERNS:

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

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS:

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

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

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

The employees are the most valuable assets of Electrotherm. The Company on regular basis takes initiatives to provide training to its employees on environment, health and safety and also provide training on soft skill up-gradation to improve their skills as may be relevant to the respective functions. We are sincerely grateful to all employees for their close and constructive cooperation in 2020-2021 despite of Covid-19 pandemic. We were able to achieve good progress against many strategic priorities despite our challenges. Continuing that partnership will be a key to implementing the significant changes announced under Human Resource Development Strategy. We have set up a scalable recruitment & Human Resources Management process. The Company also hire contract labour on time-to-time basis for success and growth of the Company. As on 31st March, 2021, there were 2841 permanent employees employed by the company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**HEALTH & SAFETY**

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

The ongoing spread of Novel Coronavirus (CoVID-19) Pandemic globally and in Gujarat, India, as per the various advisories and notifications from the Central and State Government from time-to-time and for health and safety of its employees and stakeholders, the Company has decided to temporarily/partially suspend / shutdown its production and office operations located at all three plants in Gujarat. During the temporarily/partially suspend / shutdown its production and office operations, the Company has adopted “Work from Home” policy for its employees. The production / office operations of the Company restarted on staggered basis after obtaining necessary approval/permissions and under the directions/notifications of the Central and State Government. The Company take necessary precautionary measures of health and safety at all the plants against the spread of CoVID-19 and has prepared Standard Operating Procedure (SOP) in accordance with various advisory/notifications of the Central and State Government. The Company has made necessary arrangement to ensure that the employees and stakeholders are safe and comfortable at work place.

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

The outbreak COVID-19 Pandemic globally and in India is causing significant disturbance and slowdown of business activities. During the lockdown situation, the old age people, poor and needy people, migrated works are affected due to lockdown. The Company with the help of Ahmedabad Municipal Corporation had supplied more than 1500 food packets every day to old age people, poor and needy people, migrated works across the Ahmedabad city and the Company also provided tea and snacks to the Covid-19 worriers across the Ahmedabad City as well as Samakhiyali Plant.

CAUTIONARY STATEMENT:

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

CORPORATE GOVERNANCE REPORT

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

2. BOARD OF DIRECTORS:

The Board of Directors of the Company is having optimum combination of Executive and Non-Executive Directors. As on 31st March, 2021, the Board of Directors comprises of seven (7) Directors, out of which two are Executive Directors and four are Non-Executive / Independent Directors (including Woman Director).

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

Sr. No.	Name of Director	Category	Number of other Directorship and Other Committee Membership / Chairmanship			Particulars of Directorship in other Listed Entities		No. of Equity Shares held in the Company
			Directorship	Committee Membership	Committee Chairmanship	Name of the Company	Category of Directorship	
1.	Mr. Dinesh Mukati (Chairman)	Non-Executive & Independent Director	-	-	-	-	-	3,000
2.	Mr. Shailesh Bhandari (Managing Director)	Promoter & Executive Director	7*	-	-	-	-	8,48,275
3.	Mr. Suraj Bhandari (Whole-time Director)	Promoter & Executive Director	-	-	-	-	-	81,100
4.	Mr. Mukesh Bhandari (Director)	Promoter & Non-Executive – Non-Independent Director	3	-	-	-	-	8,09,500
5.	Ms. Nivedita Sarda (Woman Director)	Non-Executive & Independent Director	3	-	-	-	-	-
6.	Mr. Pratap Mohan (Director)	Non-Executive & Independent Director	1	-	-	-	-	100
7.	Mr. Aditya Jain (Director)	Non-Executive Director	2	-	-	-	-	250

* including the company under process of strike off.

- While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership/Chairmanship of only Audit Committee and Stakeholders' Relationship Committee have been considered pursuant to the Listing Regulations. None of the Director is a member in more than ten committees or act as a Chairman of more than Five Committees across all companies in which he/she is a Director.
- None of the Directors are related to each other except Mr. Mukesh Bhandari and Mr. Shailesh Bhandari, who are Brothers and Mr. Shailesh Bhandari and Mr. Suraj Bhandari, who are father and son.

❖ Board Meetings:

In compliance with Regulation 17 of the Listing Regulations, the Board of Directors meet at least four times a year and the time gap between any two Board meetings is not more than 120 days. During the financial year ended on 31st March, 2021, four (4) Board Meetings were held on 30th June 2020, 20th August 2020, 11th November 2020 and 11th February 2021.

CORPORATE GOVERNANCE REPORT

Attendances of Directors at the Board Meetings and at the Last Annual General Meeting held on 17th August, 2020 are as under:

Name of Director	Total Board Meetings held during tenure	Attendance	
		Board Meetings	AGM held on 17 th August, 2020
Mr. Dinesh Mukati	4	4	Yes
Mr. Shailesh Bhandari	4	3	Yes
Mr. Suraj Bhandari	4	3	Yes
Mr. Mukesh Bhandari	4	1	No
Ms. Nivedita Sarda	4	3	Yes
Mr. Pratap Mohan	4	4	Yes
Mr. Aditya Jain#	3	2	NA

* Mr. Aditya Jain was appointed as Non-Executive Director with effect from 17th August, 2020.

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

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

❖ **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder and as provided in Schedule IV of the Act and Listing Regulations, the Nomination and Remuneration Committee has carried out the annual evaluation of performance of the Board and its Committee and the Board of Directors has carried out the annual evaluation of the performance of individual directors in their meeting held on 11th February, 2021.

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

❖ **Meeting of Independent Directors:**

During the year under review, a separate meeting of the Independent Directors of the Company was held on 11th February, 2021 to review the performance of Non-Independent Directors, Chairman and the Board as a whole and to assess the flow of information between the company management and the Board of Directors. All three independent directors of the Company were present at the said meeting.

❖ **Familiarisation Programme for Independent Directors:**

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

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

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

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

CORPORATE GOVERNANCE REPORT

The Directors have the following skills:

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

3. COMMITTEES OF BOARD:

A. AUDIT COMMITTEE:

(i) Brief description of Terms of Reference:

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

(ii) Composition of the Committee:

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

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

The Company Secretary acts as the Secretary to the Committee.

(iii) Meetings and Attendance:

During the financial year ended on 31st March, 2021, Four (4) Meetings of the Audit Committee were held on 29th June 2020, 19th August 2020, 11th November 2020 and 11th February 2021. The time gap between any two meetings was not more than 120 days. The Chairman of the Audit Committee Mr. Pratap Mohan was present at the 34th Annual General Meeting.

Details of Attendance at the Meetings of Audit Committee:

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

B. NOMINATION AND REMUNERATION COMMITTEE:

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

(i) Brief description of Terms of Reference:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- (b) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors and who may be appointed in Key Managerial or Senior Management position in accordance with the criteria laid down in the policy;

CORPORATE GOVERNANCE REPORT

- (e) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;
- (f) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- (g) To develop a succession plan for the Board and to regularly review the plan.
- (h) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

(ii) Composition of the Committee:

The Nomination and Remuneration Committee is in compliance with the provisions of Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013. Minutes of the Nomination and Remuneration Committee are circulated and discussed at the Board Meeting. At the beginning of the year 2020-2021, the Nomination and Remuneration Committee comprised of Mr. Dinesh Mukati, Independent Director as a Chairman, Mr. Pratap Mohan and Ms. Nivedita Sarda as Members.

Mr. Dinesh Mukati was the Chairman of the Nomination and Remuneration Committee. Subsequently, on 11th February, 2020, he was appointed as Non-Executive Chairman of the Board. Thereafter, based on the Corporate Governance Report submitted for quarter ended on 30th September, 2020, the NSE, on 6th November, 2020, observed that the Chairman of the Board is a Chairman of the Nomination and Remuneration Committee. As such a matter of abundant precaution, the Board of Directors of the Company has reconstituted the Nomination and Remuneration Committee w.e.f. 11th November, 2020.

Now, the Nomination and Remuneration Committee comprises of following Members:

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

However, after re-constitution of Nomination and Remuneration Committee, the Company has received Notice from National Stock Exchange of India Limited (NSE) & BSE Limited (BSE) with regard to Regulation 19 of the SEBI (LODR) Regulations, 2015 - composition of the Nomination and Remuneration Committee. The NSE has levied the penalty for the period from 11th February, 2020 to 10th November, 2020 and the BSE has levied the penalty for the period from 1st July, 2020 to 10th November, 2020. However, the Company has submitted the waiver requests to the NSE and BSE as matter of interpretation and remitted the amount of penalty as abundant precaution without accepting the said non-compliance. The NSE vide its letter dated 28th June, 2021, informed the Company that the waiver of fine was considered favorable. The waiver request submitted to BSE is pending.

The Company Secretary acts as Secretary of the Committee.

(iii) Meetings and attendance:

During the financial year ended on 31st March, 2021, Four (4) Meetings of the Nomination and Remuneration Committee were held on 29th June 2020, 19th August 2020, 11th November 2020, and 11th February 2021.

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

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

* Mr. Pratap Mohan was appointed as Chairman of the Nomination and Remuneration Committee in place of Mr. Dinesh Mukati and Mr. Dinesh Mukati continues as Member of the Committee.

(iv) Remuneration Policy:

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

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

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and its goals.

The details of the remuneration policy including criteria for making payments to Non-Executive Directors can be accessed on the website www.electrotherm.com.

(a) Director/ Managing Director:

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

(b) Non-Executive Independent Directors:

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Board of Directors has approved the payment of sitting fees of Rs. 75,000/- to each Independent Non-Executive Director towards each of the Board meetings attended by them. During the financial year 2020-2021, the Company had paid sitting fees to Independent Non-Executive Directors as approved by the Board for attending Board meetings.

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

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

(v) Details of Remuneration of Directors:

(a) Criteria of making payments to Non-Executive /Independent Directors:

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

The details of sitting fees paid to Non-Executive / Independent Directors for the financial year 2020-2021 are as under:

Name of Non-Executive Independent Director	Sitting Fees (Amount in Rs.)
Mr. Dinesh Mukati	3,00,000
Ms. Nivedita Sarda	2,25,000
Mr. Pratap Mohan	3,00,000

(b) Managing Director & Whole-time Director:

The Shareholders of the Company at the 34th Annual General Meeting (AGM) held on 17th August, 2020 approved the re-appointment of Mr. Shailesh Bhandari as Managing Director for a period of three years from 1st February, 2020 and concluding on 31st January, 2023 with monthly remuneration of Rs. 2,00,000/-. Further, the Shareholders of the Company, at the 34th AGM, also approved appointment of Mr. Suraj Bhandari as a Whole Time Director of the Company, for a period of three years from 13th November, 2019 and concluding on 12th November, 2022 with monthly remuneration of Rs. 1,50,000/-.

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

In view of pending approval of lenders, pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V, the Company has not paid any remuneration to Managing Director and Whole Time Director, during the financial year ended on 31st March, 2021.

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

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

(ii) Composition of the Committee:

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

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

Mr. Fageshkumar R. Soni, Company Secretary of the Company is the Compliance Officer pursuant to Regulation 6 of the Listing Regulations.

During the year under review, four meetings of the Stakeholders Relationship Committee were held on 29th June 2020, 19th August 2020, 11th November 2020 and 11th February 2021.

Details of Attendance at the Meetings of Stakeholders Relationship Committee:

Name of Committee Members	Designation	Attendance
Ms. Nivedita R. Sarda	Chairperson	3 / 4
Mr. Pratap Mohan	Member	4 / 4
Mr. Shailesh Bhandari	Member	3 / 4

Details of Shareholders Complaints received during the year 2020-2021:

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

Complaint as on 01 st April, 2020	Received during the year	Resolved during the year	Pending as on 31 st March, 2021
NIL	1	1	NIL

SEBI Complaints Redress Systems (SCORES)

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

D. RISK MANAGEMENT COMMITTEE:

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

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

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

CORPORATE GOVERNANCE REPORT

The Securities Allotment Committee comprises of following Members:

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

During the financial year ended on 31st March, 2021, no meeting of the Securities Allotment Committee was held.

(ii) MANAGEMENT COMMITTEE:

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

The Management Committee comprises of following members:

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

During the financial year ended on 31st March, 2021, five (5) Meetings of the Management Committee were held.

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

As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The CSR Committee has formulated a CSR policy of the Company and the same has been placed on the website of the Company at www.electrotherm.com.

The CSR Committee comprises of following Members:

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

During the financial year ended on 31st March, 2021, two (2) meetings of the CSR Committee were held on 29th June 2020 and 19th August 2020.

4. GENERAL BODY MEETING:

(i) Annual General Meetings

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

AGM	Financial Year / Period	Venue	Date & Time	Special Resolutions Passed
34 th	2019-20	Through Video Conferencing / Other Audio Visual Means	17 th August, 2020 10:00 a.m.	• No Special resolution was passed.
33 rd	2018-19	Ahmedabad Management Association (AMA), AITRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	30 th September, 2019 11:00 a.m.	• No Special resolution was passed.
32 nd	2017-18	Ahmedabad Management Association (AMA), AITRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	28 th September, 2018 10:00 a.m.	• No Special Resolution was passed.

CORPORATE GOVERNANCE REPORT

(ii) Extra Ordinary General Meetings

No Extra Ordinary General Meeting was held during the financial year ended on 31st March, 2021.

(iii) Special Resolution passed through Postal Ballot

During the financial year ended on 31st March, 2021, no resolution was passed through Postal Ballot.

(iv) Procedure of postal Ballot:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage pre-paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. E-voting facility is made available to all the shareholders and instructions for the same are specified under instructions for voting in the Postal Ballot Notice. E-mails are sent to shareholders whose e-mail ids are available with the depositories and the Company along with Postal Ballot Notice and Postal Ballot Form. After the last day for receipt of ballots [physical/e-voting], the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same is posted on the Company's website and submitted to the Stock Exchanges where the shares of the Company are listed. The result is published in the Newspapers.

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

5. DISCLOSURES:

(i) Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on Arm's Length basis. There were no materially significant related party transactions during the year that may have potential conflict with the interest of the Company at large. The Company at the 28th Annual General Meeting held on 30th September, 2014 has approved all proposed related party transactions with annual limits. The details of related party transactions as per Indian Accounting Standard ("Ind AS") 24 are included in the notes to accounts of the Financial Statements.

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company viz. www.electrotherm.com

(ii) Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. In compliance with the Code, Directors and Senior Management of the Company have affirmed compliance with the Code for year ended on 31st March, 2021. The declaration of compliance of Code of Conduct by the Managing Director is part of this Annual Report. The Code of Conduct is available on the website of the Company viz. www.electrotherm.com.

(iii) Prohibition of Insider Trading:

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

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

Following non-Compliances observed during last three years.

- (i) During the financial year 2020-21, the Company has received notices from National Stock Exchange of India Limited (NSE) & BSE Limited (BSE) with regard to Regulation 19(1)/(2) of the Listing Regulations - composition of the Nomination and Remuneration Committee. The NSE has levied the penalty of Rs. 6,46,640/- (inclusive taxes) for the period from 11th February, 2020 to 10th November, 2020 and the BSE has levied the penalty of Rs. 3,13,880/- (inclusive taxes) for the period from 1st July, 2020 to 10th November, 2020. The Company has submitted the waiver requests to the NSE and BSE as matter of interpretation and remitted the amount of penalty as abundant precaution without accepting the said non-compliance. The NSE vide its letter dated 28th June, 2021, informed the Company that waiver of fine was considered favorably. The waiver request submitted to BSE is pending.
- (ii) The Company has not made/submitted the disclosures of defaults on payment of interest/ repayment of principal amount on loans from banks / financial institutions, under SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21st November, 2019, for the period from 31st December, 2020 till 31st March, 2021.

CORPORATE GOVERNANCE REPORT

- (iii) The Minutes of the Meetings of the Board of Directors of the one of the unlisted subsidiary were not placed at the Meeting of the Board of Directors of the Company as per Regulation 24(3) of the SEBI (LODR) Regulations, 2015
- (iv) SEBI Adjudicating Officer vide order No. Order/MC/DS/2020 -2021/8788-8794 dated 28th August, 2020, in the matter of Show Cause Notice No. EAD5/MC/DPS/18599/2019 dated July 23, 2019 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, in the matter of Electrotherm (India) Limited, imposed penalty of Rs. 10,00,000/- upon the Company and Rs. 1,00,000/- upon its four Executive Directors and then Chief Financial Officer.
- (v) During the financial year 2019-20, the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have imposed penalty of Rs. 94,400/- (inclusive taxes) for non-compliance of provisions of Regulation 33(a) & (b) of the Listing Regulations related to delay in submission of quarterly and year to date standalone and consolidated financial results to the stock exchange within 45 days of the end quarter ended on 30th June, 2019.
- (vi) During the financial year 2018-19, the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have imposed penalty for non-compliance of provisions of Regulation 18(1) of the Listing Regulations related to composition of audit committee for the quarter ended on 30th September, 2018 and 31st December, 2018. The Company, by way of abundant precaution and without accepting the non-compliance and imposition of fine for alleged non-compliance of Regulation 18(1) of the Listing Regulations for the quarter ended 30th September, 2018 and 31st December, 2018, remitted Rs. 4,720/- and Rs. 1,03,840/- to NSE & BSE. NSE vide its letter dated 11th April, 2019, informed the Company that the relevant committee of the NSE have examined request and considered application for waiver of fine favorably. BSE, vide email dated 8th July, 2020, informed about waiver of fine levied for said non-compliance with Regulation 18(1) of the Listing Regulations as there were no committee meetings held during the period of non-compliance.

Non-compliance with (i) the composition of Nomination & Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations for the period from 5th September, 2017 to 18th January, 2018, (ii) composition of board with at least one woman director and filing of intermittent vacancy of woman Independent director caused due to resignation of Woman Independent director for the period from 8th February, 2018 to 24th May, 2018 as per the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 & 25 Listing Regulations and issue of duplicate share certificates to the shareholders within the time period prescribed under the section 46 of the Companies Act, 2013 read with Rule 6 of the Companies (Shares and Debentures) Rules, 2014 and Regulation 39 of the Listing Regulations.

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

(v) Vigil Mechanism / Whistle Blower Policy:

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

(vi) Compliance with discretionary requirements:

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

1. The Company has a Non- Executive Independent Director as Chairman. The position of the Chairman of the Board of Directors and the Managing Director are separate.
2. The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company' website at www.electrotherm.com.
3. The auditors have qualified the financial statements for the financial year 2020-2021. The Board has clarified/explained the same in Board's Report.
4. The Internal Auditor regularly reports to the Audit Committee.

(vii) Policy on "Material" Subsidiaries:

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

CORPORATE GOVERNANCE REPORT**(viii) Commodity Price risk or foreign exchange risk and hedging activities:**

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

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

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

(ix) CEO and CFO Certification:

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

6. Means of Communication:

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

The Company has not made any presentations to the institutional investors or to the analysts during the financial year ended on 31st March, 2021.

7. General Shareholder Information:

Day, Date & Time of 35 th AGM	Monday, 6 th December, 2021 at 11.00 AM
Venue of AGM	VC/OAVM
Email for Investor Complaint	sec@electrotherm.com
Website	www.electrotherm.com
Financial Year	1 st April, 2020 to 31 st March, 2021
Dividend Payment Date	Not Applicable, as the Board of Directors has not recommended dividend for the financial year ended on 31 st March, 2021.
ISIN with NSDL & CDSL	INE822G01016

Tentative Financial Calendar for 2021-2022 (from 1st April, 2021 to 31st March, 2022):

Quarter ending on 30 th June, 2021	On or before 14 th August, 2021
Quarter ending on 30 th September, 2021	On or before 14 th November, 2021
Quarter ending on 31 st December, 2021	On or before 14 th February, 2022
Quarter ending on 31 st March, 2022	On or before 30 th May, 2022

A. Listing on Stock Exchange(s):

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

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

Annual Listing Fees for the Financial Year 2021-2022 has been paid to both Stock Exchanges.

CORPORATE GOVERNANCE REPORT

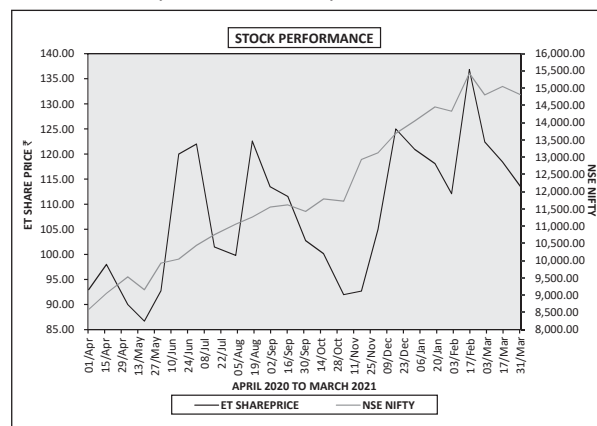
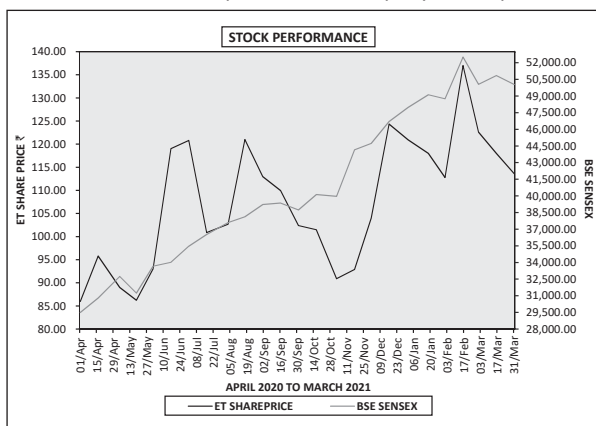
B. Market Price Data:

Market price data of equity shares of the Company having face value of Rs. 10/- on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial period 2020-2021 are given below:

Month	BSE – Share Price		BSE Monthly Volume	NSE – Share Price		NSE Monthly Volume
	High	Low		High	Low	
April, 2020	104.41	69.00	2,01,488	102.15	80.45	4,45,315
May, 2020	95.10	76.20	52,929	98.00	75.95	3,70,804
June, 2020	141.80	87.50	1,07,465	142.00	86.70	6,71,962
July, 2020	120.80	95.55	1,13,191	122.00	95.40	3,95,648
August, 2020	154.00	96.50	1,87,769	147.80	95.45	13,15,019
September, 2020	129.00	96.95	1,94,312	129.45	96.70	5,13,768
October, 2020	109.40	89.60	1,43,207	111.70	89.55	4,01,192
November, 2020	117.00	88.25	1,43,490	119.00	88.00	8,81,652
December, 2020	130.85	97.55	4,08,835	131.20	100.05	20,90,057
January, 2021	136.00	106.20	1,31,888	136.00	106.25	6,42,740
February, 2021	140.20	100.00	1,87,151	141.00	102.10	13,07,261
March, 2021	125.00	102.50	95,477	126.00	102.00	5,90,017

C. Stock Performance:

Performances of share price of the Company in comparison to BSE Sensex and Nifty for the financial year 2020-2021 are as under:



D. Registrar and Share Transfer Agent:

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

LINK INTIME INDIA PVT. LTD.

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

Tel No. & Fax. No. : +91-79-2646 5179 • Email : ahmedabad@linkintime.co • Website: www.linkintime.co.in

E. Share Transfer System:

Pursuant to amendment in Regulation 40(1) of the Listing Regulations, effective from 1st April, 2019, no shares can transferred in physical mode and any request for transfer of shares shall be processed for shares held in dematerialised form only. This restriction shall not be applicable to the request received for transmission or transposition of physical shares. The Company had sent communication to the shareholders encouraging them to dematerialise their holdings in the Company. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

CORPORATE GOVERNANCE REPORT

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

F. Distribution of shareholding as on 31st March, 2021:

Category			No. of Shareholders		No. of Shares	
			Total	% of Shareholders	Total	% of Shares
1	-	500	6661	91.70	590684	4.64
501	-	1000	290	3.99	224566	1.76
1001	-	2000	126	1.74	193905	1.52
2001	-	3000	46	0.63	116786	0.92
3001	-	4000	25	0.34	85543	0.67
4001	-	5000	23	0.32	108810	0.85
5001	-	10000	17	0.23	131694	1.03
10001	&	Above	76	1.05	11290826	88.61
Total			7264	100.00	12742814	100.00

G. Categories of Shareholding as on 31st March, 2021:

Sr. No.	Category	No. of Shares	% to Share Capital
A.	PROMOTERS SHAREHOLDING		
1.	Promoters and Promoters Group	39,90,325	31.31
B.	PUBLIC SHAREHOLDING		
2.	Mutual Funds / UTI	9,800	0.08
3.	FII/FPIs	6,31,245	4.95
4.	Banks/Financial Institutions	100	0.00
5.	Bodies Corporate	24,13,058	18.94
6.	NRIs	1,38,722	1.09
7.	Foreign Companies	20,00,000	15.70
8.	Clearing Members	39,662	0.31
9.	Indian Public & HUF	35,19,902	27.62
	Total	1,27,42,814	100.00

H. Dematerialisation of Shares and Liquidity:

The Shares of the Company are under compulsory trading in demat form. The details of dematerialisation of shares as on 31st March, 2021 is as under:

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

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

As on 31st March, 2021, the Company does not have any GDRs/ADRs/Warrants or any convertible instruments.

CORPORATE GOVERNANCE REPORT

J. Plant Locations:

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

K. Address for Correspondence:

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

ELECTROTHERM (INDIA) LIMITED

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

Phone No. : (02717) 234553 to 57 Fax No. : (02717) 660600

Email : sec@electrotherm.com

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

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

8. OTHER DISCLOSURES:

A. Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement:

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

B. Certificate from a Company Secretary in practice:

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

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

Total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditors are a part is Rs. 0.23 crores (excluding taxes).

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

The Company is committed to provide a friendly working environment that ensures every employee get equal treatment. The details of the same have been disclosed in the Boards' Report forming part of the Annual Report. During the year 2020-2021, the Company has not received any complaint in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

F. Equity shares under suspense account

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

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

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

I hereby confirm that the Company has obtained from all the Board Members and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year ended on 31st March, 2021.

Date: 15th October, 2021
Place: Palodia

Shailesh Bhandari
Managing Director
(DIN: 00058866)

Chief Executive Officer (CEO) Certificate

To,
The Board of Directors
Electrotherm (India) Limited

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

I hereby certify that:

- A. I have reviewed the financial statements and the cash flow statement for the year ended on 31st March, 2021 and that to the best of my knowledge and belief -
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which I am become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: 15th October, 2021
Place: Palodia

Shailesh Bhandari
Managing Director
(DIN: 00058866)

CORPORATE GOVERNANCE REPORT**COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE**

To,
The Members of
ELECTROTHERM (INDIA) LIMITED
Ahmedabad

I have examined the compliance of conditions of Corporate Governance by Electrotherm (India) Limited ('the Company') for the year ended on 31st March, 2021 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015" / "Listing Regulations"]. I have obtained all the information and explanation which to the best of my knowledge and belief were necessary for the purpose of certification.

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

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Listing Regulations, *except the following:*

- (i) *The Company has received Notices from National Stock Exchange of India Limited (NSE) & BSE Limited (BSE) with regard to Regulation 19(1)/(2) of the SEBI (LODR) Regulations, 2015 – composition of the Nomination and Remuneration Committee. The NSE has levied the penalty of Rs. 6,46,640/- (inclusive taxes) for the period from 11th February, 2020 to 10th November, 2020 and the BSE has levied the penalty of Rs. 3,13,880/- (inclusive taxes) for the period from 1st July, 2020 to 10th November, 2020. The Company has submitted the reply alongwith waiver requests to NSE and BSE as matter of interpretation and remitted the amount of penalty as abundant precaution without accepting the said non-compliance. The NSE vide its letter dated 28th June, 2021, informed the Company that waiver of fine was considered favorably. The waiver request submitted to BSE is pending.*

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

For, Bharat Prajapati & Co.
Company Secretaries

Bharat A. Prajapati
Proprietor

FCS No. 9416
CP No. 10788

UDIN : F009416C001183347

Place: Ahmedabad
Date : 14th October, 2021

CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members,
ELECTROTHERM (INDIA) LIMITED
A-1, Skylark Apartment, Satellite Road,
Satellite, Ahmedabad – 380015

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ELECTROTHERM (INDIA) LIMITED** having CIN **L29249GJ1986PLC009126** and having registered office at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380015 (hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Shailesh Bhandari	00058866	27/06/1989
2	Mr. Mukesh Bhandari	00014511	01/03/1994
3	Mr. Suraj Bhandari	07296523	13/11/2019
4	Mr. Dinesh Mukati	07909551	05/09/2017
5	Mr. Pratap Mohan	03536047	05/09/2017
6	Ms. Nivedita R. Sarda	00938666	25/05/2018
7	Mr. Aditya Jain	01568183	17/08/2020

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

For, Bharat Prajapati & Co.
Company Secretaries

Bharat A. Prajapati
Proprietor
FCS No. 9416
CP No. 10788

UDIN : F009416C001183358

Place: Ahmedabad
Date : 14th October, 2021

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Electrotherm (India) Limited.

Report on the audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **Electrotherm (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its **Profit** including other comprehensive income, its cash flows and the changes in equity and for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No. 34(b) of non- provision of interest on NPA accounts of banks on approximate basis of Rs.184.71 Crore, for the year under consideration and the total amount of such unprovided interest till date is Rs.1221.72 Crore. The exact amounts of the said non provisions of interest are not determined and accordingly the amount of Net Profit for the year is overstated by Rs.184.71 crore and the amount of Bank/ARC liability and Total retained earnings/(loss) as on March 31,2021 is understated by Rs.1221.72 crore. Our audit reports for the previous year ended March 31, 2020 was also qualified in respect of this matter.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statement's 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

Emphasis of Matter

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

- (a) **Note No 15 (c)** in respect of non-payment of Installments due to lender of the loan for the period from December 31, 2019 to March 31, 2021 and Interest due for the period from March 31, 2020 till March 31, 2021 and requested respective lenders to allow this moratorium period for the said payments and the lenders are yet to confirm the revised repayment schedule.
- (b) **Note No 31(a)(vii) and 37** in respect of pending litigations/cases and recovery proceedings against the company and the Directors of the Company.
- (c) **Note No 33(a)** in respect default in the repayment of loan and further its treatment in the books of accounts of the assignment / settlements of debts of various banks and the financial institution.
- (d) **Note No 33(a)(i)(e)** in respect of Petition filed by Central Bank of India, a financial creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad.
- (e) **Note No 35(c)** in respect of confirmation / reconciliation of few accounts of "Trade Receivables", "Trade Payable", "Advance from Customers", "Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties" including old balances.
- (f) **Note No 35(e)** in respect of inventories carried at net realizable value/Inventory written down.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In

INDEPENDENT AUDITOR'S REPORT

addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters (Other than those given in Basis for Qualified Opinion)	How our audit addressed the key audit matter
<p>Impairment of trade receivables (refer note 10 of the standalone financial statement)</p> <p>Impairment of financial assets is covered through Expected Credit Losses (ECL) method under Ind AS 109 and is expected to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.</p> <p>Trade receivables by nature carry certain risks in general which include overdue balances, customers in weaker economic and geopolitical environment, customer's ability to pay, provision in relation to expected credit loss, assessment of recovery process and compliance with the risk management control. The calculation of the impairment allowance under expected credit losses is highly judgmental as it requires management to make significant assumptions on customer payment behavior and other relevant risk characteristics when assessing the Company's statistics of historical information and estimating the level and timing of expected future cash flows. The timing of future cash flows may also vary to some extent due to COVID-19. As at the March 31, 2021, the Company recorded an impairment provision of Rs 97.27 crore for its trade receivables.</p> <p>Trade receivable has been considered a key audit matter in the current year due to the significance of the amount and element of judgment involved in overall management assessment of customer's ability to repay the outstanding balance during Covid-19 disruption</p>	<p>Our audit procedure included the followings:</p> <ul style="list-style-type: none"> We evaluated the management's key data sources and assumptions used in the ECL model to determine impairment provisions including any updates to such assumptions due to COVID-19. We evaluated the process followed by the Company's for determination of credit risk and the resultant basis for classification of receivables into various stages. For a sample of receivables, we tested the ageing of the receivables considered for impairment calculations. We assessed the completeness of financial assets included in the ECL calculations as of the reporting date We considered the consistency of various inputs and assumptions used by the Company's management to determine impairment provisions We read and tested the disclosures in the notes to standalone financial statements are as per the relevant accounting standards

Other Information

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual report but does not include the Standalone Financial Statements and our auditors' report thereon.

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

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

Responsibilities of Management for the Standalone Financial Statements

The Company, Management and Board of Directors are responsible for matter stated in section 134(5) of the Act with respect to the preparation and presentation of the Standalone Financial Statement that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statement, including the disclosures, and whether the standalone financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (A) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (B) As required by Section 143(3) of the Act and read with the notes to accounts, we broadly report that:-
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019;

INDEPENDENT AUDITOR'S REPORT

- (e) The matter described in 'Emphasis of Matter' paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:-
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- Refer Note No.31(a), 33 and 37 to the Standalone Financial Statement;
 - ii. There are no long-term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
 - iii. There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Ahmedabad
Date: October 15, 2021
UDIN: 21124095AAAAFV1709

Hitesh P Shah
Partner
Membership No. 124095

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A referred to in Paragraph A of Report on Other Legal and regulatory Requirements of our report of even date for the year ended March 31, 2021.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.
- (b) As informed to us, the Company has a programme of physical verification of its Property, plant and equipment by which the Property, plant and equipment are verified by the Management at periodic manner. In accordance with this programme property, plant and equipment of Engineering & Technologies division were verified during the year and as informed to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanation given to us by the management, the title deeds of immovable properties (which are included under the Note 3- 'property, plant and equipment'), are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. As informed to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured to Companies, Firm, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
 - (a) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans; except Unsecured Loans considered doubtful by the Company, are not prejudicial to the Company's interest.
 - (b) In respect of the aforesaid loans, the term of repayment of principal and Interest has not been stipulated. However, the repayments or receipts are regular.
 - (c) In respect of the aforesaid loans, there is no amount overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of sections 185 and 186 of the Act in respect of loans to Directors including entities in which they are interested and in respect of loans given and investments made have been complied with by the Company. The Company has not granted any guarantees & security in terms of sections 185 and 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, during the year under consideration, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Duty of Customs, Cess and other material statutory dues, as applicable, with the appropriate authorities though there has been a slight delay in a few cases.
- (b) There are no undisputed amounts payable in respect of above dues which were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

- (c) According to the information and explanations given to us and the records of the Company examined by us, following are the details of outstanding dues in respect of Income Tax, Goods and Service Tax, Sales Tax, service tax, duty of customs, duty of excise, value added tax or cess etc which have not been deposited/adjusted/reversed on account of any dispute:-

Name of the Statute	Nature of Dues	Amount (Rs. In Crore)	Period to which amount relates	Forum Where Dispute is Pending
CENTRAL EXCISE ACT, 1944	Excise duty	0.00	2005-06	Commissioner, Central Excise
	Excise duty	11.65	December-2005 to December-2008	CESTAT
	Excise duty	175.00	April-2005 to March-2010	CESTAT
	Excise duty (Advance Licence)	22.41	March-2011 to December-2011	Commissioner, Central Excise
	Excise duty	68.62	October-2007 to September-2012	Commissioner, Central Excise
	Excise duty	0.12	April-2008 to July-2011	CESTAT
	Excise duty	57.38	April-2009 to March-2010	Commissioner, Central Excise
	Excise duty	6.82	February-2014 to March-2015	Commissioner of Central GST Audit
	SUB TOTAL	342.00		
FINANCE ACT, 1944	SERVICE TAX	1.84	April-2007 to March-2008	Commissioner, Central Excise
	SUB TOTAL	1.84		
CUSTOM ACT, 1962	CVD	7.27	March-2011 to December-2011	CESTAT
	Custom Duty	0.83	March-2012 to January-2013	Additional Commissioner, Custom
	Custom Duty	0.02	April-2011	Commissioner of Custom (Preventive).
	SUB TOTAL	8.12		
MAHARASHTRA VAT ACT, 2002	VAT	6.06	2009-10	Deputy Commissioner of MVAT
	VAT	23.09	2010-11	Deputy Commissioner of MVAT
	SUB TOTAL	29.15		
	Grand Total	381.11		

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

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans or borrowings to financial institution, asset reconstruction companies, and bank as at the balance sheet date. Details of which are as below :-

(Rs in Crore)

Name of Lender	Amount of Default as on March 31, 2021				Total Default Amount
	Principal	Default period from	Interest	Default Period from	
Central Bank of India *	428.94	March 2012	7.19	March 2012	436.13
Rare Asset Reconstruction Limited (assignee of debts of Indian Overseas Bank) *	189.95	August 2011	0.01	August 2011	189.96
Rare Asset Reconstruction Limited (assignee of debts of Dena Bank)	8.00	March 2020 to March 2021	0.78	September 2020 to March 2021	8.78
Invent Assets Securitization and Reconstruction Private Limited	39.20	December 2019 to March 2021	3.25	September 2020 to March 2021	42.45
Edelweiss Asset Reconstruction Company Limited	168.68	March 2020 to March 2021	-	-	168.68
Union Bank of India	6.37	May 2020 to March 2021	0.30	April 2020 to March 2021	6.67
Union Bank of India (Corporation Bank merged with Union Bank of India)	30.40	March 2020 to March 2021	6.34	March 2020 to March 2021	36.74

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The above table does not include the interest which bank has not provided after the account has been classified Non-Performing Assets (NPA) and the amount which has been assigned/settled by the lenders.

The Reserve Bank of India (RBI) has notified the Covid-19 Regulatory Packages permitting lenders to grant moratorium period for all installments falling due between March 1, 2020 to August 31, 2020. The company has not paid few of the installments due for the quarter ended on December 31, 2019 and the lender has deferred the said installments. The company has not paid major of the installment and interest due thereon for the period from March 31, 2020 to March 31, 2021. The company has requested respective lenders/ARCs to allow this moratorium period for the payments and the revised repayment schedule and which is yet to be confirmed by the respective lenders/ARCs.

- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and based on our examination of the records of the Company transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial Statements, as required by the accounting standards.
- (xiv) According to the information and explanation given to us and on overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) As explained to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the Order is not applicable to the Company.

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

Place: Ahmedabad
Date: October 15, 2021
UDIN: 21124095AAAAFV1709

Hitesh P Shah
Partner
Membership No. 124095

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Annexure B referred to paragraph B(g) of Report on Other Legal Regulatory Requirements of Independent Auditor's report of even date for year ended March 31, 2021.

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

We have audited the internal financial controls over financial reporting of Electrotherm (India) Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone financial Statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**Auditors' Responsibility**

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

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

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

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting with reference to this standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statement were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Ahmedabad
Date: October 15, 2021
UDIN: 21124095AAAAFV1709

Hitesh P Shah
Partner
Membership No. 124095

Standalone Balance Sheet as at March 31, 2021

(Rs In Crore)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non Current Assets			
a) Property, Plant and Equipment	3	673.40	756.18
b) Capital Work in Progress	3	27.39	26.82
c) Intangible Assets	4a	5.21	5.18
d) Right of Use Assets	4b	1.84	3.11
e) Financial Assets			
i) Investments	5	46.16	45.98
ii) Loans	6	-	-
iii) Other Financial Assets	7	65.63	32.88
f) Other Non Current Assets	8	19.35	15.21
Total Non- Current Assets (A)		838.98	885.36
Current assets			
a) Inventories	9	495.27	477.47
b) Financial Assets			
i) Investments	5	0.04	-
ii) Trade Receivables	10	292.77	338.31
iii) Cash and Cash Equivalent	11	88.20	29.63
iv) Bank Balance Other than (iii) Above	11	8.61	16.63
v) Other Financial Assets	7	1.39	1.55
c) Current Tax Assets	12	1.78	1.95
d) Other Current Assets	8	169.83	167.05
Total Current Assets (B)		1,057.89	1,032.59
TOTAL ASSETS (A+B)		1,896.87	1,917.95
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	12.74	12.74
b) Other Equity	14	(919.53)	(984.17)
Total Equity (A)		(906.79)	(971.43)
Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
Borrowings	15	991.86	1,242.66
Other Financial Liabilities	19	0.28	0.71
b) Other Non-Current Liability	20	-	2.75
c) Provisions	16	15.67	17.36
Total Non Current Liabilities (B)		1,007.81	1,263.48
Current liabilities			
a) Financial Liabilities			
i) Short Term Borrowings	17	14.50	14.57
ii) Trade Payables	18		
Total Outstanding Dues Of :			
- Micro Enterprises & Small Enterprises		40.13	26.53
- Other than Micro Enterprises & Small Enterprises		346.46	404.04
iii) Other Financial Liabilities	19	1,139.16	959.52
b) Other Current Liabilities	20	242.92	207.23
c) Provisions	16	12.68	14.01
Total Current Liabilities (C)		1,795.85	1,625.90
TOTAL EQUITY AND LIABILITIES (A+B+C)		1,896.87	1,917.95
Summary of Significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

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

Hitesh Shah
Partner
Membership No. 124095

Place : Ahmedabad
Date : 15th October 2021

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

Shailesh Bhandari
Managing Director
DIN:- 00058866

Place : Palodia
Date : 15th October 2021

Suraj Bhandari
Whole Time Director
DIN:- 07296523

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

(Rs In Crore)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue From Operations	21	2,526.79	2,836.36
Other Income	22	3.80	25.73
Total Income		2,530.59	2,862.09
Expenses			
Cost of Raw Materials and Components Consumed	23	1,650.40	1,871.20
Purchases of Stock in Trade	23	46.98	110.30
Changes in Inventories of Finished Goods, Work in Progress	24	(6.51)	(4.91)
Employee Benefit Expense	25	130.36	147.00
Finance Costs	26	49.89	19.30
Depreciation and Amortisation Expense	27	116.85	129.99
Other Expenses	28	479.32	579.77
Total expenses		2,467.29	2,852.65
Profit Before Exceptional Items And Tax		63.30	9.44
Exceptional item	29	-	35.54
Profit Before Tax		63.30	44.98
Tax Expense:			
Income Tax	30	-	-
Total Tax Expense		-	-
Profit for the Year		63.30	44.98
Other comprehensive income / (loss)			
A. Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent period			
Re-measurement gain / (loss) on defined benefit plans		1.34	(2.70)
Income tax effect relating to these items		-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period		1.34	(2.70)
Total Other comprehensive income/(loss) for the year, net of tax		1.34	(2.70)
Total comprehensive income for the year		64.64	42.28
Earnings per equity share (nominal value of shares Rs 10) (Basic & Diluted)	39	49.69	35.31
Summary of Significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

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

Hitesh Shah
Partner
Membership No. 124095

Place : Ahmedabad
Date : 15th October 2021

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

Shailesh Bhandari
Managing Director
DIN:- 00058866

Place : Palodia
Date : 15th October 2021

Suraj Bhandari
Whole Time Director
DIN:- 07296523

Standalone Cash Flow Statement for the Year Ended March 31, 2021

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	63.30	44.98
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant, equipment & Amortization of Assets	116.85	129.99
Finance income (including fair value changes in financial instruments)	(3.36)	(3.02)
Net Sundry Balances Written Off	0.33	0.55
Exceptional item	-	(35.54)
Provision For Doubtful Trade Receivables & Advances	2.85	-
(Profit)/Loss on Sale/Discard of Property, Plant & Equipments, Right to use Asset & Capital Work In Progress (Net)	(0.10)	1.13
Profit on Sale of Units of Mutual Fund	(0.04)	-
Finance costs (including fair value changes in financial instruments)	49.89	19.39
Unrealized foreign exchange (gain)/loss	(3.03)	(14.30)
Operating Profit before working capital changes	226.69	143.18
Working capital adjustments:		
Decrease/(Increase) in inventories	(17.80)	48.47
Decrease/(Increase) in trade receivables	43.86	32.14
Decrease/(Increase) in other current financial assets & others	0.44	(0.21)
Decrease/(Increase) in other current Asset	(0.86)	0.24
(Decrease)/Increase in other non current liabilities	(2.75)	2.75
(Decrease)/Increase in trade payables	(44.37)	(4.21)
(Decrease)/Increase in other current liabilities	23.35	(34.67)
(Decrease)/Increase in other current financial liabilities	(2.07)	(13.17)
(Decrease)/Increase in provisions	(1.68)	2.56
Cash generated from operations	224.81	177.08
Net Direct taxes (Paid) / Refund	0.17	(0.52)
Net Cash (used in) generated from operating activities	224.98	176.56
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets & intangible assets (including CWIP and capital advances)	(40.82)	(22.75)
Proceeds from sale of Property Plant & Equipment	0.13	-
Purchase of Units of Mutual fund	(3.00)	-
Sale of Units of Mutual fund	3.00	-
Redemption/ (Deposit) of bank deposits (Net)	(24.73)	14.23
Interest income	2.91	2.78
Net Cash (used in) generated from investing activities	(62.51)	(5.74)

Standalone Cash Flow Statement for the Year Ended March 31, 2021

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (Net)	(65.05)	(160.83)
Payment of Lease Liabilities	(1.53)	(1.83)
Finance Cost (Net)	(37.32)	(21.68)
Net Cash (used in) generated from financing activities	(103.90)	(184.34)
Net (Decrease)/ Increase in Cash and Cash Equivalents	58.57	(13.52)
Cash and Cash Equivalents at the beginning of the year	29.63	43.15
Cash and Cash Equivalents at the end of the year	88.20	29.63

Unrealized foreign exchange (gain)/loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivable	(3.12)	(13.66)
Trade Payable	0.09	(0.64)
Borrowings	-	-
Total	(3.03)	(14.30)

Notes:-

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

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

Hitesh Shah
Partner
Membership No. 124095

Place : Ahmedabad
Date : 15th October 2021

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

Shailesh Bhandari
Managing Director
DIN:- 00058866

Place : Palodia
Date : 15th October 2021

Suraj Bhandari
Whole Time Director
DIN:- 07296523

Statement of Change in Equity for the Year ended March 31, 2021
A. EQUITY SHARE CAPITAL

Particulars	No. of Shares	(Rs In Crore)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2019	1,27,42,814	12.74
Add: Issue of Equity Share Capital	-	-
As at March 31, 2020	1,27,42,814	12.74
Add: Issue of Equity Share Capital	-	-
As at March 31, 2021	1,27,42,814	12.74

B. OTHER EQUITY

(Rs In Crore)

Particulars	Other Equity				Total Other Equity
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
As at April 1, 2019	51.10	240.01	306.98	(1,731.85)	(1,133.76)
Profit for the year	-	-	-	44.98	44.98
Add: Addition During the Year (Refer Note 14(a))	107.31	-	-	-	107.31
Other Comprehensive Income / (Loss) (Re-measurement Gain on defined benefit plans)	-	-	-	(2.70)	(2.70)
Total Comprehensive Income	107.31	-	-	42.28	149.59
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2020	158.41	240.01	303.72	(1,686.31)	(984.17)
Profit for the year	-	-	-	63.30	63.30
Add: Addition During the Year (Refer Note 14(a))	-	-	-	-	-
Other Comprehensive Income / (Loss) (Re-measurement loss on defined benefit plans)	-	-	-	1.34	1.34
Total Comprehensive Income	-	-	-	64.64	64.64
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2021	158.41	240.01	300.46	(1,618.41)	(919.53)

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

Hitesh Shah
Partner
Membership No. 124095

Place : Ahmedabad
Date : 15th October 2021

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

Shailesh Bhandari
Managing Director
DIN:- 00058866

Place : Palodia
Date : 15th October 2021

Suraj Bhandari
Whole Time Director
DIN:- 07296523

Notes to Standalone Financial Statements for the year ended March 31, 2021**1. CORPORATE INFORMATION:**

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

Pursuant to order dated 24.05.2021, 07.06.2021 and 17.06.2021 by the Hon’ble National Company Law Appellate Tribunal, New Delhi (“NCLAT”) in appeal filed by the Company against the order dated 04.05.2021 of the Hon’ble National Company Law Tribunal, Ahmedabad in pending petitions related to appointment of independent directors and oppression & mismanagement, there is stay on the further Board Meeting and in view of further clarification required about the interpretation of the order of Hon’ble NCLAT, the Board Meeting was not being convened to consider the Audited Financial Statements for the year ended on 31 March, 2021 on or before 30th June, 2021. As per the approval of the Hon’ble NCLAT in their order dated 27 September 2021, in relation to the calling the board meeting, the above Audited Financial statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on October 14 & 15, 2021.

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

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

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

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

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

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

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

b FOREIGN CURRENCIES:

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

Transactions and balances

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

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

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

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

c. FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d. Revenue from contract with customer

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

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

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

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

Sale of Goods:

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

Variable Consideration

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

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

Dividends:

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

Interest income and expense:

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

Contract Balances**Contract assets:**

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

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

Trade receivables:

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

Contract liabilities:

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

Refund liabilities:

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

e. PROPERTY, PLANT AND EQUIPMENT (PPE):

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

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

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

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

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

- Long Term Lease hold land is amortised over a period of 99 years, being the lease term.

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

f. INTANGIBLE ASSETS:

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

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

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

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

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

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

h. **BORROWING COSTS:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i. **LEASES:**

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

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

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

Assets Estimated

Right-of-use of office premises and Leasehold land

Useful Life

Over the balance period of lease agreement

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

ii **Lease Liabilities**

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

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

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

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of office equipment that is considered to be low value amounting to Rs. 2 lakhs. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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

j. **FINANCIAL INSTRUMENTS:**

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

Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Financial asset at amortised cost (debt instruments)

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

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

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

Financial Assets at FVTOCI

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

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

Financial Assets at FVTPL

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

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

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

Equity investments

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

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

Financial assets measured at amortised cost:

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

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

Financial liabilities & Equity Instruments

Classification as debt or equity

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

Equity instruments

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

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Financial liabilities at fair value through Profit or Loss.

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

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

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

Loans and borrowings

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

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

Financial guarantee contracts

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Notes to Standalone Financial Statements for the year ended March 31, 2021**Reclassification of financial assets**

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

Offsetting of financial instruments

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

k. INVENTORIES:

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

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

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

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS:

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

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

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

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

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

m. TAXES:

Tax Expenses comprises of current income tax and deferred tax

Current income tax:

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

Current income tax relating to items recognised outside the Standalone Statement of Profit and Loss is recognised outside the Standalone Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised

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

in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

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

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

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

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

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

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

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

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

n. PROVISIONS:

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

o. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

p. CASH AND CASH EQUIVALENT:

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

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

q. CASH DIVIDEND

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

r. CONTINGENT LIABILITIES

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

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

Judgements

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

Determining the lease term of contracts with renewal and termination options – Company as lessee. The Company determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

Estimates and assumptions

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

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 32.



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

(Rs In Crore)										
Particulars	Freehold Land	Leasehold Land	Building	Plant and Equipment	Computer	Furniture and Fixtures	Office Equipment	Vehicles	Total	
Cost										
As at April 1, 2019	150.35	0.96	281.20	832.56	7.80	5.83	4.54	3.77	1,287.01	
Additions	-	-	4.96	17.28	2.42	0.28	0.48	0.62	26.04	
Disposals / Capitalization / Transferred	-	0.96	0.01	1.26	0.68	1.37	0.43	0.22	4.93	
As at March 31, 2020	150.35	-	286.15	848.58	9.54	4.74	4.59	4.17	1,308.12	
Additions	-	-	7.40	21.14	0.92	0.14	0.69	1.32	31.61	
Disposals / Capitalization / Transferred	-	-	-	0.05	-	-	-	0.16	0.21	
As at March 31, 2021	150.35	-	293.55	869.67	10.46	4.88	5.28	5.33	1,339.52	
Depreciation / Amortization and Impairment										
As at 01 April 2019	-	0.03	41.84	375.84	3.93	2.07	1.54	1.43	426.68	
Depreciation for the Year	-	-	13.20	110.96	2.27	0.45	0.83	0.41	128.12	
Adjustment	-	-	-	-	-	-	-	-	-	
Disposals / Transferred	-	0.03	-	0.77	0.42	1.17	0.35	0.12	2.86	
As at March 31, 2020	-	-	55.04	486.03	5.78	1.35	2.02	1.72	551.94	
Depreciation for the Year	-	-	14.27	96.04	2.05	0.58	0.85	0.53	114.32	
Adjustment	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	0.00	-	-	-	0.14	0.14	
As at March 31, 2021	-	-	69.31	582.07	7.83	1.93	2.87	2.11	666.12	
Net Block										
As at 01 April 2019	150.35	0.93	239.36	456.72	3.87	3.76	3.00	2.34	860.33	
As at March 31, 2020	150.35	-	231.11	362.55	3.76	3.39	2.57	2.45	756.18	
As at March 31, 2021	150.35	-	224.24	287.60	2.63	2.95	2.41	3.22	673.40	

Notes:-

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

Particulars	(Rs In Crore)
As at March 31, 2020	26.82
As at March 31, 2021	27.39

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

4(a) Intangible Assets

(Rs In Crore)

Particulars	Software	Trademark	Total
Cost			
As at April 1, 2019	2.45	0.02	2.47
Additions	3.34	0.01	3.35
As at March 31, 2020	5.79	0.03	5.82
Additions	0.86	-	0.86
As at March 31, 2021	6.65	0.03	6.68
Amortization and Impairment			
As at April 1, 2019	0.41	-	0.41
Amortization for the Year	0.22	0.01	0.23
As at March 31, 2020	0.63	0.01	0.64
Amortization for the Year	0.82	0.01	0.83
As at March 31, 2021	1.45	0.02	1.47
Net Block			
As at March 31, 2020	5.16	0.02	5.18
As at March 31, 2021	5.20	0.01	5.21

4(b) Right of Use Assets

(Rs In Crore)

Particulars	Right of Use Assets		
	Premises	Lease Hold Land	Total
Gross Carrying Value			
As at April 1, 2019			
On Transition to Ind AS 116	3.82	0.96	4.78
Additions	-	-	-
Disposals During the Year	-	-	-
As at March 31, 2020	3.82	0.96	4.78
Additions	0.47	-	0.47
Disposals During the Year	0.08	-	0.08
As at March 31, 2021	4.21	0.96	5.17
Accumulated Amortization			
As at April 1, 2019	-	-	-
On Transition to Ind AS 116	-	0.03	0.03
Amortization Charged for the Year	1.63	0.01	1.64
Eliminated on disposal of assets	-	-	-
As at March 31, 2020	1.63	0.04	1.67
Amortization Charged for the Year	1.69	0.01	1.70
Eliminated on disposal of assets	0.04	-	0.04
As at March 31, 2021	3.28	0.05	3.33
Net Carrying Value March 31, 2020	2.19	0.92	3.11
Net Carrying Value March 31, 2021	0.93	0.91	1.84

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

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Trade Investments - Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
- 21,503.949 (March 31, 2020 : 21,503.949) Units of IDFC STERLING VALUE FUND - REGULAR PLAN GROWTH	0.14	0.06
- 13,027.83 (March 31, 2020 : 13,027.83) Units of CANARA ROBECO EMERGING EQUITIES - REGULAR PLAN GROWTH	0.17	0.10
- 49,990 (March 31, 2020: 49,990) Units of UNION FOCUSED LARGE CAP FUND- REGULAR PLAN-GROWTH	0.07	0.04
- 12052.424 (March 31, 2020 : NIL) Units of L & T ULTRA SHORT TERM FUND	0.04	-
Other unquoted investments in Government Securities (At Amortized Cost)		
- National Saving Certificates	0.00	0.00
Investment in Equity Instruments (Unquoted) : (at Cost Less Provision for Impairment)		
(a) Investment in unquoted Equity Share of Joint Ventures		
- 90,45,127 (March 31, 2020: 90,45,127) Equity Shares of Rs. 10 each of Bhaskarpara Coal Company Limited	9.06	9.06
Less:- Accumulated Impairment	(2.13)	(2.13)
(b) Investment in unquoted Equity Share of Subsidiary Company		
- 38,00,000 (March 31, 2020: 38,00,000) Shares of Rmb 1 each of Jinhua Indus Enterprise Limited	2.04	2.04
- 3,64,20,000 (March 31, 2020 :3,64,20,000) Equity Shares of Rs. 10/- each of Hans Ispat Limited	36.46	36.46
- 3,50,000 (March 31, 2020 : 3,50,000) Equity Shares of Rs. 10/- each of Electrotherm Services Limited	0.35	0.35
- 7,78,000 (March 31, 2020 : 7,78,000) Equity Shares of Rs. 100/- each At a Premium of Rs. 909/- of Shree Ram Electrocast Limited	-	-
- 7,24,400 (March 31, 2020 7,24,400) Equity Shares of Rs. 10 each of ET Elec-Trans Limited	0.72	0.72
Less: Accumulated Impairment on ET Elec-Trans Limited :	(0.72)	(0.72)
Total	46.20	45.98
Current	0.04	-
Non Current	46.16	45.98
Aggregate Value of Investments in unquoted equity shares	48.63	48.63
Aggregate Value of Investments in Government Security	0.00	0.00
Aggregate Carrying Value & Book Value of quoted Investments	0.42	0.20
Aggregate amount of impairment in value of investments in unquoted equity shares	2.85	2.85

- (a) The Company holds investment in equity shares of Shree Ram Electrocast Limited as subsidiary company. Due to heavy losses and non operation of Shree Ram Electrocast Limited the amount of Investment of Rs. 78.68 Crore has been written off during the financial year 2015-2016. State Bank of India has conducted auction under Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 and Movable & Immovable Property, Plant & Equipment and Inventory charged with the bank were sold during the year end on March 31, 2020. In view of the said facts advances to the said subsidiary of Rs 1.78 Crore (March 31, 2020 Rs 1.69 Crore), shown in Note no. 8, has been treated as Doubtful advance to the Subsidiary Company.
- (b) The company holds an investment in equity shares of ET Elec-Trans Limited as subsidiary company and Bhaskarpara Coal Company Limited as a joint venture. These Companies have incurred heavy losses and/or are non-operating and therefore the fate of said Companies is uncertain. Provision for impairment of Rs. 2.13 Crore (March 31, 2020 Rs. 2.13 Crore) in the value of investment in joint ventures namely Bhaskarpara Coal Company Limited and in the value of investment in subsidiary namely ET Elec-Trans Limited of Rs. 0.72 Crore (March 31, 2020 Rs. 0.72 Crore) has been provided as on April 1, 2016

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

6 Loans (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered doubtful		
Loan Receivable from Subsidiary- Credit Impaired	4.18	4.18
Less: Impairment allowance (allowance for bad and doubtful debts)	(4.18)	(4.18)
Total	-	-

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

Particulars	Balance as at March 31, 2021	Balance as at March 31, 2020
Electrotherm Services Limited	4.18	4.18

Particulars	Maximum Amount Outstanding at any time during the Year Ended	
	March 31, 2021	March 31, 2020
Electrotherm Services Limited	4.18	4.18

- (b) The settlement of loans and advances to subsidiary is neither planned nor likely to occur in the next twelve months and are given as interest free.
- (c) Loans and advances to subsidiary is given for business purpose.
- (d) Due to uncertainty of recovery, Impairment allowance (allowance for bad and doubtful debts) of the amount recoverable of Rs.4.18 Crore (March 31, 2020 Rs 4.18 Crore) from Electrotherm Services Limited has been made as on April 1, 2016.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	4.18	4.18
Provision for expected credit losses	-	-
Balance at end of the year	4.18	4.18

7 Other Financial Assets (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Sundry Deposits (Includes Bank Fixed Deposit of Rs 8.59 Crore (March 31, 2020: 11.47 crore) given as EMD)	27.61	32.14
In term deposit accounts (marked as lien against the LC/BG) (remaining maturity more than 12 months)	38.02	0.74
Loan to Employees	0.15	0.59
Interest Accrued	1.24	0.96
Total	67.02	34.43
Current	1.39	1.55
Non Current	65.63	32.88
Total	67.02	34.43

Notes to Standalone Financial Statements for the year ended March 31, 2021
8 Other Assets (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Product Development Cost	14.66	14.66
Advance for Capital Goods	4.69	0.55
Advance to subsidiaries	24.22	25.01
Enterprises owned or Significantly influenced by Key Managerial Personnel or their relative	0.16	0.16
Advances Recoverable In Cash or Kind (Net)	33.16	33.16
Advances to Staff	0.27	0.28
Advance to Suppliers and Other Parties	91.05	81.55
Prepaid Expenses	4.62	4.49
Balance with Revenue Authorities	14.57	20.71
Unsecured, Considered Doubtful		
Advance to Suppliers and Other Parties - Credit Impaired	18.05	19.97
Advance to Subsidiary (Refer Note 5(a)) - Credit Impaired	1.78	1.69
Less: Impairment allowance (allowance for bad and doubtful Advances)	(18.05)	(19.97)
Total	189.18	182.26
Current	169.83	167.05
Non Current	19.35	15.21
Total	189.18	182.26

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

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	19.97	19.97
Provision for expected credit losses reversed	(1.92)	-
Balance at end of the year	18.05	19.97

(b) Advances to Subsidiaries (Rs In Crore)

Particulars	Balance As at March 31, 2021	Balance As at March 31, 2020
Jinhua Jahari Enterprise Limited	-	0.34
Jinhua Indus Enterprise Limited	0.95	1.40
Shree Ram Electrocast Limited	1.78	1.69
Hans Ispat Limited	23.27	23.27
Total	26.00	26.70

(Rs In Crore)

Particulars	Maximum Amount Outstanding at any time during the Year Ended	
	March 31, 2021	March 31, 2020
Jinhua Jahari Enterprise Limited	1.51	0.34
Jinhua Indus Enterprise Limited	1.40	1.40
Shree Ram Electrocast Limited	1.78	9.00
Hans Ispat Limited	23.27	23.27

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

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

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

9 Inventories {Refer Note No 35(e)} (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Raw Material [including goods in transit of Rs.1.28 Crore] (March 31, 2020 Rs. 3.91 Crore)	163.93	149.49
b. Work-In-Progress	194.55	159.13
c. Finished Goods / Stock in Trade [Including goods in transit of Rs. 1.45 Crore] (March 31, 2020 Rs. 17.86 Crore)	88.60	117.51
d. Stores and Spares [including goods in transit of Rs Nil] (March 31, 2020 Rs. 0.29 Crore)	48.19	51.34
Total	495.27	477.47

10 Trade Receivables {Refer Note No 35(c)} (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Trade receivables from other parties		
Secured Considered Good	71.32	71.63
Unsecured Considered Good	183.50	219.65
Unsecured Considered Doubtful- Credit Impaired	96.76	91.99
Less: Impairment allowance (allowance for bad and doubtful debts)	(96.76)	(91.99)
(B) Due from Related Parties		
(Unsecured, Considered Good)		
- Subsidiary Companies	28.27	36.91
- Enterprises owned or Significantly influenced by key management personnel or their relative	9.68	9.67
- Relative of Key Managerial Personnel	-	0.45
(Unsecured, Considered Doubtful)		
- Subsidiary Company - Credit Impaired	0.51	0.51
Less: Impairment allowance (allowance for bad and doubtful debts)	(0.51)	(0.51)
Total	292.77	338.31

a Movement in expected credit loss allowance (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	92.50	92.50
Provision for expected credit losses	4.77	-
Balance at end of the year	97.27	92.50

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

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

11 Cash and Cash Equivalents (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents (At Amortized Cost)		
a. Balances with Bank		
- In Current Account	87.46	28.64
- Deposits with original maturity of three months or less	-	0.33
b. Cash on hand	0.74	0.66
Total Cash and Cash Equivalents	88.20	29.63
Bank Balance Other than Cash and Cash Equivalents (At Amortized Cost)		
- Deposits with original maturity of more than three months but less than twelve months	8.28	16.30
- Interest accrued but not due	0.33	0.33
Total	8.61	16.63

Short-term deposits are made for varying periods of between one day to three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Deposits aggregating to Rs 8.28 Crore (March 31, 2020: Rs 16.30 Crore) are marked as lien against the LC/BG or given as EMD.

12 Current Tax assets (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Asset	1.78	1.95
Total	1.78	1.95

13 Equity share capital (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized Share Capital:		
2,50,00,000 (March 31, 2020: 2,50,00,000) Equity Shares of Rs.10/- each	25.00	25.00
2,50,00,000 (March 31, 2020: 2,50,00,000) 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	25.00	25.00
2,85,90,000 (March 31, 2020: 2,85,90,000) Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- each	28.59	28.59
	78.59	78.59
Issued, subscribed and fully paid up:		
(a) Equity Shares		
1,27,42,814 (March 31, 2020 1,27,42,814) Equity Shares of Rs.10/- each Fully paid up	12.74	12.74
	12.74	12.74

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	(Rs In Crore)	No of shares	(Rs In Crore)
Equity Shares :				
At the beginning of the year	1,27,42,814	12.74	1,27,42,814	12.74
Add: Shares issued during the year	-	-	-	-
At the end of the year	1,27,42,814	12.74	1,27,42,814	12.74

Notes to Standalone Financial Statements for the year ended March 31, 2021**b) Rights, preference and restriction attached to Equity Shares**

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

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

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

c) Rights, preference and restriction attached to Preference Shares

- The face value of the Preference shares is Rs 10/- per share . The Preference share holder have voting right in their meeting. During the year, the company has not declared any dividend.

- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.

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

- The face value of the PCPRPS is Rs 10/- per share . The preference share holder have voting right in their meeting. During the year, the company has not declared any dividend.

- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.

- The Equity Shares arising upon conversion of the PCPRPS shall rank pari passu with the existing Equity Shares of the Company in all respects, including dividend.

e) Details of share holders holding more than 5% equity shares in the company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Edelweiss Asset Reconstruction Company Limited	7,92,208	6.22	8,92,208	7.00
Castleshine PTE Limited	10,00,000	7.85	10,00,000	7.85
Leadhaven PTE Limited	10,00,000	7.85	10,00,000	7.85
Western India speciality Hospital Limited	9,75,000	7.65	9,75,000	7.65
Mr. Shailesh Bhandari	8,48,275	6.66	8,48,275	6.66
Mr. Mukesh Bhandari	8,09,500	6.35	8,09,500	6.35
Jagdishkumar Amrutlal Akhani	7,62,761	5.99	7,99,914	6.28

f) As per Records of the Company, including its register of Shareholder/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent legal ownership of shares.

g) The Company has calls in arrears / unpaid calls of Rs. Nil (March 31, 2020: Nil)

h) Details of Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. (during 5 years immediately preceding March 31, 2021).

As per the terms and conditions of the settlement with Edelweiss Asset Reconstruction Company Limited (EARC), the company has allotted 2,85,90,000 Partially convertible and Partially Redeemable Preference Shares (PCPRPS) of Rs.10 Each of amounting to Rs 28.59 Crore on August 22, 2015 and against the said PCPRPS, 12,66,440/- Equity shares of Rs. 10/- each at the price of Rs. 225.75 per equity share (inclusive of Share premium amount of Rs. 215.75 per equity share) were allotted during F.Y. 2016-17. As equity shares were allotted against such PCPRPS the entire amount of preference Share Capital of Rs. 28.59 Crore has been treated as part of Equity Share Capital as on April 1, 2016

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

14 Other equity

Particulars	(Rs. In Crore)
(a) Capital Reserve	
As at April 1, 2019	51.10
Increase/(decrease) during the Year	107.31
As at March 31, 2020	158.41
Increase/(decrease) during the Year	-
As at March 31, 2021	158.41
(b) Securities Premium	
As at April 1, 2019	240.01
Increase/(decrease) during the Year	-
As at March 31, 2020	240.01
Increase/(decrease) during the Year	-
As at March 31, 2021	240.01
(c) General Reserves	
As at April 1, 2019	306.98
Increase/(decrease) during the Year	(3.26)
As at March 31, 2020	303.72
Increase/(decrease) during the Year	(3.26)
As at March 31, 2021	300.46
Retained Earnings	
As at April 1, 2019	(1,731.85)
Profit for the year	44.98
Other Comprehensive Income / (Loss) (Re-measurement Gain on defined benefit plans)	(2.70)
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2020	(1,686.31)
Profit for the year	63.30
Other Comprehensive Income / (Loss) (Re-measurement Gain/(Loss) on defined benefit plans)	1.34
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2021	(1,618.41)
Total Other Equity	
As at March 31, 2020	(984.17)
As at March 31, 2021	(919.53)

a. Capital Reserve

Capital Reserve inculdes amount of debt reduction and is not available for distribution of profits.

b. Securities Premium

Securities Premium is used to record the premium on issue of shares and is utilized in accordance with the provisions of the Companies Act, 2013.

c. General Reserve

General Reserve is used from time to time to transfer profits to/from Retained Earnings for appropriation purposes including the amount arising due to past revaluation of land and building under previous GAAP. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

d. Retained Earnings

Retained Earnings are the profits / (loss) of the Company earned till date and net of appropriations.

Notes to Standalone Financial Statements for the year ended March 31, 2021**15 Borrowings {Refer Note No. 33}**

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loans from Banks {Refer Note No. (a) & (c) below}		
- Rupee Term Loan	502.07	509.88
Loans from Asset Reconstruction Companies {Refer Note No. (a) & (c) below }		
- Rupee Term Loan	1,619.33	1,676.50
Less: Current Maturity of Long Term Borrowing	(1,129.54)	(943.72)
Total	991.86	1,242.66

- (a) Rupee term loan are secured by first Charge /sub-servient charge by way of Equitable mortgage of all immovable properties and hypothecation of specified movable assets situated at Vatva, Palodia, Dhank, Samakhiyali – Kutch, and Chhadawada –Bhachau and Juni Jithardi, Karjan, Vadodara and Bank Fixed Deposits & as second charge on all Stock-in-Trade & Receivables. Further the loans are guaranteed by the personal guarantees of some of the Directors of the Company.

- (b) Interest Rate on delayed payment by various lender are as under:

Name of Lender	Rate of Interest (%)
Union Bank of India (formerly known as Corporation Bank)	9.65%
Union Bank of India	From 8.10% to 8.20%
Edelweiss Asset Reconstruction Company Limited	From 12% to 23%
Invent Assets Securitization and Reconstruction Private Limited	15%
Rare Asset Reconstruction Limited (Being assignee of debts of Dena Bank)	18%

- (c) Company has defaulted in repayment of borrowings from Lenders.

The Reserve Bank of India (RBI) has notified the Covid-19 Regulatory Packages permitting lenders to grant moratorium period for all installments falling due between March 1, 2020 to August 31, 2020. The company has not paid few of the installments due for the quarter ended on December 31, 2019 and the lender has deferred the said installments. The company has not paid major of the installment and interest due thereon for the period from March 31, 2020 to March 31, 2021. The company has requested respective lenders/ARCs to allow this moratorium period for the payments and the revised repayment schedule and which is yet to be confirmed by the respective lenders/ARCs. Details of the default are as follows:

(Rs In Crore)

Name of the Bank & Asset Reconstruction Company	Principal	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	30.40	From March-2020 to March-2021
Union Bank of India	6.37	From May-2020 to March-2021
Central Bank of India	428.94	From March- 2012
Edelweiss Asset Reconstruction Company Limited	168.68	From March -2020 to March-2021
Invent Assets Securitization and Reconstruction Private Limited	39.20	From December-2019 to March-2021
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	189.95	From August- 2011
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	8.00	From March-2020 to March-2021
Total	871.54	

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

(Rs In Crore)

Name of the Bank & Asset Reconstruction Companies	Interest	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	6.34	From March-2020 to March-2021
Union Bank of India	0.30	From April-2020 to March-2021
Central Bank of India	7.19	From March-2012
Invent Assets Securitization and Reconstruction Private Limited	3.25	From September-2020 to March-2021
Rare Asset Reconstruction Limited (Debts assignee of Dena Bank)	0.78	From September-2020 to March-2021
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	0.01	From August- 2011
Total	17.87	

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

(Rs In Crore)

Particulars	0-1 Year	1 - 3 Year
Secured		
Term Loans from Banks		
- Rupee Term Loan	494.66	7.41
Loans from Asset Reconstruction Companies		
- Rupee Term Loan	634.88	984.45
Total	1,129.54	991.86

(e) Net Debt Reconciliation

(Rs In Crore)

Particulars	Long Term Borrowings	Short Term Borrowings	Interest Expenses
As at March 31, 2019	2,382.63	107.43	6.25
Interest Expenses	-	-	9.62
Foreign Exchange Fluctuation	-	-	0.23
Settlement Waiver	(142.85)	-	-
Transfer	107.43	(107.43)	-
Outflow	(160.83)	-	(12.60)
As at March 31, 2020	2,186.38	-	3.50
Interest Expenses	-	-	31.01
Outflow	(64.98)	-	(18.67)
As at March 31, 2021	2,121.40	-	15.84

For Lease liability refer Note No. 31(b)

16 Provisions

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits*	24.04	26.02
Provision for Warranty	4.31	5.35
Total	28.35	31.37
Current	12.68	14.01
Non Current	15.67	17.36
Total	28.35	31.37

* Provision for Employee Benefits includes Provision for Leave Encashment, Gratuity and Bonus.

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

In pursuance of Ind AS 37 - 'Provisions, contingent liabilities and contingent assets, the provisions required have been incorporated in the books of account in the following manner:

(Rs In Crore)

Particulars	March 31, 2021	March 31, 2020
Opening Balance of Warranty	5.35	6.25
Add: Provision (Reversed) / Recognised during the year	2.99	(0.06)
Less: Amount utilised during the year	4.03	0.84
Closing balance	4.31	5.35

The Company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made at the year end represents the amount of expected cost of meeting such obligations of rectification / replacement based on the historical data available. The timing of the outflows is expected to be within a period of one year.

17 Short Term Borrowings

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Loans repayable on demand from: -		
Key Managerial Personnel	0.24	0.31
Relatives of Key Managerial Personnel	0.17	0.17
Enterprise Owned or significantly influenced by Key Managerial Personnel or Their Relative	1.75	1.75
Other Body Corporates	0.34	0.34
Total	2.50	2.57
1,20,00,000 (March 31, 2020: 1,20,00,000) 6 % Non-Cumulative Redeemable Preference Shares Of Rs.10/- each Fully Paid Up, Redeemable At Par.	12.00	12.00
Total	14.50	14.57

18 Trade Payables {Refer Note No 35(c) & 37(a)}

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Outstanding dues of Micro and Small Enterprises	40.13	26.53
Total Outstanding dues of creditors other than Micro and Small Enterprises		
Dues to Subsidiaries	3.17	0.02
Dues to Key Managerial Personnel	0.03	0.04
Dues to Enterprise Owned or Significantly Influence by Key Managerial Personnel or Their Relative	0.17	0.17
Others	343.09	403.81
Total	386.59	430.57

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

Amount due to micro and small enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. Hence, disclosure as per MSME Act for interest is not required. These facts have been relied upon by the auditors. The disclosures relating to micro and small enterprises is as below:

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	40.13	26.53
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods	1.29	1.60
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-

19 Other Financial Liabilities

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Creditors for Capital expenditure (Includes amount payable to MSME of Rs. 1.29 Crore (March 31, 2020 Rs 1.60 Crore))	5.42	9.05
Current Maturities of Long term borrowings (Refer Note No 33)	1,129.54	943.72
Amount Payable to Key Managerial Personnel	-	0.05
Lease Liability- Key Managerial Personnel	0.34	0.29
Lease Liability- Relative of Key Managerial Personnel	0.08	0.14
Lease Liability to others	1.05	1.95
Others*	3.01	5.03
Total	1,139.44	960.23
Current	1,139.16	959.52
Non-Current	0.28	0.71

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

20 Other liabilities

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers (Contract Liabilities)	206.88	160.56
Advance from enterprise owned or significantly influenced by Key Managerial Personnel	0.01	0.01
Interest accrued and due	15.84	3.50
Other Miscellaneous Liabilities	0.45	0.10
Statutory Dues Payable	19.74	45.81
Total	242.92	209.98
Current	242.92	207.23
Non Current	-	2.75

Notes to Standalone Financial Statements for the year ended March 31, 2021**21 Revenue From Operations**

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue From Contracts With Customers		
Sales of Products (Finished Goods & Traded Goods)	2,503.05	2,823.78
Revenue From Service Contracts	15.07	7.42
Total Revenue from Contracts with Customers	2,518.12	2,831.20
Other Operating Income	8.67	5.16
Total Revenue From Operation	2,526.79	2,836.36
i) Disaggregated revenue Information		
Types of Goods & Services		
(a) Engineering & Technologies	641.43	771.58
(b) Special Steel Products	1,882.11	2,056.97
(c) Electric Vehicle	30.67	16.95
(d) Revenue From Service Contracts with Customers	15.07	7.42
Gross Revenue Company as a Whole	2,569.28	2,852.92
Less:- Inter Segment Revenue	(42.49)	(16.56)
Total Revenue From Operation	2,526.79	2,836.36
India	2,311.88	2,554.14
Outside India	214.91	282.22
Total Revenue From Contracts with Customers	2,526.79	2,836.36

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

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Amount of Contract Liability (Advance From Customers) at the beginning of the year	160.57	213.36
Performance obligation satisfied during the year	110.64	190.91

Performance Obligation :-

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one Year	916.73	799.00
More than One Year	451.27	148.98

Contract Balances As At:

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Balances		
Trade Receivables	292.77	338.31
Contract Liabilities (Advance from Customers)	206.89	160.57

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

21 Revenue From Operations (Contd...)

Reconciliation of the amount of Revenue recognised in the statement of Profit and Loss with the contract price (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per Contract Price	2,527.17	2,845.20
Adjustments for Discounts & Rebates	9.05	14.00
Revenue From Contracts with Customers	2,518.12	2,831.20

Revenue from sale of products are recorded at a point of time of Rs 2,503.05 Crore (March 31, 2020 Rs. 2,823.78 Crore) and those from sale of services are recognised over a period of time of Rs. 15.07 Crore (March 31, 2020 Rs. 7.42 Crore).

22 Other Income

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on :		
- Fixed Deposits	1.45	1.61
- Others	1.74	1.41
Net Gain on Sale of Property, Plant & Equipments & Right to Use of Asset	0.01	-
Profit on Sale of Units of Mutual Fund	0.04	-
Vat Refund	-	15.71
Foreign Exchange Fluctuation (net)	-	3.55
Fair Valuation Gain/ (Loss) On Financial Assets	0.17	-
Miscellaneous Income	0.39	3.45
Total	3.80	25.73

23 Cost of Raw Materials and Components Consumed

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Inventory	149.49	197.60
Add: Purchases & Other Expenses	1,664.84	1,823.09
Total	1,814.33	2,020.69
Less: Closing Inventory	163.93	149.49
Cost of Raw Material Consumed	1,650.40	1,871.20
Purchase of Stock in Trade		
Trading Purchase	46.98	110.30

24 Changes in Inventories of Finished Goods, Work in Progress

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year		
-Work In Progress	159.13	208.92
-Finished Goods	117.51	62.81
Sub Total	276.64	271.73
Inventory at the end of the Year		
-Work In Progress	194.55	159.13
-Finished Goods	88.60	117.51
Sub Total	283.15	276.64
Total	(6.51)	(4.91)

Notes to Standalone Financial Statements for the year ended March 31, 2021**25 Employee Benefit Expense** (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages, Allowances and Bonus	121.49	136.60
Contribution to Provident and other funds (Refer Note No. 32)	7.05	7.27
Staff Welfare and amenities	1.82	3.13
Total	130.36	147.00

26 Finance Costs (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other Interest	6.25	2.97
Interest Expenses on Account of Settlement of Loans & Delay Payment to Lenders	31.01	9.62
Interest on Statutory Dues	11.01	5.01
Interest on Lease Liability	0.23	0.38
Applicable loss on foreign currency transactions and translation	-	0.23
Bank Charges	1.39	1.09
Total	49.89	19.30

27 Depreciation and Amortisation Expense (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and Amortization of tangible assets {Refer note - 3}	114.32	128.12
Right of Use Asset {Refer Note 4(b)}	1.70	1.64
Amortization of intangible assets {Refer note 4(a)}	0.83	0.23
Total	116.85	129.99

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

28 Other Expenses

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power & Fuel	88.77	102.29
Consumption of Stores & Spares	120.62	143.21
Labour & Job Charges	93.74	110.18
Machinery Repairs	2.75	4.94
Building Repairs	0.53	1.21
Other Repairs	3.51	5.67
Water Charges	5.73	5.12
Hire-Lease-Rent Charges	10.55	15.91
Rates & Taxes	6.11	4.01
Fair Valuation Loss On Financial Assets	-	0.09
Settlement Scheme Expenses {Refer Note 35(j)}	-	23.87
Insurance Premium (Net)	5.95	4.93
Postage Telegram & Telephone Expenses	1.43	1.68
Loss on Sale/Discard of Property, Plant & Equipments (Net)	-	1.13
Conveyance Expenses	0.79	1.09
Travelling Expenses	3.36	10.20
Printing & Stationery	0.20	0.41
Vehicle Expenses	0.73	1.30
Security Expenses	2.35	2.83
CSR Activity	1.33	0.63
Subscription & Membership	0.23	0.34
Net Sundry Balances Written Off	0.33	0.55
Net Provision For Expected credit loss for trade receivable & Advances	2.85	-
Auditors' Remuneration:		
-Audit Fees	0.20	0.20
-Other Matters	0.03	0.01
Legal & Professional Charges	6.52	11.63
Warranty Expenses	2.99	(0.06)
Guest House Expenses	0.62	1.45
Miscellaneous Expenses	3.12	2.44
Foreign Exchange Fluctuation (net)	3.62	-
Donation	0.03	0.04
Advertisement & Sales Promotion	6.23	14.02
Commission Expenses	11.82	13.39
Freight Outward & other Expenses (Net)	92.20	94.95
Director Sitting fees	0.08	0.11
Total	479.32	579.77

29 Exceptional Item

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Waiver of interest on account of settlement {Refer Note 35(k)}	-	35.54
Total	-	35.54

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

30 Income Tax

a Component of Income tax

(Rs In Crore)

The Major component of income tax expense for the year ended March 31, 2021 & March 31, 2020 are:	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Tax		
Current Income Tax	-	-
Deferred Tax		
Deferred Tax Expenses/(Benefit)	-	-
Tax in Respect of earlier years	-	-
Income tax expense reported in the Statement of Profit & Loss	-	-
Other Comprehensive Income (OCI)		
Deferred tax related to items recognized in OCI during the year	-	-
Re-measurement loss on defined benefit Plans	-	-
Deferred Tax credited to OCI	-	-

b Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2021 & March 31, 2020:

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	63.30	44.98
Enacted income tax rate in India applicable to the company	25.17%	25.17%
Tax using the Company's domestic tax rate		
Tax effects of:	15.93	11.32
Income Tax allowances	(19.43)	(26.51)
Non-Deductible expenses	34.93	36.32
Unused Tax Loss	(30.31)	(21.03)
Others	(1.12)	(0.10)
At the effective income tax Nil rate as at March 31, 2021 (Nil Rate as at March 31, 2020)	0.00	0.00

c Details of carry forward losses and unused credit

Unabsorbed depreciation can be carried forward indefinitely. Business loss can be carried forward for a period of 8 years from the year in which losses arose. The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendments) ordinance 2019, and accordingly the available MAT credit and unabsorbed additional depreciation loss for the financial year 2009-10 and 2010-11 has lapsed. The company has incurred loss in all the consecutive years starting from Financial Year 2011-12 till 2015-16.

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

Deferred Tax

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

(Rs In Crore)

Particulars	Opening Balance As at April 1, 2020	To be Recognized in Profit & Loss Account	Closing Balance As at March 31, 2021
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	45.69	(26.37)	19.32
Investment	-	0.02	0.02
Total	45.69	(26.35)	19.34
Tax effect of items constituting deferred tax assets:			
Asset on expenses allowed in year of payment	7.11	2.93	10.04
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws	273.76	(33.69)	240.07
Investments	0.02	(0.02)	-
Lease Loan liability	0.60	(0.23)	0.37
Other adjustments	29.65	0.49	30.14
Total	311.14	(30.52)	280.62
Net Deferred Tax Assets	265.45	(4.17)	261.28

Movement in deferred tax Assets (net) for the year ended 31st March, 2020

(Rs In Crore)

Particulars	Opening Balance As at April 1, 2019	To be Recognized in Profit & Loss Account	Closing Balance As at March 31, 2020
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	74.74	(29.05)	45.69
Total	74.74	(29.05)	45.69
Tax effect of items constituting deferred tax assets:			
Asset on expenses allowed in year of payment	2.93	4.18	7.11
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws & MAT Credit	400.57	(126.81)	273.76
Investments	-	0.02	0.02
Lease Loan liability	-	0.60	0.60
Other adjustments	34.93	(5.28)	29.65
Total	438.43	(127.29)	311.14
Net Deferred Tax Assets	363.69	(98.24)	265.45

Net Deferred tax assets of Rs. 261.28 Crore (March 31, 2020 Rs. 265.45 Crore) have not been recognized, as it is not probable that sufficient taxable income will be available in the future against which such deferred tax assets can be realized in the normal course of business of the company.

31 Contingent Liabilities and Other Commitments

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

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
i) VAT & CST Matters	29.15	29.15
ii) Service Tax Matters	1.84	1.84
iii) Custom Duty Matters	8.12	11.71
iv) Excise Duty Matters	342.00	342.00
v) Estimated amount of contracts remaining to be executed on capital account (net off advances) and not provided for	15.35	4.05
vi) Guarantees / Counter Guarantees (including un-utilized Letters of Credit)	40.39	12.33

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

- vii) There was proceedings of Inspection & Search by the State Goods and Service tax authorities, at the various places of the company and its subsidiary Company Hans Ispat Limited, during 18th January 2021 to 3rd February 2021 early morning and during the course of said proceedings, as determined by the authorities on various points, the company has voluntarily paid total amount of Rs 9.57 Crore towards tax, Interest and Penalty, on 3rd February 2021. The company has accounted Rs 6.69 Crore as expenses and Rs 2.88 Crore has been shown as recovery from suppliers. In the opinion of the Company, there will not be any further additional liability with regard to said proceedings. Thereafter, certain other documents as informed by GST authorities, related to the company has been seized and verification of the same is in process by the said authorities.
- viii) Claims against the Company not acknowledged as debts amounting to Rs.1.11 Crore (As at March 31, 2020: Rs.1.09 Crore), are pending before various courts, authorities, arbitration, Consumer Dispute Redressal Forum etc.
- ix) The company has used advanced license for import of certain raw material against which company was under an obligation to export certain pre-determined quantity of finished goods within specified time period. However, there was a shortage in the goods exported by the company against its export obligation. Accordingly, during the year company has paid Rs 5.64 Crore (including interest) against export obligation of advance licence.

Note :-

- Future cash flows in respect of above, if any, is determinable only on receipt of judgment/ decisions pending with relevant authorities.
- The above amounts are without the amount involved in the appeal preferred by the Department, if any, and further applicable interest on the demand

(b) Lease

The Company leasing arrangements are for premises, these ranges between 5 months to 5 years and are usually renewable on mutually agreed terms.

(i) Lease liabilities as at March 31, 2021

(Rs In Crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Lease Liabilities	1.19	1.67
Non-Current Lease Liabilities	0.28	0.71
Total	1.47	2.38

(ii) The following is the movement in the lease liability for the year ended March 31, 2021

(Rs In Crore)

Particulars	Amount
As at April 01, 2019	3.83
Additions	-
Finance Cost Accrued during the year	0.38
Deletions	-
Payment of lease Liabilities	1.83
As at March 31, 2020	2.38
Additions	0.47
Finance Cost Accrued during the year	0.23
Deletions	0.08
Payment of lease Liabilities	1.53
As at March 31, 2021	1.47

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

(Rs In Crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation expenses of Right of use assets	1.70	1.64
Interest Expenses on Lease Liability	0.23	0.38
Total Expenses	1.93	2.02

(iv) Short Term Lease

- (a) The Company has certain operating leases for office premises (short term leases) and low value lease. Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. Rental expenses of Rs 0.72 Crore (March 31, 2020: Rs 1.94 Crore) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

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

(v) Leases liabilities

- (a) The Company has taken premises residential building etc. under various lease agreements and its breakup for future rent payable by the company as under:-

(Rs In Crore)

Contractual maturities of lease liabilities on an undiscounted basis	Year ended March 31, 2021	Year ended March 31, 2020
Within one year	0.78	1.82
After one year but not more than five years	0.31	0.77

- (b) The Company has taken certain land on lease for factory purposes. Since these are entirely prepaid, the Company does not have any future lease liability towards the same.

32 Employee benefit obligations

The Company has classified the various employee benefits provided to employees as under:

I Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss-

(Rs In Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers' Contribution to Provident Fund (including contribution to Employees' Pension Scheme 1995)	6.98	7.19

II Defined Benefit Plans

The Company operates gratuity plan in the nature of defined benefit plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. Company's Engineering & Technologies and Electric Vehicle Division having a gratuity plan is funded with Life Insurance Corporation of India and HDFC Bank while Special Steel Division is not maintaining such fund in any gratuity scheme.

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity		
Current	3.22	3.78
Non-Current	13.80	13.61
Total	17.02	17.39

Significant assumptions :

The significant actuarial assumptions were as follows:

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate & Expected Rate of Return on Plan Assets	refer note*	refer note*
Salary escalation rate	6%	6%

(Rs In Crore)

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

Note

*Discounting rate in Special Steel Division is 6.57% (Previous year 6.50%) and in Engineering & Technologies and Electric Vehicle Division 6.93% (Previous year 6.82%)

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

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

32.1 Gratuity

i) The amounts recognized in balance sheet and movements in the net benefit obligation over the year are as follows:

(a) Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2019	9.94	4.45	5.49
Current service cost	0.87	-	0.87
Interest expense/(income)	0.77	0.35	0.42
Total amount recognized in Profit or Loss	1.64	0.35	1.29
Return on Plan Assets, Excluding Interest Income	-	(0.03)	0.03
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.53	-	0.53
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.12	-	1.12
Total amount recognized in Other Comprehensive Income	1.65	(0.03)	1.68
Contribution by the Employer	(0.26)	-	(0.26)
Benefits paid from the fund	(0.57)	(0.59)	0.02
March 31, 2020	12.40	4.18	8.22

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2020	12.40	4.18	8.22
Current service cost	1.05	-	1.05
Interest expense/(income)	0.85	0.29	0.56
Total amount recognized in Profit or Loss	1.90	0.29	1.61
Return on Plan Assets, Excluding Interest Income	-	(0.02)	0.02
(Gain)/loss from change in Demographic assumption	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.68)	-	(0.68)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.14)	-	(0.14)
Total amount recognized in Other Comprehensive Income	(0.82)	(0.02)	(0.79)
Contribution by the Employer	-	0.80	(0.80)
Liability Transferred Out/ Divestments	(0.12)	-	(0.12)
Benefits paid from the fund	(1.34)	(1.34)	-
March 31, 2021	12.03	3.91	8.12

(Rs In Crore)

Categories of Assets	As at March 31, 2021	As at March 31, 2020
Life Insurance Corporation of India	1.66	1.56
HDFC Bank	2.24	2.62
Total	3.91	4.18

Notes to Standalone Financial Statements for the year ended March 31, 2021
(b) Non-Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2019	7.01	-	7.01
Current service cost	0.85	-	0.85
Interest expense/(income)	0.54	-	0.54
Total amount recognized in Profit or Loss	1.39	-	1.39
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.45	-	0.45
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.57	-	0.57
Total amount recognized in Other Comprehensive Income	1.02	-	1.02
Liability Transferred In / Acquisitions	0.07	-	0.07
Benefit Paid Directly by the Employer	(0.32)	-	(0.32)
March 31, 2020	9.17	-	9.17

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2020	9.17	-	9.17
Current service cost	1.04	-	1.04
Interest expense/(income)	0.60	-	0.60
Total amount recognized in Profit or Loss	1.64	-	1.64
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.54)	-	(0.54)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.01)	-	(0.01)
Total amount recognized in Other Comprehensive Income	(0.55)	-	(0.55)
Liability Transferred In / Acquisitions	0.21	-	0.21
Benefit Paid Directly by the Employer	(1.56)	-	(1.56)
March 31, 2021	8.90	-	8.90

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

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Funded Plan		
- Present value of funded obligation	12.03	12.40
- Fair value of plan assets	3.91	4.18
(Surplus) / Shortfall of funded plan	8.12	8.22
Unfunded Plan		
- Present value of funded obligation	8.90	9.17
- Fair value of plan assets	-	-
(Surplus) / Shortfall of unfunded plan	8.90	9.17
Company as a Whole		
- Present value of funded obligation	20.93	21.57
- Fair value of plan assets	3.91	4.18
(Surplus) / Shortfall of plan	17.02	17.39

Notes to Standalone Financial Statements for the year ended March 31, 2021**iii) Sensitivity analysis**

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

(Rs In Crore)

Assumption	Impact on defined benefit obligation	
	March 31, 2021	March 31, 2020
Discount rate		
1.0% increase	(1.67)	(1.68)
1.0% decrease	1.95	1.97
Future Salary		
1.0% increase	1.86	1.88
1.0% decrease	(1.64)	(1.65)
Rate of Employee Turnover		
1.0% increase	0.12	0.11
1.0% decrease	(0.13)	(0.12)

- The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

iv) Maturity Analysis of benefits payable**Projected benefits payable in future years from the date of reporting:**

(Rs In Crore)

From the Fund	March 31, 2021	March 31, 2020
1 st Following Year	1.04	1.71
2 nd Following Year	0.40	0.35
3 rd Following Year	0.76	0.51
4 th Following Year	0.88	0.75
5 th Following Year	0.70	0.85
Sum of Years 6 to 10	4.86	4.43
Sum of Years 11 and above	21.32	21.71

(Rs In Crore)

From the Employer	March 31, 2021	March 31, 2020
1 st Following Year	1.09	1.40
2 nd Following Year	0.90	0.84
3 rd Following Year	0.86	0.88
4 th Following Year	0.89	0.83
5 th Following Year	0.87	0.84
Sum of Years 6 to 10	3.73	3.76
Sum of Years 11 and above	6.58	6.70

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

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

32.2 Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of assets.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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

(a) Default in repayment of loan, its settlement terms, accounting treatments, Cases before Debts Recovery Tribunal (DRT) / Hon'ble Metropolitan Magistrates, declaring the company and directors as willful defaulter by the bankers

i. Central Bank of India

Default in Repayment of Loan and its settlement terms and conditions:

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

Case before Debts Recovery Tribunal (DRT):

- (b) Central Bank of India has filed Original Application against the Company & its guarantors (Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari) before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgement dated October 9, 2018 allowed the original application filed by the Bank and issued recovery certificate against the Company and guarantors to the tune of Rs. 577.89 Crores and future interest on the amount due @10% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties and for valuation of the said attached properties. The Hon'ble Recovery Officer has also passed an order to maintain status quo with respect to amount of Rs. 10.75 Crores lying in 'No Lien' account with the Bank. Further action / hearing is pending before the Hon'ble Recovery Officer.

Willful Defaulter

- (c) Central Bank of India has declared the Company as a wilful defaulter and reported the name of Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as wilful defaulter.

Central Bureau of Investigation (CBI)

- (d) The Central Bureau of Investigation (CBI) has conducted certain proceedings, on the basis of the complaint filed by Central Bank of India with regard to the utilization of the loan disbursed by Central Bank of India. Central Bureau of Investigation has filed a charge sheet and a CBI Special Case Number 27 of 2015 was registered against the Company and its directors i.e. Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari and few officers of Central Bank of India before the Hon'ble CBI Court, Ahmedabad on October 6, 2015 and now the matter is pending before the Hon'ble CBI Court for further proceedings.

Petition under Insolvency and Bankruptcy Code (IBC)

- (e) Central Bank of India, a financial creditor has filed a petition under section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against the Company for an amount of Rs. 1059.59 Crores. The Company has filed its affidavit of objection and the Bank has filed rebuttal affidavit and now the matter is pending for further hearing and consideration.

Notes to Standalone Financial Statements for the year ended March 31, 2021**ii. Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank)****Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The company has defaulted in repayment of loan of Rs 189.96 Crore (after adjustment of repayment of Rs 10.05 Crore paid in during the year ended as at March 31, 2020) (Principal of Rs. 189.95 Crore and Interest of Rs. 0.01 Crore) in August 2011. Indian Overseas Bank has assigned its debts to Rare Asset Reconstruction Limited on September 28, 2017. The company is in the process of entering into a settlement agreement with Rare Asset Reconstruction Limited.

Accounting Treatment in Books

- (b) The company was informed vide letter dated October 12, 2017 of Indian Overseas Bank, that the bank has assigned debts to Rare Asset Reconstruction Limited. However considering pending settlement, the outstanding loan amount is treated as current maturities of long term borrowings.

Case before Debts Recovery Tribunal (DRT):

- (c) Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank) ("Rare ARC") had filed Original Application against the Company & its guarantors Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgment dated 20th September, 2018 allowed the original application filed by the Bank / Financial Institution and issued recovery certificate against the Company and Guarantors to the tune of Rs. 315.64 Crore and future interest on the amount due @12.75% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. The Hon'ble Recovery Officer has passed order for release of Rs. 10 Crores from the account of company with Standard Chartered Bank to Rare Asset Reconstruction Limited, sale of shares of the guarantors and payment of Rs. 0.05 Crores by Mr. Avinash Bhandari for non-disclosure of assets to be adjusted towards the dues. Further action / hearing is pending before Hon'ble Recovery Officer.

Case under section 138 of the Negotiable Instruments Act, 1881:

- (d) Indian Overseas Bank had filed two criminal complaints against the Company and its directors / officers under section 138 of Negotiable Instruments Act, 1881 for dishonor of cheques of Rs. 103.00 Crore issued by the Company and the Company is contesting both the said cases and both the matters are pending for further proceedings before the respective Hon'ble Metropolitan Magistrates, Ahmedabad.

iii. Union Bank of India (Corporation Bank merged with Union Bank of India)**Default in Repayment of Loan and its settlement terms and conditions**

- (a) The company has defaulted in repayment of loan of Rs 116.73 Crore in April 2012. The company has entered into settlement agreement for the repayment of loan on November 13, 2018. As per the settlement agreement the company has agreed to make the repayment of loan by September 2021. The company has submitted revised repayment proposal to Union Bank of India which is pending for consideration.

Accounting treatment in Books

- (b) The amount of repayment of debt to Union Bank of India, up to the balance sheet date of Rs. 71.98 Crore (March 31, 2020: Rs. 65.83 Crore) has been adjusted against the total outstanding loan liability.
- (c) As per the settlement agreement with Union Bank of India, if the Company complies all the terms and conditions as per settlement agreement, upto September 2021, there will be a reduction in debt by Rs.Nil.

Case before Debts Recovery Tribunal (DRT):

- (d) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Union Bank of India has been disposed on August 25, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

iv. Rare Asset Reconstruction Limited (being Debt assignee of Dena Bank)**Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The company has defaulted in repayment of loan of Rs 51.44 Crore (Principal of Rs 51.44 Crore) in September 2011. The bank has assigned this loan to Rare Asset Reconstruction Limited. The company has entered into settlement agreement with Rare Asset Reconstruction Limited for the repayment of loan on June 28, 2018. As per the settlement agreement the company has agreed to make the repayment of loan by March 15, 2022.

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

Accounting Treatment in Books

- (b) The repayment of debt to Rare Asset Reconstruction Limited, up to the balance sheet date of Rs. 13.00 Crore (March 31, 2020 is Rs.12.25 Crore) has been adjusted against the total outstanding loan liability.
- (c) If all the terms and conditions of the settlement are fully complied upto March 2022, there will be reduction in debt by Rs. 23.44 Crore.

Case before Debts Recovery Tribunal (DRT):

- (d) In view of settlement / consent terms filed with DRT, the Original Application filed by Rare Asset Reconstruction Limited (being debt assignee of Dena Bank) has been disposed on October 15, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

Willful Defaulter:

- (e) Dena Bank has declared the Company as a wilful defaulter and reported the name of the Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as Wilful Defaulter. The Company has challenged the said action before the Hon'ble Gujarat High Court and the said petition is pending for further hearing. However, Dena Bank has assigned the debt associated with the Company to Rare Asset Reconstruction Limited ("Rare ARC") and the Company has entered into settlement with Rare ARC and Rare ARC has agreed for withdrawal of wilful defaulter on receipt of entire settlement amount.

v. Union Bank of India

Default in Repayment of Loan and its settlement terms and conditions:

- (a) The company has defaulted in repayment of Principal amount of Loan of Rs 49.40 Crore in May 2012. The company has entered into settlement agreement with the bank for the repayment of loan in March 2017. As per the settlement agreement, the company has agreed to make the repayment of loan by March 2023.

The company has submitted revised repayment proposal to Union Bank of India which is pending for consideration.

Accounting Treatment in Books

- (b) The repayment of debt to Union Bank of India, up to the balance sheet date of Rs. 28.21 Crore (March 31, 2020: Rs. 26.55 Crore), has been adjusted against the total outstanding loan liability.
- (c) As per the settlement agreement with Union Bank of India, if all the terms and conditions of the settlement are fully complied upto March 2023, there will be no reduction in debt.

Case before Debts Recovery Tribunal (DRT):

- (d) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Union Bank of India has been disposed on April 27, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

vi. Edelweiss Asset Reconstruction Company Limited (being debt assignee of Bank of India, Bank of Baroda, State Bank of India, Canara Bank and State Bank of Travancore)

Default in Repayment of Loan and its settlement terms and conditions:

- (a) The company has defaulted in repayment of the loan from Bank of India in December 2012 of Rs. 628.04 Crore (Principal of Rs. 628.04 Crore), Bank of Baroda in September 2012 of Rs. 31.23 Crore (Principal of Rs. 31.23 Crore), Canara Bank in September 2012 of Rs. 232.97 Crore (Principal of Rs. 190.18 Crore and Interest of Rs. 42.79 Crore), State Bank of India in December 2011 of Rs. 323.27 Crore (Principal of Rs. 323.27 Crore) and State Bank of Travancore in September 2011 of Rs. 91.98 Crore (Principal of Rs. 85.04 Crore and Interest of Rs. 6.94 Crore). All these loans were assigned to Edelweiss Asset Reconstruction Company Limited. The company has entered into settlement agreement with Edelweiss Asset Reconstruction Company Limited on March 10, 2015. As per the settlement agreement the company has agreed to make the repayment of loan by March 2023.

Accounting Treatment in Books

- (b) The Management is of the opinion that Fixed Deposit of Rs. 12.45 Crore held by Bank of Baroda will be adjusted against the outstanding liability payable to Edelweiss Asset Reconstruction Company Limited, at the time of last installment.
- (c) The amount of repayment of debt to Edelweiss Asset Reconstruction Company Limited, up to the balance sheet date of Rs.375.82 Crore (March 31, 2020 is Rs. 322.00 Crore) has been adjusted against the total outstanding loan liability.
- (d) Further, the company has allotted 2,85,90,000 Partially Convertible and Partially Redeemable Preference Shares (PCPRPS) of Rs. 10 each amounting to Rs 28.59 Crore on August 22, 2015 and against the said PCPRPS, 12,66,440

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

Equity Shares of Rs. 10/- each at the price of Rs. 225.75 per equity share (inclusive of Share premium amount of Rs. 215.75 per equity share) were allotted during the year ended as at March 31, 2017.

- (e) If all the terms and conditions of settlement are fully complied upto March 2023, there will be reduction in debt by Rs. 403.90 Crore.

vii. Invent Assets Securitization and Reconstruction Private Limited (being debt assignee of Oriental Bank of Commerce, Punjab National Bank and Allahabad Bank)

Default in Repayment of Loan and its settlement terms and conditions:

- (a) The company has defaulted in repayment of the loan from Oriental Bank of Commerce in June 2012 of Rs. 55.19 Crore (Principal of Rs. 42.64 Crore and Interest of Rs. 12.55 Crore), Punjab National Bank in October 2011 of Rs. 184.69 Crore (Principal amount of Rs. 184.69 Crore) and Allahabad Bank in July 2012 of Rs. 283.62 Crore (Principal of Rs. 278.22 Crore and interest of Rs. 5.40 Crore). All these loans were assigned to Invent Assets Securitization and Reconstruction Private Limited. The company has entered into settlement agreement with Invent Assets Securitization and Reconstruction Private Limited in August 2015, July 2016 and July 2016 for Oriental Bank of Commerce, Allahabad Bank and Punjab National Bank respectively. As per the original settlement agreement the company has agreed to make the repayment of loan by June 2020 for Oriental Bank of Commerce and March 2021 for Allahabad Bank and Punjab National Bank
- (b) On June 18, 2019, the company has been allowed following revised schedule of repayment of dues of Invent Assets Securitization and Reconstruction Private Limited:-

Sr. No.	Bank Name	Rescheduled Amount (Rs. in Crore)	Original Last Date of Payment	Revised Last Date of Payment
1	Oriental Bank of Commerce	15.25	30.06.2020	30.06.2023
2	Punjab National Bank	63.09	15.03.2021	31.12.2023
3	Allahabad Bank	95.51	15.03.2021	31.12.2023

Accounting Treatment in Books

- (c) The amount of repayment of debt to Invent Assets Securitization and Reconstruction Private Limited, up to the balance sheet date of Rs. 35.65 Crore (March 31, 2020 is Rs. 33.05 Crore) has been adjusted against the total outstanding loan liability.
- (d) If all the terms and conditions of the settlements are fully complied, there would be a reduction in debt by Rs. 325.01 Crore.

Case before Debts Recovery Tribunal (DRT):

- (e) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Invent Assets Securitization and Reconstruction Private Limited (being debt assignee of Allahabad Bank) has been disposed on March 21, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

34. Non Provisions of Disputed Advances and Claims/Liability

- (a) During the financial year ended on March 31, 2019, Goods and Service Tax Department of Maharashtra has re-determined Value Added Tax liability (including interest and penalty) of Rs. 6.28 Crore for the financial year 2009-10 (March 31, 2020 Rs. 6.28 Crore) and Rs. 23.93 Crore for the financial year 2010-11 (March 31, 2020 Rs. 23.93 Crore) after adjustment of Rs. 4.00 Crore (March 31, 2020 Rs. 4.00 Crore) paid by the company under protest. The company has paid Rs 1.07 Crore during the year ended as at March 31, 2020 and have filed an appeal before the Deputy Commissioner of State Tax, Mumbai. On account of the said order presently the liability of the company is of Rs. 29.15 Crore (March 31, 2020: Rs. 29.15 Crore). The provision for impugned disputed tax liability has not been accounted for as the company is hopeful of matter being decided in its favor by appellate authority.
- (b) Loan accounts of the company have been classified as Non-Performing Assets by the Central Bank of India and Rare Asset Reconstruction Limited (being debt assignee of Indian Overseas Bank). The Bankers have not charged interest on the said Loans and therefore provision for Interest (other than upfront charges) has not been provided in the books of accounts and to that extent profit has been overstated and bankers loan liability has been understated. The extent of exact amount is under determination

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

and reconciliation with the banks, however as per the details available with the company, the amount of unprovided interest, on approximate basis, on the said loans is as under:-

(Rs. In Crore)

Particulars	Up to March 31, 2020	From April 1, 2020 to March 31, 2021	Up to March 31, 2021
Interest on Corporate Loan and working Capital Loan	1037.01	184.71	1221.72

35. Additional Disclosures

- The company was doing research project for development of CONTIFUR and for that Ministry of Steel had given partial financial assistance. However as per standard condition given in letter received from Ministry of Steel the project shall not be disposed within 10 years of installation without the written permission of Ministry of Steel. Product Development Cost for CONTIFUR Project disclosed under other Non-Current Assets includes total Research and Development expenses of Rs. 14.66 Crore (March 31, 2020: Rs. 14.66 Crore) and Rs. 9.45 Crore are part of Capital Work in Progress.
- The cost of material consumed includes freight, loading and unloading expenses, inspection fees, commission on purchase, taxes & duties (to the extent of credit not available), rate difference and interest cost on purchase of raw material and ancillary expenses thereof (including reversal of any claim).
- Few accounts of "Trade Receivables", "Trade payables", "Advances from Customer", "Advances Recoverable In Cash or Kind", "Advance to Suppliers and Other Parties" including very old balances, are subject to confirmation/reconciliation and includes very old non-moving items therefore are subject to necessary adjustments for accounting or re-grouping / classification.
- Account of Receivables / Payables in respect of Goods and Service Tax, Service Tax, CENVAT, and Vat are subject to reconciliation, submission of its return for its claim and/or its Audit/ Assessment/Settlement/ Payment, if any.
- The amount of inventory has been taken by the management on the basis of information available with the company and without conducting physical verification of the slow moving inventory. The slow moving inventories have been valued by the management on estimated net realizable value. During the year ended on March 31, 2021, Rs 14.94 Crore (March 31, 2020, Rs. 52.57 Crore) was recognized as expenses for inventories carried at net realizable value / inventory written down.
- The classification / grouping of items of the accounts are made by the management, on the basis of the available data with the company.
- During the year the company has written off/ discarded old /unusable property, plant & equipment of Rs Nil (March 31, 2020 Rs. 1.13 Crore) and has been shown as Loss on Sale/Discard of Property, Plant & Equipment's (Net) under the head other expenses.
- In the Capital Work in Progress of Rs. 27.39 Crore (March 31, 2020 Rs. 26.82 Crore) the management believes that the uncompleted projects of Rs. 10.62 Crore (March 31, 2020: Rs. 10.62 Crore; which includes capital expenditure for CONTIFUR project) requires some further investment to bring them into commercial use and the company desire to complete the project, therefore these are not treated as impaired assets.
- During the year the company has not accounted benefit related to Merchandise Exports Incentive Scheme ("MEIS") of Rs. 22.59 Crore (March 31, 2020: Rs. 20.95 Crore). At present there are pending default of interest with the respective authority and therefore the claim are not admissible with them. Once the issues are settled, the company will be eligible for claim of MEIS benefit. The claim of MEIS will be accounted as and when the claim will be admissible with the respective authority.
- During the previous year ended as at March 31, 2020, pursuant to the scheme of "Vera Samadhan Yojna – 2019" (Tax Dispute Scheme 2019) and Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, the company has taken the benefit of the said schemes and have accounted Rs 23.87 Crore as Disputed Tax Settlement Scheme expenses under the head Other expenses.
- During the previous year ended as at March 31, 2020, on account of settlement with Banks & financial Institutions there is a waiver of interest of Rs 35.54 Crore (Standard Chartered Bank of Rs. 1.94 Crore, International Financial Corporation of Rs. 14.01 Crore & Vijaya Bank of Rs. 19.59 Crore) which has been shown as income as "Exceptional item" in the statement of Profit and Loss.

36. DIRECTOR'S REMUNERATION

Mr. Shailesh Bhandari was re-appointed as a Managing Director for a period of three years w.e.f. February 1, 2020 at a remuneration of Rs. 2,00,000/- per month and Mr. Suraj Bhandari was appointed as a Whole-time Director for a period of three years w.e.f. November 13, 2019 at a remuneration of Rs. 1,50,000/- per month as approved by the shareholders of the Company at 34th Annual General Meeting held on 17th August, 2020. The above remuneration to both the Director's are subject to approval from banks and financial institutions as the company has defaulted in repayment of loans.

Notes to Standalone Financial Statements for the year ended March 31, 2021**37. OTHER CASES:**

- (a) Some of the creditors have filed cases of recovery against the company before the various Civil Courts/ Commercial Courts for Rs 1.32 Crore (Previous Year Rs 1.32 Crore). The said amounts are excluding interest.
- (b) The Ahmedabad Zonal Office of the Directorate of Enforcement ("ED") has recorded a case under the provisions of the Prevention of Money Laundering Act, 2002 and during the course of investigation, the ED has passed an order dated 28th March, 2018 under sub-section (1) of section 5 of the Prevention of Money Laundering Act, 2002 for provisional attachment of certain properties comprising Land having total area of 4,90,621 square meter at Chhadavada and Samakhiali of Steel Plant, Building and Plant & Machinery for a period of 180 days. Thereafter, a complaint under sub-section (5) of section 5 of the Prevention of Money Laundering Act, 2012 was filed by ED before the Adjudicating Authority, New Delhi and the Adjudicating Authority, New Delhi vide order dated 5th September, 2018 confirmed the attachment of abovesaid properties. The Company has filed an appeal before the Hon'ble Appellate Tribunal, PMLA, New Delhi and the Hon'ble Appellate Tribunal, PMLA, New Delhi vide order dated 10th December, 2018 passed an order for maintaining status quo and no coercive action by ED. The ED has filed its reply and the matter is adjourned for filing of rejoinder. The ED has filed an application for vacation of interim order and the matter is now pending for hearing.
- (c) The Assistant Director, Directorate of Enforcement, Ahmedabad has filed a PMLA – Special Case No. 20/2018 on 1st December, 2018 before Principal District Judge, Ahmedabad against the company, Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari under section 3 and 4 of the Prevention of Money Laundering Act, 2002 and the same is pending for hearing.
- (d) The Special Director, Directorate of Enforcement, Mumbai has issued a show cause notice dated 26th September, 2018 to the Company and Mr. Shailesh Bhandari based on complaint under section 16(3) of Foreign Exchange Management Act, 1999 and for holding adjudicating proceedings as contemplated under Rule 4(1) of Foreign Exchange Management (Adjudicating Proceedings and Appeal) Rules, 2000. The Company has replied to the said show cause notice.
- (e) The Company has filed recovery case against Victory Rich Trading Limited ("VRTL") & its director for non-payment of amount in the High Court of Hong Kong and the High Court of Hong Kong has passed judgment for payment of recovery amount. Thereafter, VRTL has challenged the said order and the same is pending before the High Court of Hong Kong. Further the Company has filed a winding up petition against VRTL before the High Court of Hong Kong and the High Court of Hong Kong has passed the order for winding up of VRTL.
- (f) Mr. Siddharth Bhandari, one of the Promoter and erstwhile Whole-time Director and Dr. Rakesh Bhandari, one of the Promoter of the Company ("Petitioners") has filed two separate petitions before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 149, 150, 152, 159 and 176 of the Companies Act, 2013 inter alia, for declaring the appointment of four independent directors as null and void from their respective dates of appointment being violative of provisions of section 149 and 150 and other related provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014. All the parties have filed their reply / rejoinder. In the Interlocutory Applications filed by Petitioners, the Hon'ble NCLT has inter alia, passed various orders related to certain agenda of Board Meetings, joint signatory in bank accounts, policy decisions affecting smooth running of company as a going concern etc. Now the petition is pending before the Hon'ble NCLT for hearing.
- (g) Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director, Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter and Dr. Rakesh Bhandari, Promoter of the Company ("Petitioners") have filed petition before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 against the Company, Mr. Shailesh Bhandari & Others inter alia, for removal of Mr. Shailesh Bhandari from the Board and investigation into the ownership of shares by some of the shareholders. The petition was pending before the Hon'ble NCLT for admission as well as on maintainability. Petitioners have filed interim application seeking waiver of the mandatory requirement of section 244(1)(a) of the Companies Act, 2013 and the Hon'ble NCLT vide order dated 08.04.2021, rejected the said interim application of waiver. Some of the Respondents have filed Interlocutory Applications for their discharge and the same are pending for hearing. The financial implication of this petition is not ascertainable at this point of time.
- (h) Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter, Dr. Rakesh Bhandari, Promoter and Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director of the Company has filed a petition before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 222 of the Companies Act, 2013 against the Company and three shareholders for suspension of their voting rights and non-participation in voting at the 33rd Annual General Meeting of the Company and for maintaining the existing status of Petitioner No. 1 Mr. Siddharth Bhandari. The Hon'ble NCLT vide order dated 27.09.2019 allowed the Company to go ahead with the 33rd Annual General Meeting and e-voting process, however, the agenda Item No. 2 of the AGM shall be subject to final outcome of the petition.
- (i) Ministry of Corporate Affairs, Office of the Regional Director, North-Western Region, Ahmedabad has in October, 2018 initiated inspection of books of accounts and other records under section 206(5) of the Companies Act, 2013. Thereafter, the Regional Director has issued letter for violations / irregularities of the Companies Act, 1956 / 2013 and the Company has replied to the

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

same. Based on the same, the Registrar of Companies, Gujarat has issued letter for violations of the provisions of the Companies Act, 2013 and initiated prosecution against some of the directors / officers of the Company. Some of the directors / officer have challenged the said prosecution before the Hon'ble Gujarat High Court under section 463 of the Companies Act, 2013 and the said petition is pending for hearing before the Hon'ble Gujarat High Court.

Further the office of Regional Director vide letter / order dated 24th December, 2019 informed the Company about investigation into the affairs of the Company under section 210(1)(c) of the Companies Act, 2013. The Company has challenged the said investigation before the Hon'ble Gujarat High Court and finally the Division bench of Hon'ble Gujarat High Court as an interim measure, provided that the investigation will continue and if the report recommends closure of the proceedings, no further orders may be necessary, however, if the report recommends some coercive measure to be taken, then the Central Government or the competent authority may not take any such decision without leave of the Hon'ble Gujarat High Court.

- (j) Mr. Babu Devraj Badhiya has filed a Writ Petition in the nature of Public Interest Litigation (PIL) on 04.02.2019 before the Hon'ble Gujarat High Court with prayer for direction for compliance of various approvals / permissions issued by various authorities for the Samakhiyali Plant. The Hon'ble Gujarat High Court has passed order for not to carry out any further construction / development and the matter is pending before the Hon'ble Gujarat High Court.
- (k) Mr. Jivabhai Ganeshbhai Bada has filed an application before National Green Tribunal, Pune Bench for pollution and loss of agriculture crop, compensation etc. for the Samakhiyali Plant. The Company has filed its reply and the matter is pending before the National Green Tribunal, Pune Bench for further hearing.
- (l) The Securities and Exchange Board of India (SEBI) had issued show cause notice to the Company and some of the directors / officers of the Company for alleged violations of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has filed its reply and after hearing before the adjudication officer, the adjudicating officer vide order dated 28th August, 2020 has imposed a penalty of Rs. 10,00,000/- (Rupees Ten Lakh) on the Company and Rs. 1,00,000/- (Rupees One Lakh Only) each on five directors / officers of the Company. The Company has paid the said penalty on 6th October, 2020.

38 RELATED PARTY DISCLOSURE

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

A. List of Related Parties

	Principal Place of Business / Country of Incorporation	% of Holding as at March 31, 2021	% of Holding as at March 31, 2020
(I) SUBSIDIARY COMPANIES			
1. Jinhua Indus Enterprises Limited	China	100.00	100.00
2. Jinhua Jahari Enterprises Limited (Step down subsidiary)#	China	0	0
3. ET Elec-Trans Limited	India	80.49	80.49
4. Hans Ispat Limited	India	100.00	100.00
5. Shree Ram Electro Cast Limited*	India	95.00	95.00
6. Electrotherm Services Limited	India	100.00	100.00
(II) JOINT VENTURE COMPANY			
1. Bhaskarpara Coal Company Limited	India	52.63	52.63

100% holding by Jinhua Indus Enterprises Limited

* 5% shares of Shree Ram Electro Cast Limited are held by Electrotherm Services Limited

Method of Accounting: Investment in subsidiary and joint venture is at cost net of impairment

Notes to Standalone Financial Statements for the year ended March 31, 2021**(III) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives**

1. EIL Software Services Offshore Pvt. Ltd.
2. Etain Electric Vehicles Ltd.
3. Electrotherm Solar Ltd.
4. ETAIN Renewables Ltd.
5. Bhandari Charitable Trust

(IV) Key Managerial Personnel/Director of Companies

1. Mr. Shailesh Bhandari (Managing Director)
2. Mr. Suraj Bhandari (Whole time Director)
3. Mr. Fageshkumar R Soni (Company Secretary upto 31.07.2021)
4. Mr. Avinash Bhandari (Chief Executive Officer – Steel Division upto 30.06.2020)
5. Ms. Shraddha Vyas (Chief Financial officer from 01.07.2020 to 11.03.2021)
6. Mr. Pawan Gaur (Chief Financial Officer up to 28.01.2020)

(V) Non-Executive/Independent Directors

1. Mr. Mukesh Bhandari (Non-Executive Director)
2. Mr. Dinesh Shankarlal Mukati (Independent Director, Chairman w.e.f. 11.02.2020)
3. Ms. Nivedita Ravindra Sarda (Independent Director)
4. Mr. Pratap Mohan (Independent Director)
5. Mr. Aditya Jain (Non-Executive Director, Appointed w.e.f. 17.08.2020)
6. Mr. Arun Kumar Jain (Independent Director upto 17.08.2019)

(VI) Relatives of Key Managerial Personnel

1. Late Mrs. Indubala Bhandari (Mother of Director)
2. Mrs. Jyoti Bhandari (Wife of Director)
3. Mr. Rakesh Bhandari (Brother of Director)
4. Mr. Nagesh Bhandari (Brother of Director)
5. Mrs. Reema Bhandari (Wife of Managing Director)
6. Mrs. Neha Bhandari (Director Son's Wife)

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

(Rs. in Crores)

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

SR. NO.	NAME	Sales (Incl. Store Spare & Others)		Purchase of Raw Material		Jobwork Charges		Contract Wages Expenses/(Income)		Payment of Liability		Purchase/(Sale) of Fixed Asset		Loan/Advance Received Back		Loan/Advance Given/Repaid		Interest Expenses on Lease Liability		Repayment of Lease Liability		Sitting Fee Expenses		Salary Expenses	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(i) Subsidiary Companies																									
1	Jinhua Indus Enterprises Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Jinhua Jahari Enterprises Ltd.	-	-	1.21	17.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	ET Elec-Trans Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Shree Ram Electro Cast Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	9.67	0.12	9.61	-	-	-	-	-	-	-
5	Hans Ispat Ltd.	42.64	3.76	49.39	17.11	3.15	-	-	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-
6	Electrotherm Services Ltd.	-	-	-	-	-	-	-	0.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Enterprises Owned Or Significantly Influenced by Key Managerial Personnel or their relatives																									
1	ETAIN Renewables Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	EIL Software Services Offshore Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Bhandari Charitable Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Electrotherm Solar Limited	-	-	-	0.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	ETAIN Electric Vehicles Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KEY MANAGERIAL PERSONNEL :																									
1	Mr. Shailesh Bhandari	-	-	-	-	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	0.06	0.06	-	-	-	0.15
2	Mr. Suraj Bhandari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Mr. Avinash Bhandari	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	0.12
4	Ms. Shraddha Vyas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.20	-	-
5	Mr. Pawan Gaur	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.41	-
6	Mr. Fageshkumrr R. Soni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.14	-

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

SR. NO.	NAME	Sales (incl. Store Spare & Others)		Purchase of Raw Material		Jobwork Charges		Contract Wages Expenses/ (Income)		Payment of Liability		Purchase/(Sale) of Fixed Asset		Loan/Advance Received Back		Loan/Advance Given/Repaid		Interest Expenses on Lease Liability		Repayment of Lease Liability		Sitting Fee Expenses		Salary Expenses	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(IV)	NON-EXECUTIVE/INDEPENDENT DIRECTORS :																								
1	Mr. Mukesh Bhandari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.04	0.11	0.09	-	-	-	0.15
2	Mr. Dinesh Shankar Mukati	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.04	-	-
3	Ms. Nivedita Ravindra Sarda	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.02	-	-
4	Mr. Pratap Mohan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.04	-	-
5	Mr. Arun Kumar Jain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-
(IV)	RELATIVES OF KEY MANAGERIAL PERSONNEL :																								
(With whom Transaction has been taken Place during the year)																									
1	Late Mrs. Indubala Bhandari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.05	-	-	-	-
2	Mrs. Jyoti Bhandari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.02	0.10	0.10	-	-	0.02	0.27
3	Mr. Rakesh Bhandari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Mr.Nagesh Bhandari	-	-	-	-	-	-	-	-	-	-	-	-	0.50	-	0.50	-	-	-	-	-	-	-	-	-
5	Mrs.Reema Bhandari	-	0.38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Mrs.Neha Bhandari	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07

Note :

The Remuneration to the key managerial personnel does not include the Provision made for gratuity and leave encashment, as it is determined on an accrual basis for the company as a whole.

Terms and conditions of transactions with related parties

Outstanding balance at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related party receivables or payables. The Company has recorded impairment of receivable relating to amount owned by related parties of Rs. 7.54 Crore (March 31, 2020 of Rs. 7.54 Crore). The assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Standalone Financial Statements for the year ended March 31, 2021
C: OUTSTANDING BALANCES

(Rs. In Crore)

TRADE RECEIVABLE	As at 31.03.2021	As at 31.03.2020
- Electrotherm Solar Limited	3.46	3.46
- ETAIN Electric Vehicles Limited	1.76	1.75
- ETAIN Renewables Limited	2.26	2.26
- Bhandari Charitable Trust	2.20	2.20
- Hans Ispat Limited	28.27	36.91
- ET Elec-Trans Limited	0.51	0.51
- Mrs. Reema Bhandari	-	0.45
Total	38.46	47.54

(Rs. In Crore)

TRADE PAYABLE	As at 31.03.2021	As at 31.03.2020
- Electrotherm Solar Limited	0.16	0.16
- ETAIN Renewables Limited	0.01	-
- Jinhua Indus Enterprise Limited	-	0.02
- Hans Ispat Limited	3.15	-
- Mr. Shailesh Bhandari	0.02	0.01
- Mr. Fageshkumr R. Soni	0.01	0.01
- Mr. Avinash Bhandari	-	0.03
- Electrotherm Services Limited	0.02	-
Total	3.37	0.23

(Rs. In Crore)

LOAN	As at 31.03.2021	As at 31.03.2020
- Electrotherm Services Limited	4.18	4.18
Total	4.18	4.18

(Rs. In Crore)

Other Assets	As at 31.03.2021	As at 31.03.2020
- ETAIN Electric Vehicles Ltd	0.01	0.01
- ETAIN Renewables Ltd	0.06	0.06
- Electrotherm Solar Ltd.	0.09	0.09
- Jinhua Jahari Enterprise Limited	-	0.33
- Jinhua Indus Enterprise Limited	0.95	1.40
- Shree Ram Electrocast Limited	1.78	1.69
- Hans Ispat Limited	23.27	23.28
Total	26.16	26.86

(Rs. In Crore)

Short Term Borrowings	As at 31.03.2021	As at 31.03.2020
- Mr. Mukesh Bhandari	0.24	0.24
- EIL Software Services Offshore Private Limited	1.75	1.75
- Mr. Shailesh Bhandari	-	0.07
- Mrs. Jyoti Bhandari	0.15	0.15
- Mr. Rakesh Bhandari	0.02	0.02
Total	2.16	2.23

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

(Rs. In Crore)

Other Financial Liabilities	As at 31.03.2021	As at 31.03.2020
- Mr. Shailesh Bhandari	0.12	0.01
- Mr. Mukesh Bhandari	0.22	0.28
- Mr. Avinash Bhandari	-	0.05
- Mrs. Jyoti Bhandari	0.08	0.14
Total	0.42	0.48

(Rs. In Crore)

Other Liabilities	As at 31.03.2021	As at 31.03.2020
- ETAIN Renewables Ltd.	0.01	0.01
Total	0.01	0.01

(Rs. In Crore)

Impairment / Provision	As at 31.03.2021	As at 31.03.2020
- ET Elec-Trans Limited - (Trade Receivable)	0.51	0.51
- Electrotherm Services Limited - (Loan)	4.18	4.18
- Bhasakarpura Coal Company Limited - (Investment)	2.13	2.13
- ET Elec-Trans Limited - (Investment)	0.72	0.72
Total	7.54	7.54

39 EARNINGS PER SHARE (EPS):

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

Particulars		2020-21	2019-20
Profit for the year	(Rs. In Crore)	63.30	44.98
Weighted Average No. of Shares for the Earning Per Share Computation for Basic and Diluted	(Nos. in Crore)	1.27	1.27
Earnings Per Share (Basic & Diluted)	(In Rs.)	49.69	35.31
Nominal Value of Shares	(In Rs.)	10.00	10.00

40 Segment Reporting

The segment report is given in consolidated financial statements.

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

41.1 Category wise Classification of Financial Instruments

(Rs In Crore)

Particulars	March 31, 2021		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	292.77	292.77
Cash and Cash Equivalents	-	88.20	88.20
Other Bank balances	-	8.61	8.61
Investments in mutual fund units	0.42	-	0.42
Investments in Unquoted Equity of Joint Venture & Subsidiary Companies net of Accumulated Impairment & Other Investments	-	45.78	45.78
Other financial assets	-	67.02	67.02
Total financial assets	0.42	502.38	502.80
Financial liabilities			
Trade payables	-	386.59	386.59
Short term Borrowings	-	14.50	14.50
Non-Current Borrowings	-	991.86	991.86
Other financial liabilities	-	1,139.44	1,139.44
Total financial liabilities	-	2,532.39	2,532.39

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

(Rs In Crore)

Particulars	March 31, 2020		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	338.31	338.31
Cash and Cash Equivalents	-	29.63	29.63
Other Bank balances	-	16.63	16.63
Investments in mutual fund units	0.20	-	0.20
Investments in Unquoted Equity of Joint Venture & Subsidiary Companies net of Accumulated Impairment & Other Investments	-	45.78	45.78
Other financial assets	-	34.43	34.43
Total financial assets	0.20	464.78	464.98
Financial liabilities			
Trade payables	-	430.57	430.57
Short term Borrowings	-	14.57	14.57
Non-Current Borrowings	-	1,242.66	1,242.66
Other financial liabilities	-	960.23	960.23
Total financial liabilities	-	2,648.03	2,648.03

41.2 Category-wise Classification of Financial Instruments

i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements:

(Rs In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investments in quoted mutual fund					
As at March 31, 2021	5	0.42	-	-	0.42
As at March 31, 2020	5	0.20	-	-	0.20

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

ii) Valuation technique used to determine fair value

Financial instruments are initially recognized and subsequently re-measured at fair value as described below:

The fair value of investment in quoted Mutual Funds is measured at quoted price or NAV.

iii) Valuation process

The Company obtains valuation results from external/internal valuers for level 2 measurements. Inputs to level 2 measurements are verified by the Company's treasury department

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

iv) Fair value of financial assets and liabilities measured at amortized cost

The management assessed that cash and cash equivalents, Bank Balance other than cash and cash equivalents, trade receivables, trade payables, investments in unquoted equity of joint venture / subsidiary company and government securities, other financial assets, short term borrowings, non current borrowings and other current financial liabilities approximate their carrying amounts.

42 Financial Instrument Risk, Management, Objectives & Policies

42.1 Financial risk management

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Company. Risk management reporting is a continuous process and part of regular company reporting.

The Company is exposed to credit, liquidity and market risks (interest rate risk, foreign currency risk and other price risk) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements.

42.2 Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. The balances with banks and security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.

Trade receivables, Loans and Advances to Suppliers & Others

Credit risk arises from the possibility that customer / borrowers will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers and the borrowers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

The provision on trade receivables for expected credit loss is recognized on the basis of life-time expected credit losses (simplified approach). Trade receivables are evaluated separately for balances towards progress billings and retention money due from customers. An expected loss rate is calculated at each year-end, based on combination of rate of default and rate of delay. The Company considers the rate of default and delay upon initial recognition of asset, based on the past experience and forward-looking information, wherever available. The provision on loans for expected credit loss is recognized on the basis of 12-month expected credit losses and assessed for significant increase in the credit risk.

Allowance for Doubtful Debts/ Credit Impaired:

i) As at March 31, 2021

(Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Gross carrying amount	390.04	4.18	110.88	505.10
Credit loss rate	24.94%	100.00%	16.28%	23.66%
Expected credit losses (loss allowance provision)	97.27	4.18	18.05	119.50
Carrying amount	292.77	-	92.83	385.60

ii) As At March 31, 2020

(Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Gross carrying amount	430.81	4.18	103.21	538.20
Credit loss rate	21.47%	100.00%	19.35%	21.67%
Expected credit losses (loss allowance provision)	92.50	4.18	19.97	116.65
Carrying amount	338.31	-	83.24	421.55

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

iii) Reconciliation of expected credit loss / loss allowance provision (Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Loss allowance as on March 31, 2019	(92.50)	(4.18)	(19.97)	(116.65)
Changes in loss allowance	-	-	-	-
Loss allowance as on March 31, 2020	(92.50)	(4.18)	(19.97)	(116.65)
Changes in loss allowance	(4.77)	-	1.92	(2.85)
Loss allowance as on March 31, 2021	(97.27)	(4.18)	(18.05)	(119.50)

42.3 Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

Liquidity crises has led to default in repayment of principle and interest to lenders however the Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is used for the repayment of loan, invested in interest bearing term deposits and mutual funds with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Maturities of financial liabilities

The table below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

(Rs In Crore)

As at March 31, 2021	Payable Upto 31.03.2022	01.04.2022 to 31.03.2025
Trade Payables	386.59	-
Borrowings	1,129.54	991.86
Short term Borrowings	2.50	-
Preference Shares	12.00	-
Other Financial liabilities	9.62	0.28
Total	1,540.25	992.14

(Rs In Crore)

As at March 31, 2020	Payable Upto 31.03.2021	01.04.2021 to 31.03.2023
Trade Payables	430.57	-
Borrowings	943.72	1,242.66
Short term Borrowings	2.57	-
Preference Shares	12.00	-
Other Financial liabilities	15.80	0.71
Total	1,404.66	1,243.37

42.4 Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

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

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets. The company is mainly exposed to interest rate risk and foreign currency risk.

i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market rates. Since the borrowing of the company are classified as non performing assets or are transferred to assets reconstruction company or the settlement agreement have been executed and few lenders are charging interest at fix rate of interest, therefore the exposure to risk of changes in market interest rates is minimal. However the Company is liable for the payment of interest to Union Bank of India @ 1 Year MCLR on the Outstanding amount on that/those, date(s) for which the company fails to pay the installment as per the schedule & it's sensitivity analysis is as under :-

(Rs In Crore)

Particulars	Outstanding Amount as on March 31, 2021	Interest for the period ended as on March 31, 2021	Increase in Interest by 1%	Decrease in Interest by 1%
Union Bank of India	21.91	0.30	0.003	(0.003)

ii) Foreign currency risk

The international nature of the Company's business activities generates numerous cash flows in different currencies -especially in USD and EURO. To contain the risks of numerous payment flows in different currencies- in particular in USD and EURO- the Company follows group wise policies for foreign currency management.

The Company's exposure to unhedge foreign currency risk at the end of reporting period are as follows:

(In Crore)

Particulars	As at March 31, 2021	
	USD	Euro
Financial assets		
Trade receivables	0.67	-
Net exposure to foreign currency risk (assets)	0.67	-
Financial liabilities		
Trade payables	0.19	-
Borrowings		
Net exposure to foreign currency risk (liabilities)	0.19	-
Net exposure to foreign currency risk	0.47	-
Net Exposure In Indian Currency (Rs)	34.83	(0.07)

(In Crore)

Particulars	As at March 31, 2020	
	USD	Euro
Financial assets		
Trade receivables	0.74	-
Net exposure to foreign currency risk (assets)	0.74	-
Financial liabilities		
Trade payables	0.18	0.01
Net exposure to foreign currency risk (liabilities)	0.18	0.01
Net exposure to foreign currency risk	0.56	(0.01)
Net Exposure In Indian Currency (Rs)	42.21	(0.46)

The above table represent only total major exposure of the company towards foreign exchange denominated trade receivables and trade payables.

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

The company is mainly exposed to change in USD and Euro. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and Euro against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

The sensitivity of Profit or loss to changes in USD and Euro exchange rate are as follows:

(Rs In Crore)

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

(Rs In Crore)

Particulars	As at March 31, 2020	
	Rupee / USD	Rupee / Euro
Impact on Profit/loss		
Increase by 5%	2.11	(0.02)
Decrease by 5%	(2.11)	0.02

43 Capital Management:

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Capital structure of the Company is as follows:

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity share capital	12.74	12.74
Other Equity	(919.53)	(984.17)
Total Equity	(906.79)	(971.43)

Notes to Standalone Financial Statements for the year ended March 31, 2021**44 Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The funds are utilised on the activities which are specified in Schedule VII of the Companies Act, 2013. The utilisation is done by way of contribution towards various activities.

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013: Rs. 1.33 Crore. (Previous year: 0.63 Crore)

(b) Amount spent during the year ended 31st March 2021: Rs. 1.33 Crore. (Previous year: Rs. 0.63 Crore)

Year ended March 31, 2021

(Rs In Crore)

Particulars	Amount Contributed	Amount to be contributed	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	1.33	-	1.33
Total	1.33	-	1.33

Year ended March 31, 2020

(Rs In Crore)

Particulars	Amount Contributed	Amount to be contributed	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	0.63	-	0.63
Total	0.63	-	0.63

45 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 15 October, 2021, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in the financial statements.

46 On March 24, 2020, the Government of India ordered a nationwide lockdown to prevent community spread of Covid-19 in India resulting in significant reduction in economic activities. The company has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The company is in the business of manufacturing steel, pipe and steel melting equipment, Transformers, etc. The demand for the Company products is expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the Company. Further, the Management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the company, in the long-term. The Company continues to monitor any material changes to the future economic conditions.

47 Previous year amount has been regrouped/re-casted/re-arranged/ re-classified/re-determined, wherever necessary, to make the figure of the current year comparable with the previous year.

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

Hitesh Shah
 Partner
 Membership No. 124095

Place : Ahmedabad
 Date : 15th October 2021

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

Shailesh Bhandari
 Managing Director
 DIN:- 00058866

Place : Palodia
 Date : 15th October 2021

Suraj Bhandari
 Whole Time Director
 DIN:- 07296523

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
Electrotherm (India) Limited.

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Electrotherm (India) Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint venture, comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated cash flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2021, and their consolidated profit including other consolidated comprehensive income, their consolidated cash flow and the consolidated statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No. 33(b) of non-provision of interest on NPA accounts of banks on approximate basis of Rs 210.27 crore, for the year under consideration and the total amount of such unprovided interest till March 31, 2021, is Rs.1320.21 Crore. The exact amounts of the said non provisions of interest are not determined and accordingly the amount of Net Profit for the year is overstated by Rs. 210.27 crore and the amount of Banks/Assets Reconstruction Company liability and total retained earnings/(loss) as on March 31, 2021, is under stated by Rs. 1320.21 crore.

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

Material Uncertainty Related to Going Concern of its Subsidiaries and Joint Venture

1. We draw attention on Note No 37(a)(i) of the consolidated financial statements, relating to the actions taken by Ministry of Coal, Government of India for de-allocation of the Coal block in Joint venture Bhaskarpara Coal Company Limited, affecting the going concern of the said company.
2. We draw attention on Note No 37(b) of the consolidated financial statements, relating to the actions taken by State Bank of India under SARFAESI Act, 2002 and subsequent action of the sale through auction of the assets of the Company by Bank and non-repayment of loans taken from Bank and non-provision of Interest on the said loans in subsidiary Shree Ram Electrocast Limited, affecting the going concern of the said company.
3. We draw attention on Note No 37(c) of the consolidated financial statements that during the year, ET Elec-Trans Limited has a cash loss of Rs 0.00 Crore and accumulated losses of Rs 1.48 Crore, which has fully eroded the net worth of the said company. These condition, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Emphasis of Matter

1. **Note No 14 (d)** in respect of in respect of non-payment of Installments due to lender of the loan for the period from December 31, 2019 to March 31, 2021 and Interest due for the period from March 31, 2020 till March 31, 2021 and requested respective lenders to allow this moratorium period for the said payments and reschedule of repayment of the loan amount and the lenders are yet to confirm the same.
2. **Note No 30(a)(ix) and 36** in respect of pending litigations/cases and recovery proceedings against the group and the Directors of the Company.
3. **Note No 32(a)** in respect of treatment in the books of accounts of the assignment / settlements of debts of various banks and the financial institution.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

4. **Note No 32(a)(i)(e)** in respect of Petition filed by Central Bank of India, a financial creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad.
5. **Note No 34(c)** in respect of confirmation / reconciliation of few accounts of "Trade Receivables", "Trade Payable", "Advance from Customers", "Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties" including old balances.
6. **Note No 34(e)** in respect of inventories carried at net realizable value/Inventory written down.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March 2021. These matters were addressed in the context of our audit of the consolidated financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern of its Subsidiary and Joint Venture section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of component not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters (Other than those given in Basis for Qualified Opinion)	How our audit addressed the key audit matter
<p>Impairment of trade receivables (refer note 9 of the consolidated financial statement)</p> <p>Impairment of financial assets is covered through Expected Credit Losses (ECL) method under Ind AS 109 and is expected to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.</p> <p>Trade receivables by nature carry certain risks in general which include overdue balances, customers in weaker economic and geopolitical environment, customer's ability to pay, provision in relation to expected credit loss, assessment of recovery process and compliance with the risk management control. The calculation of the impairment allowance under expected credit losses is highly judgmental as it requires management to make significant assumptions on customer payment behavior and other relevant risk characteristics when assessing the Company's statistics of historical information and estimating the level and timing of expected future cash flows. The timing of future cash flows may also vary to some extent due to COVID-19. As at the March 31, 2021, the Company recorded an impairment provision of Rs 100.13 crore for its trade receivables.</p> <p>Trade receivable has been considered a key audit matter in the current year due to the significance of the amount and element of judgment involved in overall management assessment of customer's ability to repay the outstanding balance during Covid-19 disruption</p>	<p>Our audit procedure included the followings:</p> <ul style="list-style-type: none"> We evaluated the management's key data sources and assumptions used in the ECL model to determine impairment provisions including any updates to such assumptions due to COVID-19. We evaluated the process followed by the Company's for determination of credit risk and the resultant basis for classification of receivables into various stages. For a sample of receivables, we tested the ageing of the receivables considered for impairment calculations. We assessed the completeness of financial assets included in the ECL calculations as of the reporting date We considered the consistency of various inputs and assumptions used by the Company's management to determine impairment provisions We read and tested the disclosures in the notes to standalone financial statements as per the relevant accounting standards

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's Annual Report but does not include the consolidated financial statements and our auditors' report thereon.

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

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Responsibilities of Management for the consolidated financial statements

The Holding Company's management and Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other consolidated comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of Group and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal Financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its Joint venture are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal Financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements include Group's share of total assets (before consolidation adjustments) of Rs. 56.03 crore as at March 31, 2021, total revenues (before consolidation adjustments) of Rs 52.72 crore, Group's share of total net profit after tax (before consolidation adjustments) of Rs 0.63 crore, Group's share of total comprehensive profit (before consolidation adjustments) of Rs 0.74 crore and Group's share of net cash outflows (before consolidation adjustments) of Rs. 9.38 crore for the year ended 31st March, 2021, as considered in the Statement. The consolidated financial statements also include the Group's share of net profit after tax (before consolidation adjustments) of Rs 0.02 crore for the year ended 31 March 2021, as considered in the consolidated financial statements of one joint venture. The independent auditors' reports on financial statements/ financial results/financial information of these entities have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us as stated in the paragraph above.
- There are two subsidiaries which are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and are unaudited whose financial statements include Group's share total assets (before consolidation adjustments) Rs 3.94 Crores as at March 31, 2021, Group's share total revenues (before consolidation adjustments) of Rs 0.03 crore, Group's share total net loss after tax (before consolidation adjustments) of Rs 0.01 crore, Group's share total comprehensive loss (before consolidation adjustments) of Rs 0.01 crore and Group's share net cash outflow (before consolidation adjustments) of Rs. 0.75 crore for the year ended 31st March, 2021, as considered in the Statement. These unaudited financial statements have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such annual financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, read with the notes to accounts, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019;

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- (e) The matter described in 'Emphasis of Matter' paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated Financial position of the Group – Refer Note 30(a), 32 and 36 to the Consolidated Financial Statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021; and
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2021.

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

Place: Ahmedabad
Date: 15th October, 2021
UDIN:- 21124095AAAAFW8112

Hitesh Shah
Partner
Membership No. 124095

ANNEXURE A TO THE CONSOLIDATED AUDITOR'S REPORT

[REFERRED TO IN PARAGRAPH (g) OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT OF INDEPENDENT AUDITORS REPORT OF EVEN DATE FOR THE YEAR ENDED ON MARCH 31, 2021]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Electrotherm (India) Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Electrotherm (India) Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture company, have, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

ANNEXURE A TO THE CONSOLIDATED AUDITOR'S REPORT**Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Place: Ahmedabad
Date: 15th October, 2021
UDIN:- 21124095AAAAFW8112

Hitesh Shah
Partner
Membership No. 124095

Consolidated Balance Sheet as at March 31, 2021

(Rs In Crore)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non Current Assets			
a) Property, Plant and Equipment	3	694.92	780.48
b) Capital Work in Progress	3	27.40	27.59
c) Goodwill		36.46	36.46
d) Intangible Assets	4a	5.21	5.18
e) Right of Use Assets	4b	1.84	3.11
f) Financial Assets			
i) Investment in Joint Venture	5	6.96	6.94
ii) Investments	5	0.39	0.21
iii) Other Financial Assets	6	73.45	40.70
g) Other Non Current Assets	7	19.91	15.77
Total Non- Current Assets (A)		866.54	916.44
Current assets			
a) Inventories	8	503.43	490.49
b) Financial Assets			
i) Investments	5	0.04	-
ii) Trade Receivables	9	277.34	316.30
iii) Cash and Cash Equivalent	10	88.68	30.41
iv) Bank Balance Other than (iii) Above	10	8.61	16.63
v) Other Financial Assets	6	1.72	2.00
c) Current Tax Assets	11	2.70	2.92
d) Other Current Assets	7	147.66	144.89
Total Current Assets (B)		1,030.18	1,003.64
TOTAL ASSETS (A+B)		1,896.72	1,920.08
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	12.74	12.74
b) Other Equity	13	(1,055.12)	(1,106.06)
Total Equity (A)		(1,042.38)	(1,093.32)
Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	14	1,012.73	1,272.65
ii) Other Financial Liabilities	15	0.31	0.74
b) Other Non-Current Liability	19	-	2.75
c) Provisions	16	16.13	18.01
Total Non Current Liabilities (B)		1,029.17	1,294.15
Current liabilities			
a) Financial Liabilities			
i) Short Term Borrowings	17	32.87	29.42
ii) Trade Payables	18		
Total Outstanding Dues Of :			
- Micro Enterprises & Small Enterprises		40.21	26.90
- Other than Micro Enterprises & Small Enterprises		382.67	422.14
iii) Other Financial Liabilities	15	1,196.19	1,017.41
b) Other Current Liabilities	19	245.14	209.05
c) Provisions	16	12.85	14.33
Total Current Liabilities (C)		1,909.93	1,719.25
TOTAL EQUITY AND LIABILITIES (A+B+C)		1,896.72	1,920.08
Summary of Significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements

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

Hitesh Shah
Partner
Membership No. 124095

Place : Ahmedabad
Date : 15th October 2021

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

Shailesh Bhandari
Managing Director
DIN:- 00058866

Place : Palodia
Date : 15th October 2021

Suraj Bhandari
Whole Time Director
DIN:- 07296523

Consolidated Statement of Profit and Loss for the Year ended March 31, 2021

(Rs In Crore)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue From Operations	20	2,518.06	3,211.89
Other Income	21	4.22	26.42
Total Income		2,522.28	3,238.31
Expenses			
Cost of Raw Materials and Components Consumed	22	1,670.00	2,171.93
Purchases of Stock in Trade	22	-	102.37
Changes in Inventories of Finished Goods, Work in Progress	23	(2.65)	9.62
Employee Benefit Expense	24	134.62	154.21
Finance Costs	25	54.01	19.44
Depreciation and Amortisation Expense	26	120.55	134.21
Other Expenses	27	496.27	657.96
Total expenses		2,472.80	3,249.74
Profit Before Exceptional Items And Tax		49.48	(11.43)
Exceptional item	28	-	35.54
Profit Before Tax		49.48	24.11
Tax Expense:			
Income Tax	29	(0.01)	(0.02)
Total Tax Expense		(0.01)	(0.02)
Profit for the Year		49.47	24.09
Profit From Joint Venture		0.02	0.01
Profit for the Year		49.49	24.10
Other comprehensive income / (loss)			
A. Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent period			
Re-measurement gain / (loss) on defined benefit plans		1.45	(2.76)
Income tax effect relating to these items		-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period		1.45	(2.76)
Total Other comprehensive income/(loss) for the year, net of tax		1.45	(2.76)
Total comprehensive income for the year		50.94	21.34
Profit for the year attributable to :			
Equity holders of the parent		49.49	24.10
Non Controlling interest		-	-
Total comprehensive income attributable to :			
Equity holders of the parent		50.94	21.34
Non Controlling interest		-	-
Earnings per equity share (nominal value of shares Rs 10 each) (Basic & Diluted)	39	38.85	18.92
Summary of Significant accounting policies	2.1		
The accompanying notes are an integral part of the consolidated financial statements			

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

Hitesh Shah
Partner
Membership No. 124095

Place : Ahmedabad
Date : 15th October 2021

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

Shailesh Bhandari
Managing Director
DIN:- 00058866

Place : Palodia
Date : 15th October 2021

Suraj Bhandari
Whole Time Director
DIN:- 07296523

Consolidated Cash Flow Statement for the Year Ended March 31, 2021

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	49.48	24.11
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant, equipment & Amortization of Assets	120.55	134.21
Finance income (including fair value changes in financial instruments)	(3.72)	(3.59)
Net Sundry Balances Written Off	1.04	0.63
Provision For Doubtful Trade Receivables & Advances	2.85	-
Exceptional item	-	(35.54)
(Profit)/Loss on Sale/Discard of Property, Plant & Equipments, Right to use Asset & Capital Work In Progress (Net)	(0.10)	13.23
Profit on Sale of Units of Mutual Fund	(0.04)	-
Profit From Joint Venture	0.02	0.01
Finance costs (including fair value changes in financial instruments)	54.01	19.53
Unrealized foreign exchange (gain)/loss	(3.03)	(13.96)
Operating Profit before working capital changes	221.06	138.63
Working capital adjustments:		
Decrease/(Increase) in trade receivables	37.28	30.44
Decrease/(Increase) in inventories	(12.94)	72.63
(Decrease)/Increase in trade payables	(26.55)	(26.95)
(Decrease)/Increase in other current liabilities	23.75	(38.46)
(Decrease)/Increase in other non current liabilities	(2.75)	2.75
(Decrease)/Increase in other current financial liabilities	(12.05)	(3.14)
Decrease/(Increase) in other current financial assets	0.44	(0.21)
Decrease/(Increase) in other current Asset	(1.58)	3.29
(Decrease)/Increase in provisions	(1.90)	2.52
Cash generated from operations	224.76	181.50
Net Direct taxes (Paid) / Refund	0.21	(0.53)
Net Cash (used in) generated from operating activities	224.97	180.97
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets & intangible assets (including CWIP and capital advances)	(40.97)	(23.73)
Proceeds from sale of Property Plant & Equipment	0.13	10.91
Purchase of Units of Mutual fund	(3.00)	-
Sale of Units of Mutual fund	3.00	0.13
Increase in Investment in Joint Venture	(0.02)	(0.01)
Redemption/maturity of bank deposits(having original maturity of more than three months)	(24.73)	14.36
Interest income	3.39	3.29
Net Cash (used in) generated from investing activities	(62.20)	4.95

Consolidated Cash Flow Statement for the Year Ended March 31, 2021

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (Net)	(61.53)	(179.25)
Payment of Lease Liabilities	(1.53)	(1.83)
Finance Cost (Net)	(41.44)	(21.81)
Net Cash (used in) generated from financing activities	(104.50)	(202.89)
Net (Decrease)/ Increase in Cash and Cash Equivalents	58.27	(16.97)
Cash and Cash Equivalents at the beginning of the year	30.41	47.38
Cash and Cash Equivalents at the end of the year	88.68	30.41

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

Unrealized foreign exchange (gain)/loss		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivable	(3.12)	(13.66)
Trade Payable	0.09	(0.64)
Total	(3.03)	(14.30)

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

Hitesh Shah
Partner
Membership No. 124095

Place : Ahmedabad
Date : 15th October 2021

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

Shailesh Bhandari
Managing Director
DIN:- 00058866

Place : Palodia
Date : 15th October 2021

Suraj Bhandari
Whole Time Director
DIN:- 07296523

Consolidated Statement of Change in Equity for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

Particulars	No. of Shares	(Rs In Crore)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2019	1,27,42,814	12.74
Add:- Issue of Equity Share Capital	-	-
As at March 31, 2020	1,27,42,814	12.74
Add:- Issue of Equity Share Capital	-	-
As at March 31, 2021	1,27,42,814	12.74

B. OTHER EQUITY

(Rs In Crore)

Particulars	Other Equity				Total Other Equity
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
As at April 1, 2019	51.26	253.79	349.37	(1,889.13)	(1,234.71)
Profit for the year	-	-	-	24.10	24.10
Add : Addition during the year (refer note 13(a))	107.31	-	-	-	107.31
Other Comprehensive Income / (Loss) (Re-measurement Gain on defined benefit plans)	-	-	-	(2.76)	(2.76)
Total Comprehensive Income	107.31	-	-	21.34	128.65
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.39)	3.39	-
As at March 31, 2020	158.57	253.79	345.98	(1,864.40)	(1,106.06)
Profit for the year	-	-	-	49.49	49.49
Other Comprehensive Income / (Loss) (Re-measurement loss on defined benefit plans)	-	-	-	1.45	1.45
Total Comprehensive Income	-	-	-	50.94	50.94
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2021	158.57	253.79	342.72	(1,810.20)	(1,055.12)

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

Hitesh Shah
Partner
Membership No. 124095

Place : Ahmedabad
Date : 15th October 2021

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

Shailesh Bhandari
Managing Director
DIN:- 00058866

Suraj Bhandari
Whole Time Director
DIN:- 07296523

Place : Palodia
Date : 15th October 2021

Notes to Consolidated Financial Statements for the year ended March 31, 2021**1. CORPORATE INFORMATION:**

The consolidated financial statements comprise financial statements of Electrotherm (India) Limited (the “Company”) and its subsidiary and Joint Venture (collectively the “Group”) for the year ended March 31, 2021. The principal business of the Group is the manufacturing of Induction Furnace, Casting Machines, Transformers, Sponge and Pig Iron, Ferrous and Non-Ferrous Billets/ bars/ Ingots, Ductile Iron Pipes, Transmission Line Towers, Battery Operated Vehicles and Services relating to Steel Melting and other Capital Equipments.

Pursuant to order dated 24.05.2021, 07.06.2021 and 17.06.2021 by the Hon’ble National Company Law Appellate Tribunal, New Delhi (“NCLAT”) in appeal filed by the Holding Company against the order dated 04.05.2021 of the Hon’ble National Company Law Tribunal, Ahmedabad in pending petitions related to appointment of independent directors and oppression & mismanagement, there is stay on the further Board Meeting and in view of further clarification required about the interpretation of the order of Hon’ble NCLAT, the Board Meeting was not being convened to consider the Audited Financial Statements for the year ended on 31 March, 2021 on or before 30th June, 2021. As per the approval of the Hon’ble NCLAT in their order dated 27 September 2021, in relation to the calling the board meeting, the above consolidated financial statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on October 14 & 15, 2021.

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

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

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

Certain comparative figures appearing in these consolidated financial statements have been regrouped and/or reclassified to better reflect the nature of those items. During the year the chief operational decision maker has monitor the operating result for the purpose of decision making about resource allocations and performance of subsidiary Hans Ispat Limited into special steel division and accordingly the figure of the Hans Ispat Limited which were classified as other segment in the previous year, has been regrouped to special steel division.

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

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**a) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and joint venture, for the year ended March 31, 2021. In the preparation of consolidated financial statements, investment in subsidiary has been accounted for in accordance with Ind AS 110 on Consolidated financial statements. The consolidated financial statements have been prepared on the following basis:-

- i) Subsidiary is fully consolidated from the date of incorporation, being the date on which the Company obtains control and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiary has been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full.
- ii) The financial statements of the subsidiary in India are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company’s standalone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s standalone financial statements. Any deviation in accounting policies is disclosed separately.
- iii) The financial statements of the subsidiary outside India are prepared in accordance with the principles general accepted in their respective countries. On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of transactions. For practical reasons, the Group uses a monthly average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions.

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

- iv) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- v) The subsidiaries company considered in the consolidated financial statements and disclosure of significant interest in the subsidiaries and joint venture as per para 17 of Ind AS 27 are as under:-

Name of the Group	Country of Incorporation	Relationship	% of Ownership Interest as at March 31, 2021
Jinhua Indus Enterprises Limited	Republic of China	Foreign Subsidiary	100.00%
Jinhua Jahari Enterprise Limited (fellow subsidiary)	Republic of China	Subsidiary of the Foreign subsidiary	100% Jinhua Indus Enterprises Limited
ET Elec-Trans Limited	India	Domestic Subsidiary	80.49%
Hans Ispat Limited	India	Domestic Subsidiary	100.00%
Shree Ram Electro Cast Limited	India	Domestic Subsidiary	95.00%*
Electrotherm Services Limited	India	Domestic Subsidiary	100.00%

*5% shares of Shree Ram Electro Cast Limited are held by Electrotherm Services Limited, Subsidiary.

Equity accounted investees

The Group's interests in equity accounted investees comprise interest in joint venture. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interest in joint venture is accounted for using equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, consolidated financial statements include the Group's share of profit or loss of equity accounted investees until the date on which significant influence or joint control ceases.

The joint venture considered in the consolidated financial statements is:

Name of the Group	Country of Incorporation	Relationship	% of Ownership Interest as at March 31, 2021
Bhaskarpara Coal Company Limited	India	Joint Venture Company	52.63%

b) CURRENT VERSUS NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021**c) FOREIGN CURRENCIES:**

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

Transactions and balances

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

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

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

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

d) FAIR VALUE MEASUREMENT:

The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major

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

inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

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

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

e) Revenue from contract with customer

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

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

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

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

Sale of Goods:

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

Variable Consideration

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

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

Dividends:

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

Interest income and expense:

Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2021**Contract Balances****Contract assets:**

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

Trade receivables:

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

Contract liabilities:

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

Refund liabilities:

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

f) PROPERTY, PLANT AND EQUIPMENT (PPE):

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

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

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

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

The Group (except Shree Ram Electro Cast Limited) calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013, except in respect of following property plant and equipment:

- a) Long Term Lease hold land is amortised over a period of 99 years, being the lease term.
- b) Shree Ram Electro Cast Limited calculate depreciation on items of property, plant and equipment on the written down basis, using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013.

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

g) INTANGIBLE ASSETS:

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

Intangible assets in the form of software are amortised over a period of six years and trademarks over a period of five years as per their respective useful life based on a straight-line method. The amortisation period and the amortisation method for an

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

intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.

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

h) IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Consolidated Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

i) BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j) LEASES:

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

Group as a lessee:

i Right of use assets

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

Assets

Right-of-use of office premises and Leasehold land

Estimated Useful Life

Over the balance period of lease agreement

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

ii Lease Liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the

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

lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of office equipment that is considered to be low value amounting to Rs. 2 lakhs. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k) FINANCIAL INSTRUMENTS:

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

Financial assets**Initial recognition and measurement**

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

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

Subsequent measurement

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

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

Financial asset at amortised cost (debt instruments)

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

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

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

Financial Assets at FVTOCI

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

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

Financial Assets at FVTPL

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

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

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

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

Equity investments

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

Financial assets measured at amortised cost:

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

Financial liabilities & Equity Instruments

Classification as debt or equity

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

Equity instruments

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

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Financial liabilities at fair value through Profit or Loss.

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

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

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

Loans and borrowings

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

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

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

Financial guarantee contracts

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

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

Offsetting of financial instruments

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

l) INVENTORIES:

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

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

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

m) RETIREMENT AND OTHER EMPLOYEE BENEFITS:

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

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

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

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

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

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

n) TAXES:

Tax Expenses comprises of current income tax and deferred tax

Current income tax:

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

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

Deferred Tax:

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

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

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

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

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

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

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

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

o) PROVISIONS:

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

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

p) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

q) CASH AND CASH EQUIVALENT:

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

r) CASH DIVIDEND

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

s) CONTINGENT LIABILITIES

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

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

Judgements

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

Determining the lease term of contracts with renewal and termination options – Group as lessee. The Group determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

Estimates and assumptions

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

Notes to Consolidated Financial Statements for the year ended March 31, 2021**Defined benefit plans (gratuity benefits)**

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

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

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

Further details about gratuity obligations are given in Note 31.

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

(Rs In Crore)

3 Property, plant and equipment

Particulars	Freehold Land	Leasehold Land	Building	Plant and Machinery	Computer	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost									
As at April 1, 2019	169.25	0.96	289.57	866.94	7.84	5.88	4.66	4.84	1,349.94
Addition	-	-	4.96	17.50	2.42	0.28	0.48	0.62	26.26
Disposals / Transferred	17.29	0.96	3.57	2.83	0.69	1.38	0.44	0.27	27.43
As at March 31, 2020	151.96	-	290.96	881.61	9.57	4.78	4.70	5.19	1,348.77
Addition	-	-	7.40	22.06	0.92	0.14	0.69	1.32	32.53
Disposals	-	-	-	0.05	-	-	-	0.16	0.21
As at March 31, 2021	151.96	-	298.36	903.62	10.49	4.92	5.39	6.35	1,381.09
Depreciation / Amortization and Impairment									
As at April 1, 2019	-	0.03	43.36	386.85	3.96	2.10	1.56	1.89	439.75
Depreciation and Impairment for the Year	-	-	13.41	114.78	2.27	0.45	0.85	0.58	132.34
Disposals / Transferred	-	0.03	0.91	0.77	0.42	1.17	0.35	0.15	3.80
As at March 31, 2020	-	-	55.86	500.86	5.81	1.38	2.06	2.32	568.29
Depreciation and Impairment for the Year	-	-	14.48	99.42	2.05	0.58	0.86	0.63	118.02
Disposals	-	-	-	-	-	-	-	0.14	0.14
As at March 31, 2021	-	-	70.34	600.28	7.86	1.96	2.92	2.81	686.17
Net Block									
At March 31, 2020	151.96	-	235.10	380.75	3.76	3.40	2.64	2.87	780.48
As at March 31, 2021	151.96	-	228.02	303.34	2.63	2.96	2.47	3.54	694.92

(a) There is a pari-pasu charge by way of Registered Mortgage on Immovable Property, Plant and Equipments & hypothecation on all Movable Property, Plant & Equipments.

(b) No borrowing costs are capitalized on Property Plant and Equipment during the current and previous years as the group has not borrowed fund for the purpose of acquisition of Property Plant and Equipment.

(c) In Subsidiary Shree Ram Electrocast Limited Property, plant and equipment were tested for impairment as on April 1, 2016, where indicators of impairment existed. Based on an assessment of external market conditions relating to input costs and final product realization, non operation of the company and evaluation of physical working conditions for items of property, plant and equipment, indicators of impairment were identified and therefore, the group has recognized impairment charge as on April 1, 2016 of Rs. 29.89 Crore.

(d) Capital Work in Progress :

Particulars	(Rs In Crore)
As at March 31, 2020	27.59
As at March 31, 2021	27.40

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

4(a) Intangible Assets

(Rs In Crore)

Particulars	Software	Trademark	Total
Cost			
As at April 1, 2019	2.45	0.02	2.47
Addition	3.34	0.01	3.35
As at March 31, 2020	5.79	0.03	5.82
Addition	0.86	-	0.86
As at March 31, 2021	6.65	0.03	6.68
Amortization and Impairment			
As at April 1, 2019	0.41	-	0.41
Amortization for the Year	0.22	0.01	0.23
As at March 31, 2020	0.63	0.01	0.64
Amortization for the Year	0.82	0.01	0.83
As at March 31, 2021	1.45	0.02	1.47
Net Block			
At March 31, 2020	5.16	0.02	5.18
As at March 31, 2021	5.20	0.01	5.21

4(b) Right of Use Assets

(Rs In Crore)

Particulars	Right of Use Assets		
	Premises	Lease Hold Land	Total
Gross Carrying Value			
As at April 1, 2019	-	-	-
On Transition to Ind AS 116	3.82	0.96	4.78
Additions	-	-	-
Disposals During the Year	-	-	-
As at March 31, 2020	3.82	0.96	4.78
Additions	0.47	-	0.47
Disposals During the Year	0.08	-	0.08
As at March 31, 2021	4.21	0.96	5.17
Accumulated Amortization			
As at April 1, 2019	-	-	-
On Transition to Ind AS 116	-	0.03	0.03
Amortization Charged for the Year	1.63	0.01	1.64
As at March 31, 2020	1.63	0.04	1.67
Amortization Charged for the Year	1.69	0.01	1.70
Eliminated on disposal of assets	0.04	-	0.04
As at March 31, 2021	3.28	0.05	3.33
Net Carrying Value			
As at March 31, 2020	2.19	0.92	3.11
As at March 31, 2021	0.93	0.91	1.84

Notes to Consolidated Financial Statements for the year ended March 31, 2021
5 Investments (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Trade Investments-Investment in Mutual Funds (Quoted) - (at fair value through profit and loss)		
- 21,503.949 (March 31, 2020 : 21,503.949) Units of IDFC STERLING VALUE FUND - REGULAR PLAN GROWTH	0.14	0.06
- 13,027.83 (March 31, 2020 : 13,027.83) Units of CANARA ROBECO EMERGING EQUITIES - REGULAR PLAN GROWTH	0.17	0.10
- 49,990 (March 31, 2020: 49,990) Units of UNION FOCUSED LARGE CAP FUND- REGULAR PLAN-GROWTH	0.07	0.04
- 12052.424 (March 31, 2020 : NIL) Units of L & T ULTRA SHORT TERM FUND	0.04	-
Other unquoted investments in Government Securities (At Amortized Cost)		
- National Saving Certificates	0.01	0.01
Total	0.43	0.21
Current	0.04	-
Non current	0.39	0.21
Investment in unquoted Equity Share of Joint Ventures		
- 90,45,127 (March 31, 2020: 90,45,127) Equity Shares of Rs. 10 each of Bhaskarpara Coal Company Limited	9.07	9.06
Less:- Accumulated Impairment	(2.13)	(2.13)
Profit for the year	0.02	0.01
Total	6.96	6.94
Aggregate Value of Investments in unquoted equity shares	9.09	9.07
Aggregate Value of Investments in Government Security	0.01	0.01
Aggregate Carrying Value & Book Value of quoted Investments	0.42	0.20
Aggregate amount of impairment in value of investments in unquoted equity shares	2.13	2.13

The group holds an investment in equity shares of Bhaskarpara Coal Company Limited as a joint venture. This joint venture company have incurred heavy losses and/or are non-operating and therefore the fate of company is uncertain. Provision for impairment of Rs. 2.13 Crore (March 31, 2020 Rs. 2.13 Crore) in the value of investment in joint ventures namely Bhaskarpara Coal Company Limited has been provided as on April 1, 2016

6 Other Financial Assets (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Sundry Deposits (Includes Bank Fixed Deposit of Rs 8.59 Crore (March 31, 2020: 11.47 crore) given as EMD)	35.43	39.96
In term deposit accounts (marked as lien against the LC/BG) (remaining maturity more than 12 months)	38.02	0.74
Loan to Employees	0.15	0.59
Interest receivable	1.57	1.41
Total	75.17	42.70
Current	1.72	2.00
Non Current	73.45	40.70

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

7 Other Assets (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Product Development Cost	14.66	14.66
Capital Advance	5.25	1.11
Advances Recoverable In Cash or Kind (Net)	33.45	34.11
Enterprises owned or Significantly influenced by Key Managerial Personnel or their relative	0.16	0.16
Advances to Staff	0.27	0.28
Advance to Suppliers and Other Parties	93.28	84.19
Prepaid Expenses	4.73	4.63
Balance with Revenue Authorities	15.77	21.52
Unsecured, Considered Doubtful		
Advance to Suppliers and Other Parties - Credit Impaired	18.05	19.97
Less: Impairment allowance (allowance for bad and doubtful Advances)	(18.05)	(19.97)
Total	167.57	160.66
Current	147.66	144.89
Non Current	19.91	15.77

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

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	19.97	19.97
Provision for expected credit losses reversed	(1.92)	-
Balance at end of the year	18.05	19.97

8 Inventories {Refer Note No.34(e)} (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Raw Material [including goods in transit of Rs.1.28 Crore] (March 31, 2020 Rs. 3.91 Crore)	163.94	149.84
b. Work-In-Progress	195.57	159.49
c. Finished Goods / Stock in Trade [Including goods in transit of Rs. 1.45 Crore] (March 31, 2020 Rs. 18.29 Crore)	90.83	124.20
d. Trading Goods	0.29	0.35
e. Stores and Spares [including goods in transit of Rs. Nil] (March 31, 2020 Rs. 0.29 Crore)	52.80	56.61
Total	503.43	490.49

Notes to Consolidated Financial Statements for the year ended March 31, 2021
9 Trade Receivables (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Trade receivables from other parties		
Secured Considered Good	71.32	71.63
Unsecured Considered Good	196.34	234.55
Unsecured Considered Doubtful- Credit Impaired	100.13	95.36
Less: Impairment allowance (allowance for bad and doubtful debts)	(100.13)	(95.36)
(B) Due from Related Parties		
(Unsecured, Considered Good)		
- Enterprises owned or Significantly influenced by key management personnel or their relative	9.68	9.67
- Relative of Key Managerial Personnel	-	0.45
Total	277.34	316.30

(a) Movement in expected credit loss allowance (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	95.36	95.36
Provision for expected credit losses	4.77	-
Balance at end of the year	100.13	95.36

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

10 Cash and Cash Equivalents (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents (At Amortized Cost)		
a. Balances with Bank		
- In Current Account	87.91	29.38
- Deposits with original maturity of three months or less	-	0.33
b. Cash on hand	0.77	0.70
Total Cash and Cash Equivalents	88.68	30.41
Other Bank Balances		
- Deposits with original maturity of more than three months but less than twelve months	8.28	16.30
- Interest accrued but not due	0.33	0.33
Total	8.61	16.63

Short-term deposits are made for varying periods of between one day to three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Deposits aggregating to Rs 8.28 Crore (March 31, 2020: Rs 16.30 Crore) are marked as lien against the LC/BG or given as EMD.

11 Current Tax assets (Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Asset	2.70	2.92
Total	2.70	2.92

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

12 Equity share capital

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized:		
2,50,00,000 (March 31, 2020: 2,50,00,000) Equity Shares of Rs.10/- each	25.00	25.00
2,50,00,000 (March 31, 2020: 2,50,00,000) 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	25.00	25.00
2,85,90,000 (March 31, 2020: 2,85,90,000) Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- each	28.59	28.59
	78.59	78.59
Issued, subscribed and fully paid up:		
(a) Equity Shares		
1,27,42,814 (March 31, 2020 1,27,42,814) Equity Shares of Rs.10/- each Fully paid up	12.74	12.74
Total	12.74	12.74

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	(Rs In Crore)	No of shares	(Rs In Crore)
Equity Shares :				
At the beginning of the year	1,27,42,814	12.74	1,27,42,814	12.74
Add: Shares issued during the year	-	-	-	-
At the end of the year	1,27,42,814	12.74	1,27,42,814	12.74

b) Rights, preference and restriction attached to Equity Shares

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

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

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

c) Rights, preference and restriction attached to Preference Shares

- The face value of the Preference shares is Rs 10/- per share. The Preference share holder have voting right in their meeting. During the year, the company has not declared any dividend.

- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.

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

- The face value of the PCPRPS is Rs 10/- per share . The preference share holder have voting right in their meeting. During the year, the company has not declared any dividend.

- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.

- The Equity Shares arising upon conversion of the PCPRPS shall rank pari passu with the existing Equity Shares of the Company in all respects, including dividend.

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

e) Details of share holders holding more than 5% equity shares in the company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Edelweiss Asset Reconstruction Company Ltd	7,92,208	6.22	8,92,208	7.00
Castleshine PTE Limited	10,00,000	7.85	10,00,000	7.85
Leadhaven PTE Limited	10,00,000	7.85	10,00,000	7.85
Western India speciality Hospital Limited	9,75,000	7.65	9,75,000	7.65
Mr. Shailesh Bhandari	8,48,275	6.66	8,48,275	6.66
Mr. Mukesh Bhandari	8,09,500	6.35	8,09,500	6.35
Jagdishkumar Amrutlal Akhani	7,62,761	5.99	7,99,914	6.28

f) As per Records of the Company, including its register of Shareholder/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent legal ownership of shares.

g) The Company has calls in arrears / unpaid calls of Rs. Nil (March 31, 2020: Nil)

h) Details of Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. (during 5 years immediately preceding March 31, 2021).

As per the terms and conditions of the settlement with Edelweiss Asset Reconstruction Company Limited (EARC), the company has allotted 2,85,90,000 Partially convertible and Partially Redeemable Preference Shares (PCPRPS) of Rs.10 Each of amounting to Rs 28.59 Crore on August 22, 2015 and against the said PCPRPS, 12,66,440/- Equity shares of Rs. 10/- each at the price of Rs. 225.75 per equity share (inclusive of Share premium amount of Rs. 215.75 per equity share) were allotted during F.Y. 2016-17. As equity shares were allotted against such PCPRPS the entire amount of preference Share Capital of Rs. 28.59 Crore has been treated as part of Equity Share Capital as on April 1, 2016.

13 Other equity

Particulars	(Rs In Crore)
(a) Capital Reserve	
As at April 1, 2019	51.26
Increase/(decrease) during the Year	107.31
As at March 31, 2020	158.57
Increase/(decrease) during the Year	-
As at March 31, 2021	158.57
(b) Securities Premium	
As at April 1, 2019	253.79
Increase/(decrease) during the Year	-
As at March 31, 2020	253.79
Increase/(decrease) during the Year	-
As at March 31, 2021	253.79
(c) General Reserves	
As at April 1, 2019	349.37
Increase/(decrease) during the Year	(3.39)
As at March 31, 2020	345.98
Increase/(decrease) during the Year	(3.26)
As at March 31, 2021	342.72

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

13 Other equity (Contd...)

Particulars	(Rs In Crore)
Retained Earnings	
As at April 1, 2019	(1,889.13)
Profit for the year	24.10
Other Comprehensive Income / (Loss) (Re-measurement Gain on defined benefit plans)	(2.76)
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.39
As at March 31, 2020	(1,864.40)
Profit for the year	49.49
Other Comprehensive Income / (Loss) (Re-measurement Gain/(Loss) on defined benefit plans)	1.45
Transfer from Genral Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2021	(1,810.20)
Total Other Equity	
As at March 31, 2020	(1,106.06)
As at March 31, 2021	(1,055.12)

a. Capital Reserve

Capital Reserve includes amount of debt reduction and is not available for distribution of profits.

b. Securities Premium

Securities Premium is used to record the premium on issue of shares and is utilized in accordance with the provisions of the Companies Act, 2013.

c. General Reserve

General Reserve is used from time to time to transfer profits to/from Retained Earnings for appropriation purposes including the amount arising due to past revaluation of land and building under previous GAAP. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

d. Retained Earnings

Retained Earnings are the profits of the Group earned till date and net of appropriations.

14 Borrowings {Refer Note No. 32(a)}

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loans from Banks {Refer Note No. (a), (b) & (d) below}		
- Rupee Term Loan	538.48	546.29
Loans from Asset Reconstruction Companies {Refer Note No. (a) below }		
- Rupee Term Loan	1,660.78	1,717.95
Unsecured		
Loan From Related Party		
- Loans from Relative of Key Managerial Personnel	0.04	0.04
Less: Current Maturity on Long Term Borrowing	(1,186.57)	(991.63)
Non Current	1,012.73	1,272.65

(a) Rupee Term Loan are secured by first charge by way of Equitable Mortgage of all immovable properties and hypothecation of specified movable assets situated at Vatva, Palodia, Dhank, Samakhiali – Kutch, Chhadawada – Bhachau, Juni Jithardi - Vadodara, Village : Budharmora - Kutch and Siriguppa - Bellary and Fixed Deposits & as second charge on all Stock-in-Trade & Receivables.

(b) On 31 July 2014 the debt due to Bank of Baroda are declared as NPA by the Bank and the account has been transferred to Bank of Baroda, Asset Recovery Branch, New Delhi.

First charge on the entire current assets of the Company, both present and future.

Note: During the year ended March 31 2020, In Subsidiary Shree Ram Electrocast Limited, the assets of the company on which charge has been taken by the bank, the said assets has been sold through Auction by the bank.

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

(c) Interest Rate Charged by various Lender are as under:

Name of Borrower	Rate of Interest
Union Bank of India (Corporation Bank merged with Union Bank of India)	9.65%
Edelweiss Asset Reconstruction Company Limited	From 12% to 23%
Union Bank of India	From 8.10% to 8.20%
Invent Assets Securitization and Reconstruction Private Limited	15%
Rare Asset Reconstruction Limited (Being assignee of debts of Dena Bank)	18%

(d) Group has defaulted in repayment of borrowings from Lenders. Details of the default are as follows:

The Reserve Bank of India (RBI) has notified the Covid-19 Regulatory Packages permitting lenders to grant moratorium period for all installments falling due between March 1, 2020 to August 31, 2020. The group has not paid few of the installments due for the quarter ended on December 31, 2019 and the lender has deferred the said installments. The group has not paid major of the installment and interest due thereon for the period from March 31, 2020 to March 31, 2021. The group has requested respective lenders/ARCs to allow this moratorium period for the payments and the revised repayment schedule and which is yet to be confirmed by the respective lenders/ARCs. Details of the default are as follows:

(Rs. In Crore)

Name of the Bank & Asset Reconstruction Companies	Principal	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	30.40	From March-2020 to March-2021
Union Bank of India	6.37	From May-2020 to March-2021
Central Bank of India	428.94	From March- 2012
Edelweiss Asset Reconstruction Company Limited	168.68	From March -2020 to March-2021
Bank of Baroda	20.42	From April-2014
State Bank of India	15.99	From December-2011
Invent Assets Securitization and Reconstruction Private Limited	50.70	From December-2019 to March-2021
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	189.95	From August- 2011
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	8.00	From March-2020 to March-2021
Total	919.45	

(Rs. In Crore)

Name of the Bank & Asset Reconstruction Companies	Principal	Default Period
Union Bank of India (Corporation Bank merged with Union Bank of India)	6.34	From March-2020 to March-2021
Union Bank of India	0.30	From April-2020 to March-2021
Central Bank of India	7.19	From March-2012
Invent Assets Securitization and Reconstruction Private Limited	3.25	From September-2020 to March-2021
Rare Asset Reconstruction Limited (Debts assignee of Dena Bank)	0.78	From September-2020 to March-2021
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	0.01	From August- 2011
Total	17.87	

(e) Repayment Schedule is as under: -

(Rs. In Crore)

Particulars	0-1 Year	1 - 3 Year	3 and more Year
Secured (as per Sanction)			
Term Loans from Banks			
- Rupee Term Loan	531.07	7.41	-
Loans from Asset Reconstruction Companies			
- Rupee Term Loan	655.50	996.45	8.83
Unsecured			
Loan From Related Party			
- Loans from Relative of Key Managerial Personnel	-	-	0.04
Total	1,186.57	1,003.86	8.87

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

(f) Net Debt Reconciliation

(Rs In Crore)

Particulars	Long Term Borrowings	Short Term Borrowings	Interest Expenses
As at March 31, 2019	2,463.51	137.70	6.25
Interest Expenses	-	-	9.64
Foreign Exchange Fluctuation	-	-	0.23
Others	0.02	-	-
Settlement Waiver	(142.85)	-	-
Transfer	107.43	(107.43)	-
Outflow	(163.83)	(15.42)	(12.62)
As at March 31, 2020	2,264.28	14.85	3.50
Interest Expenses	-	-	31.01
Others	-	3.52	-
Outflow	(64.98)	-	(18.67)
As at March 31, 2021	2,199.30	18.37	15.84

For Lease liability refer Note No. 30(b)

15 Other Financial Liabilities

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Creditors for Capital expenditure (Includes amount payable to MSME of Rs. 1.29 Crore (March 31, 2020 Rs 1.60 Crore))	5.42	9.05
Current Maturity of Long Term Borrowing	1,186.57	991.63
Lease Liability to others	1.05	1.95
Lease Liability- Key Managerial Personnel	0.34	0.29
Lease Liability- Relative of Key Managerial Personnel	0.08	0.14
Amount Payable to Key Management Personnel	-	0.05
Others*	3.04	15.04
Total	1,196.50	1,018.15
Current	1,196.19	1,017.41
Non Current	0.31	0.74

*Others Includes amount payable as reimbursement of expenses to staff, bank overdrawn etc.

16 Provisions

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits*	24.67	26.99
Provision for Warranty	4.31	5.35
Total	28.99	32.34
Current	12.85	14.33
Non Current	16.13	18.01

* Provision for Employee Benefits includes Provision for Leave Encashment, Gratuity and Bonus.

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

In pursuance of Ind AS 37 - 'Provisions, contingent liabilities and contingent assets, the provisions required have been incorporated in the books of account in the following manner:

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance of Warranty	5.35	6.25
Add: Provision (Reversed) / Recognised during the year	2.99	(0.06)
Less: Amount utilised during the year	4.03	0.84
Closing balance	4.31	5.35

The Group gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made at the year end represents the amount of expected cost of meeting such obligations of rectification / replacement based on the historical data available. The timing of the outflows is expected to be within a period of one year.

17 Short Term Borrowings

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loan from Banks {Refer Note No. 32(a)}		
Working Capital Facilities (Refer Note No (a) for security purpose)	18.37	14.85
Unsecured		
Loans repayable on demand from: -		
Enterprises owned or Significantly influenced by key management personnel or their relative	1.75	1.75
Relative of key management personnel	0.17	0.17
Other Body Corporates	0.34	0.34
Key Managerial Personnel	0.24	0.31
Total	20.87	17.42
1,20,00,000 (March 31, 2020: 1,20,00,000) 6 % Non-Cumulative Redeemable Preference Shares Of Rs.10/- each Fully Paid Up, Redeemable At Par.	12.00	12.00
Total	32.87	29.42

- (a) Secured by First Pari-passu charge on the entire Property, Plant and Equipment of the group situated at Village : Budharmora - Kutch, Siriguppa - Bellary and personal guarantee of some of the directors of the Group.

On 31 July 2014 the debt due to Bank of Baroda are declared as NPA by the Bank and the account has been transferred to Bank of Baroda, Asset Recovery Branch, New Delhi.

First charge on the entire current assets of the group, both present and future.

In the case of Shree Ram Electro Cast Limited, during the year ended on March 31, 2020, the asset stated in para (a) above has been sold through Auction by the Bank.

During the last year, as per the order of the Debt Recovery Tribunal the Bank of Baroda has recovered the amount of Rs 3.52 Crore from all the Bank Accounts of the Hans Ispat Limited and the said amount has been adjusted against the outstanding interest of the Group.

- (b) Group has defaulted in repayment of borrowing from the Lenders. Details of default are as follows: - (Rs. In Crore)

Name of Lenders	Principal	Default From
Bank of Baroda	6.50	April-2014
State Bank of India	11.87	December-2011
Total	18.37	

Notes to Consolidated Financial Statements for the year ended March 31, 2021**18 Trade Payables**

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Outstanding dues of Micro and Small Enterprises	40.21	26.90
Total Outstanding dues of creditors other than Micro and Small Enterprises		
Others	382.47	421.93
Dues to Enterprise Owned or Significantly Influence by Key Managerial Personnel or Their Relative	0.17	0.17
Dues to Key Managerial Personnel	0.03	0.04
Total	422.88	449.04

Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the group. The group has not received any claim for interest from any supplier as at the balance sheet date. Hence, disclosure as per MSME Act for interest is not required. These facts have been relied upon by the auditors. The disclosures relating to micro and small enterprises is as below:

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	40.21	26.90
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods	1.29	1.60
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-

19 Other Current Liabilities

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers (Contract Liabilities)	208.61	161.38
Advance from enterprise owned or significantly influenced by Key Managerial Personnel	0.01	0.01
Interest accrued and due	15.84	3.50
Other Miscellaneous Liabilities	0.80	0.43
Statutory Dues Payable	19.88	46.48
Total	245.14	211.80
Current	245.14	209.05
Non-Current	-	2.75

Notes to Consolidated Financial Statements for the year ended March 31, 2021
20 Revenue From Operations

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue From Contracts With Customers		
Sales of Products (Finished Goods & Traded Goods)	2,494.32	3,199.31
Revenue From Service Contracts	15.07	7.42
Total Revenue from Contracts with Customers	2,509.39	3,206.73
Other Operating Income	8.67	5.16
Total Revenue From Operation	2,518.06	3,211.89
i) Disaggregated revenue Information		
Types of Goods & Services		
(a) Engineering & Technologies	641.42	771.58
(b) Special Steel Products	1,873.39	2,432.50
(c) Electric Vehicle	30.67	16.95
(d) Other	1.38	16.98
(e) Revenue From Service Contracts with Customers	15.07	7.42
Gross Revenue	2,561.93	3,245.43
Less:- Inter segment Revenue	(43.87)	(33.54)
Total Revenue From Operation	2,518.06	3,211.89
India	2,303.15	2,929.67
Outside India	214.91	282.22
Total Revenue From Contracts with Customers	2,518.06	3,211.89

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

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Liability (Advance From Customers) at the beginning of the year	161.39	216.00
Performance obligation satisfied during the Previous year	111.50	194.09

Performance Obligation :-

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one Year	916.73	799.00
More than One Year	451.27	148.98

Contract Balances As At:

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Balances		
Trade Receivables	277.34	316.30
Contract Liabilities (Advance from Customers)	208.62	161.39

Reconciliation of the amount of Revenue recognized in the statement of Profit and Loss with the contract price

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per Contract Price	2,518.77	3,225.61
Adjustments:-		
Adjustments for Discounts & Rebates	9.38	18.88
Revenue From Contracts with Customers	2,509.39	3,206.73

Revenue from sale of products are recorded at a point of time of Rs 2494.32 Crore (March 31, 2020 Rs. 3199.31 Crore) and those from sale of services are recognized over a period of time of Rs. 15.07 Crore (March 31, 2020 Rs. 7.42 Crore) .

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

21 Other Income (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on :		
- Fixed Deposits	1.45	1.62
- Others	2.10	1.97
Vat Refund	-	15.71
Foreign Exchange Gain (Net)	-	3.59
Net Gain on Sale of Property, Plant & Equipments & Right to Use of Asset	0.01	-
Profit on Sale of Units of Mutual Fund	0.04	-
Fair Valuation gain/(loss) on Financial Instruments	0.17	-
Miscellaneous Income	0.45	3.53
Total	4.22	26.42

22 Cost of Raw Materials and Components Consumed (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Inventory	149.84	205.02
Add: Purchases & Other Expenses	1,684.10	2,116.75
Total	1,833.94	2,321.77
Less: Closing Inventory	163.94	149.84
Cost of Raw Material Consumed	1,670.00	2,171.93
Details of Raw Material Consumed		
Purchase of Stock in Trade		
Trading Purchase	-	102.37

23 Changes in Inventories of Finished Goods, Work in Process and Stock in Trade (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year		
- Work In Process	159.49	212.87
- Stock In Trade	0.35	0.36
- Finished Goods	124.20	80.43
Sub Total	284.04	293.66
Inventory at the end of the Year		
- Work In Process	195.57	159.49
- Stock In Trade	0.29	0.35
- Finished Goods	90.83	124.20
Sub Total	286.69	284.04
Total	(2.65)	9.62

24 Employee Benefit Expense (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages, Allowances and Bonus	125.39	143.21
Contribution to Provident and other funds (Refer Note No. 31)	7.39	7.73
Staff Welfare and amenities	1.84	3.27
Total	134.62	154.21

Notes to Consolidated Financial Statements for the year ended March 31, 2021
25 Finance Costs (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other Interest	6.25	2.97
Interest Expenses on Account of Settlement of Loans & Delay Payment to Landers	34.53	9.62
Interest on Statutory Dues	11.60	5.14
Interest on Lease Liability	0.23	0.38
Applicable loss on foreign currency transactions and translation	-	0.23
Other Borrowing Cost & Charges	1.40	1.10
Total	54.01	19.44

26 Depreciation and Amortisation Expense (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and Impairment of tangible assets (Refer note - 3)	118.02	132.34
Right of Use Asset {Refer Note 4(b)}	1.70	1.64
Amortization of intangible assets {Refer note 4(a)}	0.83	0.23
Total	120.55	134.21

27 Other Expenses (Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and Fuel	102.52	141.53
Consumption of Stores & Spares	121.78	151.70
Labour & Job Charges	92.49	117.30
Machinery Repairs	2.75	4.96
Building Repairs	0.53	1.21
Other Repairs	3.53	5.84
Water Charges	5.76	5.21
Hire-Lease-Rent Charges	10.55	15.91
Rates & Taxes	6.94	4.47
Fair Valuation Loss On Financial Assets	-	0.09
Settlement Scheme Expenses {Refer Note 34(k)}	-	24.23
Insurance Premium (Net)	6.18	5.15
Postage Telegram & Telephone Expenses	1.44	1.73
Loss on Sale/Discard of Property, Plant & Equipments (Net)	-	1.13
Loss on Auction of Property, Plant & Equipments & Inventories	-	12.29
Conveyance Expenses	0.79	1.09
Travelling Expenses	3.36	10.23
Printing and Stationery	0.22	0.42
Vehicle Expenses	0.73	1.30
Security Expenses	2.35	2.83

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

27 Other Expenses (Contd...)

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
CSR Activity	1.33	0.63
Subscription & Membership	0.25	0.37
Net Sundry Balances Written Off	1.04	0.63
Net Provision For Expected credit loss for trade receivable & Advances	2.85	-
Auditors' Remuneration:		
-Audit Fees	0.20	0.20
-Other Matters	0.03	0.01
Legal and Professional Charges	6.66	11.95
Warranty Expenses	2.99	(0.06)
Guest House Expenses	0.62	1.45
Miscellaneous Expenses	3.41	3.04
Foreign Exchange Fluctuation (Net)	3.62	-
Donation	0.03	0.04
Advertisement & Sales Promotion	6.23	14.04
Commission Expenses	11.83	13.75
Freight Outward and other Expenses (Net)	93.18	103.18
Director Sitting fees	0.08	0.11
Total	496.27	657.96

28 Exceptional Item

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Waiver of interest on account of settlement{Refer Note 34(I)}	-	35.54
Total	-	35.54

29 Income Tax

a Component of Income tax

(Rs In Crore)

The Major component of income tax expense for the year ended March 31, 2021 & March 31, 2020 are:	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax		
Current Income Tax	0.01	0.02
Deferred Tax		
Deferred Tax Expenses/(Benefit)	-	-
Tax in Respect of earlier years	-	-
Income tax expense reported in the Statement of Profit & Loss	0.01	0.02
Other Comprehensive Income (OCI)		
Deferred tax related to items recognized in OCI during the year	-	-
Re-measurement loss on defined benefit Plans	-	-
Deferred Tax credited to OCI	-	-

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

b Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2021 & March 31, 2020:

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	49.48	24.11
Enacted income tax rate in India applicable to the company	25.17%	25.17%
Tax effects of:	12.45	6.07
Income Tax allowances	(19.55)	(26.59)
Non-Deductible expenses	35.07	39.64
Unused Tax Loss	(27.35)	(19.42)
Loss and Unabsorbed Depreciation of the Current Year to be Carried forward	0.02	0.08
Tax on Capital Gain	-	0.01
Others	(0.63)	0.23
At the effective income tax rate of March 31, 2021 is 0.02% (March 31, 2020 is 0.08%)	0.01	0.02

c Details of carry forward losses and unused credit

Unabsorbed depreciation can be carried forward indefinitely. Business loss can be carried forward for a period of 8 years from the year in which losses arose. The group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendments) ordinance 2019, and accordingly the available MAT credit & unabsorbed additional depreciation loss for Financial Year 2009-10 & 2010-11 has lapsed. The group has incurred loss in all the consecutive years starting from Financial Year 2011-12 till 2016-17.

d. Deferred Tax

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

(Rs In Crore)

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

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

(Rs In Crore)

Particulars	Opening Balance As at April 1, 2019	To be Recognized in Profit & Loss Account	Closing Balance as at March 31, 2020
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	78.43	(30.30)	48.14
Total	78.43	(30.30)	48.14
Tax effect of items constituting deferred tax assets			
Asset on expenses allowed in year of payment	3.08	4.14	7.22
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws & MAT Credit	439.42	(135.40)	304.02
Investments	-	0.02	0.02
Lease Loan liability	-	0.60	0.60
Other adjustments	35.98	(5.48)	30.50
Total	478.48	(136.12)	342.36
Net Deferred Tax Assets	400.05	(105.82)	294.22

* Net Deferred tax assets of Rs. 293.20 Crore (March 31, 2020 Rs 294.22 Crore) have not been recognized, as it is not probable that sufficient taxable income will be available in the future against which such deferred tax assets can be realized in the normal course of business of the Group.

30 Contingent Liabilities and Other Commitments

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

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Income Tax Matters (refer note (iv) below)	0.51	0.51
ii) VAT & CST Matters	29.15	29.15
iii) Service Tax Matters	1.84	1.84
iv) Custom Duty Matters	8.12	11.71
v) Excise Duty Matters	342.00	342.00
vi) Estimated amount of contracts remaining to be executed on capital account (net off advances) and not provided for	15.35	4.05
vii) Guarantees / Counter Guarantees (including un-utilized Letters of Credit)	40.39	12.33
viii) Amount Payable to supplier of Creditors (Refer Note (iii) Below)	1.03	1.03
ix) There was proceedings of Inspection & Search by the State Goods and Service tax authorities, at the various places of the company and its subsidiary Company Hans Ispat Limited, during 18 th January 2021 to 3 rd February 2021 early morning and during the course of said proceedings, as determined by the authorities on various points, the group has voluntarily paid total amount of Rs 10.74 Crore towards tax, Interest and Penalty, on 3 rd February 2021. The group has accounted Rs 7.86 Crore as expenses and Rs 2.88 Crore has been shown as recovery from suppliers. In the opinion of the Group, there will not be any further additional liability with regard to said proceedings. Thereafter, certain other documents as informed by GST authorities, related to the holding company has been seized and verification of the same is in process by the said authorities.		
x) Claims against the Group not acknowledged as debts amounting to Rs. 1.11 Crore (As at March 31, 2020: Rs.1.09 Crore), are pending before various courts, authorities, arbitration, Consumer Dispute Redressal Forum etc.		
xi) The group has used advanced license for import of certain raw material against which group was under an obligation to export certain pre-determined quantity of finished goods within specified time period. However, there was a shortage in the goods exported by the group against its export obligation. Accordingly, during the year group has paid Rs 5.64 Crore (including interest) against export obligation of advance licence.		
xii) In case of Shree Ram Electro Cast Limited, Claim against the company of Rs 0.11 Crore (March 31, 2020 Rs 0.11 Crore) not acknowledged as debts which pertain to litigation filed against the company and pending before various courts, authorities, arbitration, tribunal, Consumer Dispute Redressal Forum etc.		

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

Note:-

- i. Future cash flows in respect of above, if any, is determinable only on receipt of judgment/ decisions pending with relevant authorities.
- ii. The above amounts are without the amount involved in the appeal preferred by the Department, if any, and further applicable interest on the demand.
- iii. In Case of Subsidiary Company Hans Ispat Limited- M/s Krishna Fuels, a supplier of scrap has filed a Civil Suit in the year 2009 before the Court of Principal Senior Civil Judge, Gandhidham against the Company for recovery of Rs.1.03 crore (Principal outstanding amount of Rs. 0.84 crore- and Interest thereon). Thereafter, the matter was transferred to the Hon'ble Commercial Court, Rajkot and the Hon'ble Commercial Court, Rajkot has ex-parte passed an order dated 23rd December, 2017 for decree amount of Rs. 0.84 crore and interest at the rate of 8% per annum and costs. The Company came to know about the abovesaid facts when the Company was served with Commercial Execution Petition No. 2/2018 before the Commercial Court at Rajkot in March, 2018. The Company has filed appeal before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court vide order dated 30th July, 2018 quashed and set aside the order of Hon'ble Commercial Court and remitted the matter to Hon'ble Commercial Court, Rajkot for fresh decision. Now the matter is pending before Hon'ble Commercial Court, Rajkot for further hearing. Subsequently the matter was transferred to Bhuj-Kutch and it is pending for further hearing.
- iv. It is learnt that the Hon'ble ITAT has passed the order and "Order giving effect of the ITAT order" has not been received by the group and therefore the exact amount is subject to the said order and its accounting in the books of accounts.

(b) Lease

The Group leasing arrangements are for premises, these ranges between 5 months to 5 years and are usually renewable on mutually agreed terms.

(i) Lease liabilities as at March 31, 2021

(Rs In Crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Lease Liabilities	1.19	1.67
Non-Current Lease Liabilities	0.28	0.71
Total	1.47	2.38

(ii) The following is the movement in the lease liability for the year ended March 31, 2021

(Rs In Crore)

Particulars	Amount
As at April 01, 2019	3.83
Additions	-
Finance Cost Accrued during the year	0.38
Deletions	-
Payment of lease Liabilities	1.83
As at March 31, 2020	2.38
Additions	0.47
Finance Cost Accrued during the year	0.23
Deletions	0.08
Payment of lease Liabilities	1.53
As at March 31, 2021	1.47

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

(Rs In Crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation expenses of Right of use assets	1.70	1.64
Interest Expenses on Lease Liability	0.23	0.38
Total Expenses	1.93	2.02

(iv) Short Term Lease

- (a) The Group has certain operating leases for office premises (short term leases) and low value lease. Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. Rental expenses of Rs 0.72 Crore (March 31, 2020: Rs 1.94 Crore) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

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

(v) Leases liabilities

- (a) The group has taken industrial premises, residential building, etc. under various lease agreements and its breakup for future rent payable by the group as under:-

(Rs In Crore)

Contractual maturities of lease liabilities on an undiscounted basis	Year ended March 31, 2021	Year ended March 31, 2020
Within one year	0.78	1.82
After one year but not more than five years	0.31	0.77

- (b) The Group has taken certain land on lease for factory purposes. Since these are entirely prepaid, the Group does not have any future lease liability towards the same.

31 Employee benefit obligations

The group has classified the various employee benefits provided to employees as under:

I Defined Contribution Plans

During the year, the Group has recognized the following amounts in the Statement of Profit and Loss-

(Rs In Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers' Contribution to Provident Fund (including contribution to Employees' Pension Scheme 1995)	7.19	7.57

II Defined Benefit Plans

The Group operates gratuity plan in the nature of defined benefit plan wherein every employee is entitled to the benefit as per scheme of the Group, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. Group's Engineering & Technologies and Electric Vehicle Division having a gratuity plan is funded with Life Insurance Corporation of India and HDFC Bank while Special Steel Division & its subsidiaries (Hans Ispat Limited) are not maintaining such fund in any gratuity scheme. The other subsidiaries are either not having any employees or are having very less employee where provision is done on the basis of estimation by the management and therefore, they are not included here.

(Rs In Crore)

Defined Benefit Plans	As at March 31, 2021	As at March 31, 2020
Gratuity		
Current	3.24	3.88
Non-Current	14.26	14.15
Total	17.50	18.03

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate*	Refer Note@	Refer Note@
Salary Escalation Rate	6% p.a.	6% p.a.

Note: @ Discounting rate in Special Steel Division is 6.57% (Previous year 6.50%) and in Engineering & Technologies and Electric Vehicle Division 6.93% (Previous year 6.82%)

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

Note

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

* As considered in the Holding Company Rate

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

31.1 Gratuity

i) The amounts recognized in balance sheet and movements in the net benefit obligation over the year are as follows:

(a) Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2019	9.94	4.45	5.49
Current service cost	0.87	-	0.87
Interest expense/(income)	0.77	0.35	0.42
Total amount recognized in Profit or Loss	1.64	0.35	1.29
Return on Plan Assets, Excluding Interest Income	-	(0.03)	0.03
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.53	-	0.53
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.12	-	1.12
Total amount recognized in Other Comprehensive Income	1.65	(0.03)	1.68
Contribution by the Employer	(0.26)	-	(0.26)
Benefits paid	(0.57)	(0.59)	0.02
March 31, 2020	12.40	4.18	8.22

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2020	12.40	4.18	8.22
Current service cost	1.05	-	1.05
Interest expense/(income)	0.85	0.29	0.56
Total amount recognized in Profit or Loss	1.90	0.29	1.61
Return on Plan Assets, Excluding Interest Income	-	(0.02)	0.02
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.68)	-	(0.68)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.14)	-	(0.14)
Total amount recognized in Other Comprehensive Income	(0.82)	(0.02)	(0.79)
Contribution by the Employer	-	0.80	(0.80)
Liability Transferred Out/ Divestments	(0.12)	-	(0.12)
Benefits paid from the fund	(1.34)	(1.34)	-
March 31, 2021	12.03	3.91	8.12

(Rs In Crore)

Categories of Assets	As at March 31, 2021	As at March 31, 2020
Life Insurance Corporation of India	1.66	1.56
HDFC	2.24	2.62
Total	3.91	4.18

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

(b) Non-Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2019	7.56	-	7.56
Current service cost	0.96	-	0.96
Interest expense/(income)	0.58	-	0.58
Total amount recognized in Profit or Loss	1.54	-	1.54
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.45	-	0.45
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.63	-	0.63
Total amount recognized in Other Comprehensive Income	1.08	-	1.08
Benefits paid	(0.37)	-	(0.37)
March 31, 2020	9.81	-	9.81

(Rs In Crore)

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

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

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Funded Plan		
- Present value of funded obligation	12.03	12.40
- Fair value of plan assets	3.91	4.18
(Surplus) / Shortfall of funded plan	8.12	8.22
Unfunded Plan		
- Present value of unfunded obligation	9.38	9.81
- Fair value of plan assets	-	-
(Surplus) / Shortfall of unfunded plan	9.38	9.81
Group Company as a Whole		
- Present value of funded and unfunded obligation	21.41	22.21
- Fair value of plan assets	3.91	4.18
(Surplus) / Shortfall of plan	17.50	18.03

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

iii) Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is: (Rs In Crore)

Assumption	Impact on defined benefit obligation	
	March 31, 2021	March 31, 2020
Discount rate		
1.0% increase	(1.72)	(1.74)
1.0% decrease	2.02	2.05
Future salary increase		
1.0% increase	1.93	1.96
1.0% decrease	(1.70)	(1.72)
Rate of Employee Turnover		
1.0% increase	0.12	0.11
1.0% decrease	(0.14)	(0.13)

- The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

iv) Maturity Analysis of benefits payable

Projected benefits payable in future years from the date of reporting: (Rs In Crore)

From the Fund	March 31, 2021	March 31, 2020
1 st Following Year	1.04	1.71
2 nd Following Year	0.40	0.35
3 rd Following Year	0.76	0.51
4 th Following Year	0.88	0.75
5 th Following Year	0.70	0.85
Sum of Years 6 to 10	4.86	4.43
Sum of Years 11 and above	21.32	21.71

From the Employer	March 31, 2021	March 31, 2020
1 st Following Year	1.11	1.49
2 nd Following Year	0.91	0.86
3 rd Following Year	0.88	0.91
4 th Following Year	0.92	0.86
5 th Following Year	0.90	0.86
Sum of Years 6 to 10	3.87	3.95
Sum of Years 11 and above	7.70	7.99

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

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

31.2 Risks associated with defined benefit plan.

Gratuity is a defined benefit plan and group is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of assets.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

32. Default in repayment & Recovery and/or Recovery Proceedings by the Lenders against the Group

(a) Default in repayment of loan, its settlement terms, accounting treatments, Cases before Debt Recovery Tribunal (DRT) / Hon'ble Metropolitan Magistrates, declaring the company and directors as willful defaulter by the bankers:

- In the Case of Electrotherm (India) Limited:-

i. Central Bank of India

Default in Repayment of Loan and its settlement terms and conditions: -

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

Case before Debts Recovery Tribunal (DRT):

- (b) Central Bank of India has filed Original Application against the Company & its guarantors (Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari) before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide Judgement dated 9th October 2018 allowed the original application filed by the Bank and issued recovery certificate against the Company and guarantors to the tune of Rs.577.89 Crore and future interest on the amount due @10% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties and for valuation of the said attached properties. The Hon'ble Recovery Officer has also passed an order to maintain status quo with respect to amount of Rs. 10.75 Crores lying in 'No Lien' account with the Bank. Further action / hearing is pending before the Hon'ble Recovery Officer.

Willful Defaulter

- (c) Central Bank of India has declared the Company as a willful defaulter and reported the name of Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as willful defaulter.

Central Bureau of Investigation (CBI)

- (d) The Central Bureau of Investigation (CBI) has conducted certain proceedings, on the basis of the complaint filed by Central Bank of India with regard to the utilization of the loan disbursed by Central Bank of India. Central Bureau of Investigation has filed a charge sheet and a CBI Special Case Number 27 of 2015 was registered against the Company and its directors i.e. Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari and few officers of Central Bank of India before the Hon'ble CBI Court, Ahmedabad on October 6, 2015 and now the matter is pending before the Hon'ble CBI Court for further proceedings.

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

Petition under Insolvency and Bankruptcy Code (IBC)

- (e) Central Bank of India, a financial creditor has filed a petition under section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against the Company for an amount of Rs. 1059.59 Crores. The Company has filed its affidavit of objection and the Bank has filed rebuttal affidavit and now the matter is pending for further hearing and consideration.

ii. Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank)

Default in Repayment of Loan and its settlement terms and conditions: -

- (a) The company has defaulted in repayment of loan of Rs 189.96 Crore (after adjustment of repayment of Rs 10.05 Crore paid in during the year ended as at March 31, 2020) (Principal of Rs. 189.95 Crore and Interest of Rs. 0.01 Crore) in August 2011. Indian Overseas Bank has assigned its debts to Rare Asset Reconstruction Limited on September 28, 2017. The company is in the process of entering into a settlement agreement with Rare Asset Reconstruction Limited.

Accounting Treatment in Books

- (b) The company was informed vide letter dated October 12, 2017 of Indian Overseas Bank, that the bank has assigned debts to Rare Asset Reconstruction Limited. However considering pending settlement, the outstanding loan amount is treated as current maturities of long term borrowings.

Case before Debts Recovery Tribunal (DRT):

- (c) Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank) ("Rare ARC") had filed Original Application against the Company & its guarantors Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgment dated 20th September, 2018 allowed the original application filed by the Bank / Financial Institution and issued recovery certificate against the Company and Guarantors to the tune of Rs. 315.64 Crore and future interest on the amount due @12.75% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. The Hon'ble Recovery Officer has passed order for release of Rs. 10 Crore from the account of company with Standard Chartered Bank to Rare Asset Reconstruction Limited, sale of shares of the guarantors and payment of Rs. 0.05 Crore by Mr. Avinash Bhandari for non-disclosure of assets to be adjusted towards the dues. Further action / hearing is pending before Hon'ble Recovery Officer.

Case under section 138 of the Negotiable Instruments Act, 1881:

- (d) Indian Overseas Bank had filed two criminal complaints against the Company and its directors / officers under section 138 of Negotiable Instruments Act, 1881 for dishonor of cheques of Rs. 103.00 Crore issued by the Company and the Company is contesting both the said cases and both the matters are pending for further proceedings before the respective Hon'ble Metropolitan Magistrates, Ahmedabad.

iii. Union Bank of India (Corporation Bank merged with Union Bank of India)

Default in Repayment of Loan and its settlement terms and conditions: -

- (a) The company has defaulted in repayment of loan of Rs 116.73 Crore in April 2012. The company has entered into settlement agreement for the repayment of loan on November 13, 2018. As per the settlement agreement the company has agreed to make the repayment of loan by September 2021. The company has submitted revised repayment proposal to Union Bank of India which is pending for consideration.

Accounting Treatment in Books

- (b) The amount of repayment of debt to Union Bank of India, up to the balance sheet date of Rs. 71.98 Crore (March 31, 2020: Rs. 65.83 Crore) has been adjusted against the total outstanding loan liability.
- (c) As per the settlement agreement with Union Bank of India, if the Company complies all the terms and conditions as per settlement agreement, upto September 2021, there will be a reduction in debt by Rs.Nil.

Case before Debts Recovery Tribunal (DRT):

- (d) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Corporation Bank has been disposed on August 25, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

iv. Rare Asset Reconstruction Limited (being debt assignee of Dena Bank)

Default in Repayment of Loan and its settlement terms and conditions: -

- (a) The company has defaulted in repayment of loan of Rs 51.44 Crore (Principal of Rs 51.44 Crore) in September 2011. The bank has assigned this loan to Rare Asset Reconstruction Limited. The company has entered into settlement agreement

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

with Rare Asset Reconstruction Limited for the repayment of loan on June 28, 2018. As per the settlement agreement the company has agreed to make the repayment of loan by March 15, 2022.

Accounting Treatment in Books

- (b) The repayment of debt to Rare Asset Reconstruction Limited, up to the balance sheet date of Rs. 13.00 Crore (March 31, 2020 is Rs. 12.25 Crore) has been adjusted against the total outstanding loan liability.
- (c) If all the terms and conditions of the settlement are fully complied upto March 2022, there will be reduction in debt by Rs. 23.44 Crore.

Case before Debts Recovery Tribunal (DRT):

- (d) In view of settlement / consent terms filed with DRT, the Original Application filed by Rare Asset Reconstruction Limited (being debt assignee of Dena Bank) has been disposed on October 15, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

Willful Defaulter:

- (e) Dena Bank has declared the Company as a willful defaulter and reported the name of the Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as Willful Defaulter. The Company has challenged the said action before the Hon'ble Gujarat High Court and the said petition is pending for further hearing. However, Dena Bank has assigned the debt associated with the Company to Rare Asset Reconstruction Limited ("Rare ARC") and the Company has entered into settlement agreement with Rare ARC and Rare ARC has agreed for withdrawal of willful defaulter, on receipt of entire settlement amount.

v. Union Bank of India**Default in Repayment of Loan and its settlement terms and conditions: -**

- (a) The company has defaulted in repayment of Principal amount of Loan of Rs 49.40 Crore in May 2012. The company has entered into settlement agreement with the bank for the repayment of loan in March 2017. As per the settlement agreement, the company has agreed to make the repayment of loan by March 2023. The company has submitted revised repayment proposal to Union Bank of India which is pending for consideration.

Accounting Treatment in Books

- (b) The repayment of debt to Union Bank of India, up to the balance sheet date of Rs. 28.21 Crore (March 31, 2020: Rs. 26.55 Crore), has been adjusted against the total outstanding loan liability.
- (c) As per the settlement agreement with Union Bank of India, if all the terms and conditions of the settlement are fully complied upto March 2023, there will be no reduction in debt.

Cases before Debts Recovery Tribunal (DRT):

- (d) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Union Bank of India has been disposed on April 27, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

vi. Edelweiss Asset Reconstruction Company Limited (being debt assignee of Bank of India, Bank of Baroda, State Bank of India, Canara Bank and State Bank of Travancore)**Default in Repayment of Loan and its settlement terms and conditions:**

- (a) The company has defaulted in repayment of the loan from Bank of India in December 2012 of Rs. 628.04 Crore (Principal of Rs. 628.04 Crore), Bank of Baroda in September 2012 of Rs. 31.23 Crore (Principal of Rs. 31.23 Crore), Canara Bank in September 2012 of Rs. 232.97 Crore (Principal of Rs. 190.18 Crore and Interest of Rs. 42.79 Crore), State Bank of India in December 2011 of Rs. 323.27 Crore (Principal of Rs. 323.27 Crore) and State Bank of Travancore in September 2011 of Rs. 91.98 Crore (Principal of Rs. 85.04 Crore and Interest of Rs. 6.94 Crore). All these loans were assigned to Edelweiss Asset Reconstruction Company Limited. The company has entered into settlement agreement with Edelweiss Asset Reconstruction Company Limited on March 10, 2015. As per the settlement agreement the company has agreed to make the repayment of loan by March 2023.

Accounting Treatment in Books

- (b) The Management is of the opinion that Fixed Deposit of Rs. 12.45 Crore held by Bank of Baroda will be adjusted against the outstanding liability payable to Edelweiss Asset Reconstruction Company Limited, at the time of last installment.
- (c) The amount of repayment of debt to Edelweiss Asset Reconstruction Company Limited, up to the balance sheet date of Rs. 375.82 Crore (March 31, 2020 is Rs. 322.00 Crore) has been adjusted against the total outstanding loan liability.

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

- (d) Further, the company has allotted 2,85,90,000 Partially Convertible and Partially Redeemable Preference Shares (PCPRPS) of Rs. 10 each amounting to Rs 28.59 Crore on August 22, 2015 and against the said PCPRPS, 12,66,440 Equity Shares of Rs. 10/- each at the price of Rs. 225.75 per equity share (inclusive of Share premium amount of Rs. 215.75 per equity share) were allotted during the year ended as at March 31, 2017.
- (e) If all the terms and conditions of settlement are fully complied upto March 2023, there will be reduction in debt by Rs.403.90 Crore.

vii. Invent Assets Securitization and Reconstruction Private Limited (being debt assignee of Oriental Bank of Commerce, Punjab National Bank and Allahabad Bank)

Default in Repayment of Loan and its settlement terms and conditions:

- (a) The company has defaulted in repayment of the loan from Oriental Bank of Commerce in June 2012 of Rs. 55.19 Crore (Principal of Rs. 42.64 Crore and Interest of Rs. 12.55 Crore), Punjab National Bank in October 2011 of Rs. 184.69 Crore (Principal amount of Rs. 184.69 Crore) and Allahabad Bank in July 2012 of Rs. 283.62 Crore (Principal of Rs. 278.22 Crore and interest of Rs. 5.40 Crore). All these loans were assigned to Invent Assets Securitization and Reconstruction Private Limited. The company has entered into settlement agreement with Invent Assets Securitization and Reconstruction Private Limited in August 2015, July 2016 and July 2016 for Oriental Bank of Commerce, Allahabad Bank and Punjab National Bank respectively. As per the original settlement agreement the company has agreed to make the repayment of loan by June 2020 for Oriental Bank of Commerce and March 2021 for Allahabad Bank and Punjab National Bank.
- (b) On June 18, 2019, the company has been allowed following revised schedule of repayment of dues of Invent Assets Securitization and Reconstruction Private Limited:-

SN	Bank Name	Rescheduled Amount (Rs.in Crore)	Original Last Date of Payment	Revised Last Date of Payment
1	Oriental Bank of Commerce	15.25	30.06.2020	30.06.2023
2	Punjab National Bank	63.09	15.03.2021	31.12.2023
3	Allahabad Bank	95.51	15.03.2021	31.12.2023

Accounting Treatment in Books

- (c) The amount of repayment of debt to Invent Assets Securitization and Reconstruction Private Limited, up to the balance sheet date of Rs. 35.65 Crore (March 31, 2020 is Rs. 33.05 Crore) has been adjusted against the total outstanding loan liability.
- (d) If all the terms and conditions of the settlements are fully complied, there would be a reduction in debt by Rs. 325.01 Crore.

Case before Debt Recovery Tribunal (DRT):

- (e) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Invent Assets Securitization & Reconstruction Private Limited (being assignee of debts of Allahabad Bank) has been disposed on March 21, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

• **In the Case of Shree Ram Electro Cast Limited: -**

viii. State Bank of India:-

Default in Repayment of Loan and its settlement term and condition:

- (a) The Subsidiary company has defaulted in repayment of Corporate loan from January 2012, Working Capital Term Loan from April, 2012 and Cash Credit from December 2011 aggregating to Rs 27.86 Crore (Previous Year Rs 27.86 Crore).

Recovery / Auction of various assets:

State bank of India ("SBI") has sold Property, Plant and Equipment and Inventories through auction which were hypothecated / mortgaged with the bank against the loan taken by the subsidiary company, situated at Honnarhalli Village, Hatchali Post, Siruguppa Taluk, Bellari District, Karnataka in February 2019 for Rs. 11.97 Crore. The sale consideration received by the State Bank of India, have been adjusted against the outstanding loan amount of the State Bank of India. The sale consideration has been allocated amongst the various assets sold by the bank, on estimated basis, resulting into loss of Rs. 12.30 Crore and the same has been shown under the head other expenses.

Notes to Consolidated Financial Statements for the year ended March 31, 2021**Cases before Debt Recovery Tribunal (DRT):**

- (b) State Bank of India has filed Original Application against the Company & Guarantors before the Debt Recovery Tribunal, Bangalore ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Hon'ble DRT vide order dated January 20, 2016 allowed the original application and has issued the recovery certificate against the Company and the Guarantors. The Company and Guarantors have filed review application before DRT and the said review application was disposed of on November 06, 2017 with some observations / remarks. The recovery proceedings are now pending before the Recovery Officer, DRT, Bangalore.

Willful Defaulters: -

- (c) State Bank of India has issued a show cause notice on October 25, 2016 to the company & guarantors / directors for declaring them as willful defaulter. The Company has filed its reply to the said show cause notice. After personal hearing before the Identification Committee, State Bank of India vide letter dated October 25, 2018 declared the Company & guarantors / directors as willful defaulter.

Notice under SARFAESI Act, 2002: -

- (d) State Bank of India ("SBI") has issued notice dated May 7, 2013 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") for assets of the Company secured by hypothecation and mortgage. State Bank of India vide letter dated September 13, 2013 has given pre intimation notice to the Company for possession of the assets under section 13(4)(a) of SARFAESI Act, 2002 and taken symbolic possession of the assets of the Company. Thereafter, District Magistrate, Bellary vide order dated November 22, 2017 authorized Tahasildar, Siruguppa to handover the physical possession of immovable and movable properties to State Bank of India and Tahasildar, Siruguppa has vide letter dated December 19, 2017 intimated about the taking of physical possession on December 30, 2017. State Bank of India has issued newspaper publications calling for tenders for sale of movable and immovable assets through E – Auction on various dates and finally vide E – Auction on February 4, 2019, the charged assets of the Company were sold for Rs 11.97 Crore by the Bankers and its formalities have been completed upto April 16, 2019.

- **In the Case of Hans Ispat Limited :-**

- ix. **Invent Assets Securitization and Reconstruction Private Limited (being debt assignee of State Bank of India)**

Default in Repayment of Loan and its settlement term and condition: -

State Bank of India has assigned its entire debts along with all its securities and rights to Invent Assets Securitization & Reconstruction Private Limited (Hereinafter referred as "IASRPL") during December 2014 and as per the terms and conditions of the Settlement Agreement dated March 5, 2015 which was further revised vide sanction letter dated March 15, 2019, if all the terms and conditions are fully complied with by the company Upto December 31, 2022, there will be reduction in debts by Rs 8.83 Crore.

- x. **Bank of Baroda**

Default in Repayment of Loan and its settlement term and condition: -

- (a) The subsidiary company has defaulted in repayment of loan from April 2014 aggregating to Rs 26.92 Crore (Previous Year Rs 23.41 Crore.)
- (b) During the last year, as per the order of the Debt Recovery Tribunal the Bank of Baroda has recovered the amount of Rs 3.52 Crore from all the Bank Accounts of the Company and the said amount has been adjusted against the interest outstanding by the company.

Cases before Debt Recovery Tribunal (DRT):

- (c) Bank of Baroda had filed Original Application against Company & guarantors (i.e. Mr. Shailesh Bhandari and Mr. Mukesh Bhandari) before Debt Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act 1993. The Hon'ble DRT vide judgement dated April 15, 2019 allowed the original application filed by the Bank of Baroda and for issue of recovery certificate against the Company and guarantors to the tune of Rs. 50.74 Crores and future interest on the amount due @12.00% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. Thereafter, the Hon'ble Recovery Officer has put the properties for e-auction on November 22, 2019 and April 29, 2020, however there was no buyer for the e-auction properties. Further on application of the Bank of Baroda, the bank accounts of the Company were attached to the extent the accounts had the balance as on October 19, 2019 and the appropriation of the said amounts from the accounts. Further proceedings are pending before the Hon'ble Recovery Officer.

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

Willful Defaulters:

- (d) Bank of Baroda has issued a show cause notice to the company & guarantors / directors for declaring them as willful defaulter. The company has replied to the said show cause notice. Thereafter, the company has requested for some other suitable date for hearing before committee and there is no communication in respect of the same. When the Company came to know that the Bank of Baroda has declared the Company and its Directors as willful defaulter and reported the same to Reserve Bank of India / CIBIL, the Company has challenged the said action before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court vide order dated August 1, 2017 granted stay on the identification as willful defaulter till the hearing and final disposal of the petition. The said petition is pending before Hon'ble Gujarat High Court for further hearing.

Notice under SARFAESI Act, 2002: -

- (e) Bank of Baroda had issued notice under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") on January 01, 2015. The subsidiary Company has filed its reply to the said notice and Bank of Baroda has issued a rejoinder letter. Thereafter, Bank of Baroda vide letter dated April 16, 2016 issued notice demanding possession of secured assets and the Company has replied to the said possession notice.

33. Non-Provisions of Disputed Advances and Claims/Liability

- (a) During the financial year ended on March 31, 2019, Goods and Service Tax Department of Maharashtra has re-determined Value Added Tax liability (including interest and penalty) of Rs. 6.28 Crore for the financial year 2009-10 (March 31, 2020 Rs. 6.28 Crore) and Rs. 23.93 Crore for the financial year 2010-11 (March 31, 2020 Rs. 23.93 Crore) after adjustment of Rs. 4.00 Crore (March 31, 2020 Rs. 4.00 Crore) paid by the company under protest. During the year the company has paid Rs 1.07 Crore and have filed an appeal before the Deputy Commissioner of State Tax, Mumbai. On account of the said order presently the liability of the company is of Rs. 29.15 Crore (March 31, 2020: Rs. 30.21 Crore). The provision for impugned disputed tax liability has not been accounted for as the company is hopeful of matter being decided in its favour by appellate authority.
- (b) Loan accounts of the group have been classified as Non-Performing Assets by the Central Bank of India, State Bank of India, Indian Overseas Bank and Bank of Baroda and the Bankers have not charged interest on the said loans and therefore provision for interest (Other than upfront charges) has not been provided in the books of accounts and to that extent profit has been overstated and bankers loan liability has been understated. The extent of exact amount is under determination and reconciliation with the banks, however as per the details available with the group, the amount of unprovided interest, on approximate basis, on the said loans is as under: -

(Rs. In Crore)

Particulars	Up to March 31, 2020	From April 1, 2020 to March 31, 2021	Up to March 31, 2021
Interest on Corporate Loan and working Capital Loan	1109.94	210.27	1320.21

34. Additional Disclosures

- (a) The company was doing research project for development of CONTIFUR and for that Ministry of Steel had given partial financial assistance. However as per standard condition given in letter received from Ministry of Steel the project shall not be disposed within 10 years of installation without the written permission of Ministry of Steel. Product Development Cost for CONTIFUR Project disclosed under other Non-Current Assets includes total Research and Development expenses of Rs 14.66 Crore (March 31, 2020: Rs. 14.66 Crore) and Rs. 9.45 Crore are part of Capital Work in Progress.
- (b) The cost of material consumed includes freight, loading and unloading expenses, inspection fees, commission on purchase, taxes & duties (to the extent of credit not available), rate difference and interest cost on purchase of raw material and ancillary expenses thereof (including reversal of any claim).
- (c) Few account of "Trade Receivables", "Trade payables", "Advances from Customer", "Advances Recoverable In Cash or Kind" and "Advance to Suppliers and Other Parties" including very old balances are subject to confirmation/reconciliation and includes very old non-moving items therefore the same are subject to necessary adjustments for accounting or re-grouping / classification.
- (d) Account of Receivables / Payables in respect of Goods and Service Tax, Service Tax, CENVAT and Vat are subject to reconciliation, submission of its return for its claim and/or its Audit/ Assessment/Settlement/ Payment, if any.
- (e) The amount of inventory has been taken by the management on the basis of information available with the company and without conducting physical verification of the slow-moving inventory. The slow-moving inventories have been valued by the management on estimated net realizable value. During the year ended on March 31, 2021, Rs 14.94 Crore (March 31, 2020, Rs 52.57 Crore) was recognized as expenses for inventories carried at net realizable value / inventory written down.

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

- (f) The classification / grouping of items of the accounts are made by the management, on the basis of the available data with the company.
- (g) During the year the company has written off/ discarded old /unusable property, plant & equipment of Rs Nil (March 31, 2020 Rs. 1.13 Crore) and has been shown as Loss on Sale/Discard of Property, Plant & Equipment's (Net) under the head other expenses.
- (h) In the Capital Work in Progress of Rs 27.40 Crore (March 31, 2020 Rs. 27.59 Crore) the management believes that the uncompleted projects of Rs. 10.62 Crore (March 31, 2020: Rs. 10.62 Crore; which includes capital expenditure for CONTIFUR project) requires some further investment to bring them into commercial use and the group desire to complete the project, therefore these are not treated as impaired assets.
- (i) During the year the company has not accounted benefit related to Merchandise Exports Incentive Scheme ("MEIS") of Rs. 22.59 Crore (March 31, 2020: Rs. 20.95 Crore). At present there are pending default of interest with the respective authority and therefore the claim are not admissible with them. Once the issues are settled, the company will be eligible for claim of MEIS benefit. The claim of MEIS will be accounted as and when the claim will be admissible with the respective authority
- (j) In the opinion of the Management, the current assets, Loans and advances are approximately of the value stated, if realized in the ordinary course of the business and there is no contingent liability other than stated above and provision for all known liabilities are adequate.
- (k) During the previous year ended as at March 31, 2020, pursuant to the scheme of "Vera Samadhan Yojna – 2019" (Tax Dispute Scheme 2019) and Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, the company has taken the benefit of the said schemes and have accounted Rs 24.23 Crore as Disputed Tax settlement scheme expenses under the head Other expenses.
- (l) During the previous year ended as at March 31, 2020, On account of settlement with Banks & financial Institutions there is a waiver of interest of Rs 35.54 Crore (Standard Chartered Bank of Rs. 1.94 Crore, International Financial Corporation of Rs. 14.01 Crore & Vijaya Bank of Rs. 19.59 Crore) which has been shown as income as "Exceptional item" in the statement of the Profit and Loss.
- (m) Hans Ispat Limited (the subsidiary), has stopped the operation of the SMS Plant due to various operational reasons. However, the management is hopeful that the same will be in operation in near future and therefore no impairment on the said plant has been provided.
- (n) Shree Ram Electro Cast Limited (the Subsidiary), has acquired Land at Halekote-25 Village, Siruguppa Hobli or Firka, Siruguppa Taluka, District Bellary and Honnarahalli Village, Hactcholli Hobali, Siruguppa Taluka, Bellary District and its legal document for transfer of the property in the name of the Company is in process.

(o) Joint Venture**(i) Summarized Financial Information of Individually immaterial Joint Venture**

The Group's interest in below joint venture is accounted for using the equity method in the consolidated financial statements. The summarized financial information below represents amounts shown in the joint venture financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes:

Bhaskarpara Coal Company Limited (Joint Venture)		(Rs in Crore)	
Particular	Year ended March 31, 2021	Year ended March 31, 2020	
Profit or Loss from continuing Operations after tax	0.03	0.03	
Post-tax Profit or Loss from discontinued Operations	0.00	0.00	
Other Comprehensive Income	0.00	0.00	
Total Comprehensive Income	0.03	0.03	

(ii) Reconciliation of the financial information presented to the carrying amount of its interest in the joint venture is as under: -

Bhaskarpara Coal Company Limited (Joint Venture)		(Rs In Crore)	
Particular	Year ended March 31, 2020	Year ended March 31, 2019	
Face value of Rs 10 each fully paid			
Opening Balance as at April 1	9.07	9.06	
Add: Share in Profit of Joint Venture	0.02	0.01	
Total	9.09	9.07	
Less: Accumulated Impairment	2.13	2.13	
Closing Balance as at March 31	6.96	6.94	

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

(iii) Counter Guarantee:

The Group has issued counter guarantees as under:

In favour of the Banks/Lenders on behalf of its Joint Venture (JV), as mentioned below, for the purposes of issue of guarantee:

- Bhaskarpara Coal Company Limited (JV) Rs 1.65 Crore (March 31, 2020 Rs 1.65 Crore).

35. DIRECTOR'S REMUNERATION:

Mr. Shailesh Bhandari was re-appointed as a Managing Director for a period of three years w.e.f. February 1, 2020 at a remuneration of Rs. 2,00,000/- per month and Mr. Suraj Bhandari was appointed as a Whole-time Director for a period of three years w.e.f. November 13, 2019 at a remuneration of Rs. 1,50,000/- per month as approved by the shareholders of the Company at 34th Annual General Meeting held on 17th August, 2020. The above remuneration to both the Directors are subject to approval from banks and financial institutions as the company has defaulted in repayment of loans.

36. OTHER CASES:

- Some of the creditors have filed cases of recovery against the company before the various Civil Courts / Commercial Courts for Rs 1.32 Crore (Previous Year Rs 1.32 Crore). The said amounts are excluding interest.
- The Ahmedabad Zonal Office of the Directorate of Enforcement ("ED") has recorded a case under the provisions of the Prevention of Money Laundering Act, 2002 and during the course of investigation, the ED has passed an order dated March 28, 2018 under sub-section (1) of section 5 of the Prevention of Money Laundering Act, 2002 for provisional attachment of certain properties comprising Land having total area of 4,90,621 square meter at Chhadavada and Samakhiyali of Steel Plant, Building and Plant & Machinery for a period of 180 days. Thereafter, a complaint under sub-section (5) of section 5 of the Prevention of Money Laundering Act, 2002 was filed by ED before the Adjudicating Authority, New Delhi and the Adjudicating Authority, New Delhi vide order dated 5th September, 2018 confirmed the attachment of abovesaid properties. The Company has filed an appeal before the Hon'ble Appellate Tribunal, PMLA, New Delhi and the Hon'ble Appellate Tribunal, PMLA, New Delhi vide order dated December 10, 2018 passed an order for maintaining status quo and no coercive action by ED. The ED has filed its reply and the matter is adjourned for filing of rejoinder. The ED has filed an application for vacation of interim order and the matter is now pending for hearing.
- The Assistant Director, Directorate of Enforcement, Ahmedabad has filed a PMLA – Special Case No. 20/2018 on December 1, 2018 before Principal District Judge, Ahmedabad against the company, Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari under section 3 and 4 of the Prevention of Money Laundering Act, 2002 and the same is pending for hearing.
- The Special Director, Directorate of Enforcement, Mumbai has issued a show cause notice dated September 26, 2018 to the Company and Mr. Shailesh Bhandari based on complaint under section 16(3) of Foreign Exchange Management Act, 1999 and for holding adjudicating proceedings as contemplated under Rule 4(1) of Foreign Exchange Management (Adjudicating Proceedings and Appeal) Rules, 2000. The Company has replied to the said show cause notice.
- The Company has filed recovery case against Victory Rich Trading Limited ("VRTL") & its director for non-payment of amount in the High Court of Hong Kong and the High Court of Hong Kong has passed judgment for payment of recovery amount. Thereafter, VRTL has challenged the said order and the same is pending before the High Court of Hong Kong. Further the Company has filed a winding up petition against VRTL before the High Court of Hong Kong and the High Court of Hong Kong has passed the order for winding up of VRTL.
- Mr. Siddharth Bhandari, one of the Promoter and erstwhile Whole-time Director and Dr. Rakesh Bhandari, one of the Promoter of the Company ("Petitioners") have filed two separate petitions before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 149, 150, 152, 159 and 176 of the Companies Act, 2013 inter alia, for declaring the appointment of four independent directors as null and void from their respective dates of appointment, being violative of provisions of section 149 and 150 and other related provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014. All the parties have filed their reply / rejoinder. In the Interlocutory Application filed by Petitioners, the Hon'ble NCLT has inter alia passed various orders related to certain agenda of Board Meetings, joint signatory in bank accounts, policy decisions affecting smooth running of company as a going concern etc. Now the petition is pending before the Hon'ble NCLT for hearing.
- Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director, Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter and Dr. Rakesh Bhandari, Promoter of the Company ("Petitioners") have filed petition before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 against the Company, Mr. Shailesh Bhandari & Others inter alia, for removal of Mr. Shailesh Bhandari from the Board and investigation into the ownership of shares by some of the shareholders. The petition was pending before the Hon'ble NCLT for admission as well as on maintainability. The Petitioners have filed interim application seeking waiver of the mandatory requirement of section 244(1)(a) of the Companies Act, 2013 and the Hon'ble NCLT vide order dated 08.04.2021, rejected the said interim application of waiver. Some of the Respondents have filed Interlocutory Applications for their discharge and the same are pending for hearing. The financial implication of this petition is not ascertainable at this point of time.
- Mr. Siddharth Bhandari – erstwhile Whole-time Director & Promoter, Dr. Rakesh Bhandari, Promoter and Mr. Mukesh Bhandari – erstwhile Chairman & Promoter and currently Non-Executive Director of the Company have filed a petition before the Hon'ble

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

National Company Law Tribunal, Ahmedabad ("NCLT") under section 222 of the Companies Act, 2013 against the Company and three shareholders for suspension of their voting rights and non-participation in voting at the 33rd Annual General Meeting of the Company and for maintaining the existing status of Petitioner No. 1 Mr. Siddharth Bhandari. The Hon'ble NCLT vide order dated September 27, 2019 allowed the Company to go ahead with the 33rd Annual General Meeting and e-voting process, however, the agenda Item No. 2 of the AGM shall be subject to final outcome of the petition.

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

Further the office of Regional Director vide letter / order dated 24th December, 2019 informed the Company about investigation into the affairs of the Company under section 210(1)(c) of the Companies Act, 2013. The Company has challenged the said investigation before the Hon'ble Gujarat High Court and finally the Division bench of Hon'ble Gujarat High Court as an interim measure, provided that the investigation will continue and if the report recommends closure of the proceedings, no further orders may be necessary, however, if the report recommends some coercive measure to be taken, then the Central Government or the competent authority may not take any such decision without leave of the Hon'ble Gujarat High Court.

- (j) Mr. Babu Devraj Badhiya has filed a Writ Petition in the nature of Public Interest Litigation (PIL) on February 4, 2019 before the Hon'ble Gujarat High Court with prayer for direction for compliance of various approvals / permissions issued by various authorities for the Samakhiali Plant. The Hon'ble Gujarat High Court has passed order for not to carry out any further construction / development and the matter is pending before the Hon'ble Gujarat High Court.
- (k) Mr. Jivabhai Ganeshbhai Bada has filed an application before National Green Tribunal, Pune Bench for pollution and loss of agriculture crop, compensation etc. for the Samakhiali Plant. The Company has filed its reply and the matter is pending before the National Green Tribunal, Pune Bench for further hearing.
- (l) In Hans Ispat Limited (the Subsidiary), Criminal complaint u/s 138 read with Section 142 of the Negotiable instrument Act, 1881 has been filed before the Hon'ble Judicial Magistrate First Class Ahmedabad for dishonor of cheque of following Parties and are shown as doubtful and the provision for the doubtful debt of Rs. 2.70 Crore (Previous Year Rs. 2.70 Crore) has been provided in the books.
- (m) The Securities and Exchange Board of India (SEBI) had issued show cause notice to the Company and some of the directors / officers of the Company for alleged violations of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has filed its reply and after hearing before the adjudication officer, the adjudicating officer vide order dated 28th August, 2020 has imposed a penalty of Rs. 10,00,000/- (Rupees Ten Lakh) on the Company and Rs. 1,00,000/- (Rupees One Lakh Only) each on five directors / officers of the Company. The Company has paid the said penalty on 6th October, 2020.

37. Going Concern of the Subsidiary & Joint Venture**(a) Bhaskarpara Coal Company Limited**

- i. In the Joint venture Bhaskarpara Coal Company Limited, Ministry of Coal, Government of India vide their letter No: 13016/54/2008-CA-I Vol.III dated 15/11/2012 has ordered de-allocation of Bhaskarpara Coal block and invocation of partial amount of Bank Guarantee of Rs. 1.65 Crores in respect thereof. However, M/s UltraTech Cement Limited one of the promoters of the company has filed writ petition under Article 226 of the Constitution of India in Chhattisgarh High Court. The High Court has granted stay against further proceedings. Subsequently Supreme Court of India vide its order dated September 24, 2014 ordered the cancellation of coal block allotted to the Company. In view of this de-allocation matter before Chhattisgarh High Court has become infructuous.
- ii. The Hon'ble High Court of Chhattisgarh has passed final order on November 15, 2017 and upheld MoC demand to invoke the bank guarantee to the extent of the amount of Rs. 1.65 Crores with accruals as may be due thereon. The company has filed SLP 35575/2017 in Hon'ble Supreme Court and stay granted on invocation of the bank guarantee.
- iii. The Government of India has promulgated the Coal mines (Special provisions) ordinance, 2014. As per clause 16 of the ordinance, being a prior allottee, the Joint Venture Company is entitled to reimbursement of cost of land and mine infrastructure expenses. Consequently, out of project expenses of Rs. 11.36 Crore, the Joint Venture company made impairment of Rs. 3.48 Crore in respect of non-recoverable expenditure in year ended as at March 31, 2015. Further all other assets are stated at realizable value and liabilities at which are actually payable.
- iv. In view of the order of the Hon'ble Supreme Court of India for cancellation of coal block allotted to the Joint Venture Company, the Joint Venture Company does not have any business to carry on. Hence these accounts are prepared on the basis that the Company is not a going concern.

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

(b) Shree Ram Electro Cast Limited

Subsidiary Company has discontinued its operation since April 2011 because of the non-availability of Iron Ores due to limited banned by the Hon'ble Supreme Court's order in the state of the Karnataka and further the State Bank of India has taken action under SARFAESI Act, 2002 and subsequent action of the sale through auction of the hypothecated / mortgaged assets of the Company situated at Honnarhalli Village, Hatchali Post, Siruguppa Taluk, Bellari District, Karnataka was taken place for Rs. 11.97 Crore and its formalities have been completed upto April 16, 2019. Further, the Subsidiary Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss/net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date & 100% of its charged Assets have been sold through auction by the bankers. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

(c) ET Elec-Trans Limited

Subsidiary Company has not carried out any business or commercial activity. During the year the company has a cash loss of Rs. 0.00 Crore and accumulated losses of Rs 1.48 Crore, which has fully eroded the net worth of the company. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

38. RELATED PARTY DISCLOSURE

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

A. List of Related Parties

(I) Joint Venture Company

1. Bhaskarpara Coal Company Limited

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

1. EIL Software Services Offshore Pvt. Ltd.
2. Etain Electric Vehicles Ltd.
3. Electrotherm Solar Ltd.
4. ETAIN Renewables Ltd.
5. Bhandari Charitable Trust

(III) Key Managerial Personnel/Director of Companies

1. Mr. Shailesh Bhandari (Managing Director)
2. Mr. Suraj Bhandari (Whole time Director)
3. Mr. Fageshkumar R Soni (Company Secretary, upto 31.07.2021)
4. Mr. Avinash Bhandari (Chief Executive Officer – Steel Division upto 30.06.2020)
5. Ms. Shraddha Vyas (Chief Financial officer from 01.07.2020 to 11.03.2021)
6. Mr. Pawan Gaur (Chief Financial Officer up to 28.01.2020)

(IV) Non-Executive/Independent Directors

1. Mr. Mukesh Bhandari (Non-Executive Director)
2. Mr. Dinesh Shankarlal Mukati (Independent Director, Chairman w.e.f. 11.02.2020)
3. Ms. Nivedita Ravindra Sarda (Independent Director)
4. Mr. Pratap Mohan (Independent Director)
5. Mr. Aditya Jain (Non-Executive Director, Appointed w.e.f. 17.08.2020)
6. Mr. Arun Kumar Jain (Independent Director upto 17.08.2019)

(V) Relatives of Key Managerial Personnel

1. Late Mrs. Indubala Bhandari (Mother of Director)
2. Mrs. Jyoti Bhandari (Wife of Director)
3. Mr. Rakesh Bhandari (Brother of Director)
4. Mr. Siddharth Bhandari (Son of Director)
5. Mr. Nagesh Bhandari (Brother of Director)
6. Mrs. Reema Bhandari (Wife of Managing Director)
7. Mrs. Neha Bhandari (Director Son's Wife)

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

(Rs. in Crores)

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

SR. NO.	NAME	SALES (Ind.Store Spare & Others)		PURCHASE OF RAW MATERIAL		PAYMENT OF LIABILITY		LOAN/ADVANCE RECEIVED BACK		LOAN/ADVANCE GIVEN/REPAID		INTEREST EXPESNES ON LEASE LIABILITY		REPAYMENT OF LEASE LIABILITY		SITTING FEE		SALARY		
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
(i)	Enterprises Owned Or Significantly Influenced by Key Management Personnel or their relatives																			
	1	ETAIN Renewables Limited		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	2	EIL Software Services Offshore		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	3	Bhandari Charitable Trust		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	4	Electrotherm Solar Limited		-	-	-	0.56	-	-	-	-	-	-	-	-	-	-	-	-	
	5	ETAIN Electric Vehicles Limited		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(ii)	KEY MANAGEMENT PERSONNEL :																			
	1	Mr. Shailesh Bhandari		-	-	-	-	0.07	-	-	-	-	-	-	0.06	0.06	-	-	-	0.15
	2	Mr. Suraj Bhandari		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3	Mr. Fageshkum R. Soni		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.14	-
	4	Mr. Avinash Bhandari		-	-	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-	0.12
	5	Mr. Pawan Gaur		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.41
(iii)	NON-EXECUTIVE/INDEPENDENT DIRECTORS :																			
	1	Mr. Mukesh Bhandari		-	-	-	-	-	-	-	-	-	0.03	0.04	0.11	0.09	-	-	-	0.15
	2	Mr. Dinesh Shankar Mukati		-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.04	-	-
	3	Ms. Nivedita Ravindra Sarda		-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.02	-	-
	4	Mr. Pratap Mohan		-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.04	-	-
	5	Mr. Arun Kumar Jain		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-
(iii)	RELATIVES OF KEY MANAGEMENT PERSONNEL : (With whom Transaction has been taken Place during the year)																			
	1	Late Mrs. Indubala Bhandari		-	-	-	-	-	-	-	-	-	-	-	0.04	0.05	-	-	-	-
	2	Mrs. Jyoti Bhandari		-	-	-	-	-	-	-	-	-	0.01	0.02	0.10	0.10	-	-	0.02	0.27
	3	Mr. Rakesh Bhandari		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4	Mr.Nagesh Bhandari		-	-	-	-	-	-	0.50	-	0.50	-	-	-	-	-	-	-	-
	5	Mrs. Reema Bhandari		-	0.38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6	Mrs. Neha Bhandari		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
	7	Mr. Siddharth Bhandari		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note :

The Remuneration to the key managerial personnel does not include the Provision made for gratuity and leave encashment, as it is determined on an accrual basis for the company as a whole.

Terms and conditions of transactions with related parties

Outstanding balance at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related party receivables or payables. The Group has recorded impairment of receivable relating to amount owned by related parties of Rs. 2.13 Crore (March 31, 2020 of Rs. 2.13 Crore). The assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Consolidated Financial Statements for the year ended March 31, 2021
C: BALANCES AS AT YEAR ENDED

(Rs. In Crore)

TRADE RECEIVABLE	As at 31.03.2021	As at 31.03.2020
- Electrotherm Solar Limited	3.46	3.46
- ETAIN Electric Vehicles Limited	1.76	1.76
- ETAIN Renewables Limited	2.26	2.26
- Bhandari Charitable Trust	2.20	2.20
- Mrs. Reema Bhandari	-	0.45
Total	9.68	10.12

(Rs. In Crore)

TRADE PAYABLE	As at 31.03.2021	As at 31.03.2020
- Electrotherm Solar Limited	0.16	0.16
- ETAIN Renewables Limited	0.01	0.01
- Mr. Shailesh Bhandari	0.02	0.01
- Mr. Fageshkumr R. Soni	0.01	0.00
- Mr. Avinash Bhandari	-	0.03
Total	0.20	0.21

(Rs. In Crore)

Other Assets	As at 31.03.2021	As at 31.03.2020
- ETAIN Electric Vehicles Ltd	0.01	0.01
- ETAIN Renewables Ltd	0.06	0.06
- Electrotherm Solar Ltd.	0.09	0.09
Total	0.16	0.16

(Rs. In Crore)

Borrowings	As at 31.03.2021	As at 31.03.2020
- Mr. Siddharth Bhandari	0.04	0.04
Total	0.04	0.04

(Rs. In Crore)

Short Term Borrowings	As at 31.03.2021	As at 31.03.2020
- Mr. Mukesh Bhandari	0.24	0.24
- EIL Software Services Offshore Private Limited	1.75	1.75
- Mr. Shailesh Bhandari	-	0.07
- Mrs. Jyoti Bhandari	0.15	0.15
- Mr. Rakaesh Bhandari	0.02	0.02
Total	2.16	2.23

(Rs. In Crore)

Other Financial Liabilities	As at 31.03.2021	As at 31.03.2020
- Mr. Shailesh Bhandari	0.12	0.01
- Mr. Mukesh Bhandari	0.22	0.28
- Mr. Avinash Bhandari	-	0.05
- Mrs. Jyoti Bhandari	0.08	0.14
Total	0.42	0.48

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

(Rs. In Crore)

Other Liabilities	As at 31.03.2021	As at 31.03.2020
- ETAIN Renewables Ltd.	0.01	0.01
Total	0.01	0.01

(Rs. In Crore)

Impairment / Provision	As at 31.03.2021	As at 31.03.2020
- Bhasakarpura Coal Company Limited - (Investment)	2.13	2.13
Total	2.13	2.13

39 EARNINGS PER SHARE (EPS):

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

Particulars		2020-21	2019-20
Profit for the year	(Rs. In Crore)	49.49	24.10
Weighted Average No. of Shares for the Earning Per Share Computation for Basic and Diluted	(Nos. in Crore)	1.27	1.27
Earnings Per Share (Basic & Diluted)	(In Rs.)	38.85	18.92
Nominal Value of Shares	(In Rs.)	10.00	10.00

40 Segment Wise Revenue, Results, Assets & Liabilities

Operating Segments:

The Group is engaged in the business of Engineering & Project, Special Steel, Electric Vehicle and Others. In accordance with the requirements of Ind AS 108 "Operating Segments" Group has identified these four segments as reportable segments.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Primary Reportable Segment (Business Segment)

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
SEGMENT REVENUE		
Engineering & Projects Division	656.49	779.00
Special Steel Division	1,873.39	2,432.50
Electric Vehicle Division	30.67	16.95
Others	1.38	16.98
Total Sales	2,561.93	3,245.43
Less : Inter segment Revenue	43.87	33.54
Net Sale	2,518.06	3,211.89

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
SEGMENT PROFIT/(LOSS) BEFORE TAX AND INTEREST		
Engineering & Projects Division	27.93	29.34
Special Steel Division	76.23	6.83
Electric Vehicle Division	0.14	(16.12)
Others	(0.81)	(12.04)
Profit Before Interest, Tax & Prior Period Adjustment	103.49	8.01
Less: FINANCIAL EXPENSES	54.01	19.44
Add:- Other Unallocable items net of Unallocable Income (Including Exceptional Items)	-	35.54
Net Profit After Tax	49.48	24.11

Notes to Consolidated Financial Statements for the year ended March 31, 2021
OTHER INFORMATION

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Segment Assets		
Engineering & Projects Division	568.20	517.84
Special Steel Division	1,285.19	1,363.12
Electric Vehicle Division	32.02	26.37
Others	11.31	12.75
Total Segment Assets	1,896.72	1,920.08

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Segment Liabilities		
Engineering & Projects Division	732.94	665.72
Special Steel Division	2,167.72	2,310.45
Electric Vehicle Division	9.72	9.16
Others	28.72	28.07
Total Segment Liabilities	2,939.10	3,013.40

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Segment Depreciation		
Engineering & Projects Division	9.47	6.11
Special Steel Division	109.48	126.46
Electric Vehicle Division	1.60	1.63
Others	-	0.01
Total Depreciation	120.55	134.21

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other Non Cash Expenses/ (Income)		
Engineering & Projects Division	(1.06)	5.97
Special Steel Division	2.87	(3.74)
Electric Vehicle Division	0.69	(0.47)
Add:- Including Exceptional Items (of Holding Company)	-	(35.54)
Others	0.71	12.18
Total	3.21	(21.60)

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Segment Capital Expenditure		
Engineering & Projects Division	6.03	5.90
Special Steel Division	34.93	17.82
Electric Vehicle Division	0.01	0.01
Others	-	-
Total Capital Expenditure (Net)	40.97	23.73

Notes to Consolidated Financial Statements for the year ended March 31, 2021**Secondary Reportable Segment (Geographically Segment)**

(Rs In Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Segment Revenue		
- Within India	2,303.15	2,929.67
- Outside India	214.91	282.22
Total Revenue	2,518.06	3,211.89
Segment Assets		
- Within India	1,847.77	1,861.93
- Outside India	48.95	58.15
Total Asset	1,896.72	1,920.08

41 Financial Instruments, Fair Value Measurements, Financial Risks & Capital Management**41.1 Category wise Classification of Financial Instruments**

(Rs In Crore)

Particulars	March 31, 2021		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	277.34	277.34
Cash and Cash Equivalents	-	88.68	88.68
Other Bank balances	-	8.61	8.61
Investments in mutual fund units	0.42	-	0.42
Investments in Joint Venture net of Accumulated Impairment	-	6.96	6.96
Investments in Unquoted Government Securities	-	0.01	0.01
Other financial assets	-	75.17	75.17
Total financial assets	0.42	456.77	457.19
Financial liabilities			
Trade payables	-	422.88	422.88
Short term Borrowings	-	32.87	32.87
Non-Current Borrowings	-	1,012.73	1,012.73
Other financial liabilities	-	1,196.50	1,196.50
Total financial liabilities	-	2,664.98	2,664.98

Particulars	March 31, 2020		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	316.30	316.30
Cash and Cash Equivalents	-	30.41	30.41
Other Bank balances	-	16.63	16.63
Investments in mutual fund units	0.20	-	0.20
Investments in Joint Venture net of Accumulated Impairment	-	6.94	6.94
Investments in Unquoted Government Securities	-	0.01	0.01
Other financial assets	-	42.70	42.70
Total financial assets	0.20	412.99	413.19
Financial liabilities			
Trade payables	-	449.04	449.04
Short term Borrowings	-	29.42	29.42
Non-Current Borrowings	-	1,272.65	1,272.65
Other financial liabilities	-	1,018.15	1,018.15
Total financial liabilities	-	2,769.26	2,769.26

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

41.2 Fair Value Measurement

i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements: (Rs In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investments in quoted mutual fund					
As at March 31, 2021	5	0.42	-	-	0.42
As at March 31, 2020	5	0.20	-	-	0.20

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

ii) Valuation technique used to determine fair value

Financial instruments are initially recognized and subsequently re-measured at fair value as described below :

- The fair value of investment in quoted Mutual Funds is measured at quoted price or NAV.

iii) Valuation process

The Group company obtains valuation results from external valuers for level 2 measurements. Inputs to level 2 measurements are verified by the Company's treasury department.

iv) Fair value of financial assets and liabilities measured at amortized cost

The management assessed that cash and cash equivalents, Bank Balance other than cash and cash equivalents, trade receivables, trade payables and government securities, other financial assets, short term borrowings, non current borrowings and other current financial liabilities approximate their carrying amounts.

42 Financial Instrument Risk, Management, Objectives & Policies

42.1 Financial risk management

The management of the Group has implemented a risk management system that is monitored by the Board of Directors. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Group are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Group. Risk management reporting is a continuous process and part of regular Group reporting.

The group is exposed to credit, liquidity and market risks (interest rate risk, foreign currency risk and other price risk) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements.

42.2 Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The balances with banks and security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.

Trade receivables and Advances to Suppliers & Others

Credit risk arises from the possibility that customer/borrowers will not be able to settle their obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers and the borrowers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

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

42.2 Credit risk (Contd...)

The provision on trade receivables for expected credit loss is recognized on the basis of life-time expected credit losses (simplified approach). Trade receivables are evaluated separately for balances towards progress billings and retention money due from customers. An expected loss rate is calculated at each year-end, based on combination of rate of default and rate of delay. The Group considers the rate of default and delay upon initial recognition of asset, based on the past experience and forward-looking information, wherever available.

Expected credit loss:

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

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Gross carrying amount	377.47	111.33	488.80
Expected loss rate	26.53%	16.21%	24.18%
Expected credit losses (loss allowance provision)	100.13	18.05	118.18
Carrying amount	277.34	93.28	370.62

ii) As At March 31, 2020 (Rs In Crore)

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Gross carrying amount	411.66	104.16	515.82
Expected loss rate	23.16%	19.17%	22.36%
Expected credit losses (loss allowance provision)	95.36	19.97	115.33
Carrying amount	316.30	84.19	400.49

Reconciliation of expected credit loss / loss allowance provision (Rs In Crore)

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Loss allowance as on April 1, 2019	95.36	19.97	115.33
Changes in loss allowance	-	-	-
Loss allowance as on March 31, 2020	95.36	19.97	115.33
Changes in loss allowance	4.77	(1.92)	2.85
Loss allowance as on March 31, 2021	100.13	18.05	118.18

42.3 Liquidity risk

Liquidity risk is the risk that the group will face in meeting its obligations associated with its financial liabilities. The group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

Liquidity crises has led to default in repayment of principle and interest to lenders however the group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is used for the repayment of loan, invested in interest bearing term deposits and mutual funds with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

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

Maturities of financial liabilities

The table below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

(Rs In Crore)

As at March 31, 2021	Upto 1 year/ repayable on demand	1 to 3 years	More than 3 years
Trade Payables	422.88	-	-
Borrowings	1,207.44	1,003.86	8.87
Preference Shares	12.00	-	-
Other Financial liabilities	9.93	-	-
Total	1,652.25	1,003.86	8.87

(Rs In Crore)

As at March 31, 2020	Upto 1 year/ repayable on demand	1 to 3 years	More than 3 years
Trade Payables	449.04	-	-
Borrowings	1,009.05	901.53	371.12
Preference Shares	12.00	-	-
Other Financial liabilities	25.77	0.64	0.11
Total	1,495.86	902.17	371.23

42.4 Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets. The Group is mainly exposed to interest rate risk and foreign currency risk.

i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market rates. Since the borrowing of the group are classified as non performing assets or are transferred to assets reconstruction company or the settlement agreement have been executed and few lenders are charging interest at fix rate of interest, therefore the exposure to risk of changes in market interest rates is minimal. However the Company is liable for the payment of interest to Union Bank of India @ 1 Year MCLR on the Outstanding amount on that/those, date(s) for which the company fails to pay the installment as per the schedule & it's sensitivity analysis is as under :-

Particulars	Outstanding Amount as on March 31, 2021	Interest for the period ended as on March 31, 2021	Increase in Interest by 1%	Decrease in Interest by 1%
Union Bank of India	21.91	0.30	0.003	(0.003)

ii) Foreign currency risk

The international nature of the Group's business activities generates numerous cash flows in different currencies -especially in USD and EURO. To contain the risks of numerous payment flows in different currencies- in particular in USD and EURO- the Group follows group wise policies for foreign currency management.

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

The Group's exposure to foreign currency risk at the end of reporting period are as follows: (In Crore)

Particulars	As at March 31, 2021	
	USD	Euro
Financial assets		
Trade receivables	0.67	-
Net exposure to foreign currency risk (assets)	0.67	-
Financial liabilities		
Trade payables	0.19	-
Net exposure to foreign currency risk (liabilities)	0.19	-
Net exposure to foreign currency risk	0.47	-
Net Exposure In Indian Currency	34.83	(0.07)

(In Crore)

Particulars	As at March 31, 2020	
	USD	Euro
Financial assets		
Trade receivables	0.74	-
Net exposure to foreign currency risk (assets)	0.74	-
Financial liabilities		
Trade payables	0.18	0.01
Net exposure to foreign currency risk (liabilities)	0.18	0.01
Net exposure to foreign currency risk	0.56	(0.01)
Net Exposure In Indian Currency	42.21	(0.46)

The above table represent only total major exposure of the Group towards foreign exchange denominated trade receivables and trade payables only.

The Group is mainly exposed to change in USD and Euro. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and Euro against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

The sensitivity of Profit or loss to changes in USD and Euro exchange rate are as follows: (Rs In Crore)

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

(Rs In Crore)

Particulars	As at March 31, 2020	
	Rupee / USD	Rupee / Euro
Impact on Profit/loss		
Increase by 5%	2.11	(0.02)
Decrease by 5%	(2.11)	0.02

43 Capital Management:

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholders value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions.

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

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders. The Capital structure of the Group is as follows:

(Rs In Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity share capital	12.74	12.74
Other Equity	(1,055.12)	(1,106.06)
Total Equity	(1,042.38)	(1,093.32)

44 Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013 (Rs In Crore)

Particulars	Year	Net Assets i.e, Total Assets-Total Liabilities		Share in Profit or Loss for the Year		Share in other comprehensive Income / (Loss)		Share in Total Comprehensive Income	
Parent		Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
Electrotherm (India) Limited	Current Year	86.99%	(906.79)	127.92%	63.3	92.31%	1.34	126.90%	64.64
	Previous Year	88.85%	(971.43)	186.64%	44.98	97.91%	(2.70)	198.11%	42.28
Subsidiaries									
- Indian									
Hans Ispat Limited	Current Year	13.77%	(143.56)	-26.29%	(13.01)	7.69%	0.11	-25.33%	(12.90)
	Previous Year	11.95%	(130.66)	-36.60%	(8.82)	1.99%	(0.05)	-41.64%	(8.88)
Electrotherm Services Limited	Current Year	0.41%	(4.23)	0.01%	0.01	0.00%	-	0.01%	0.01
	Previous Year	0.39%	(4.23)	-0.01%	-0.00	0.00%	-	0.00%	(0.00)
Shree Ram Electro Cast Limited	Current Year	3.50%	(36.46)	-0.15%	(0.07)	0.00%	-	-0.14%	(0.07)
	Previous Year	3.33%	(36.39)	-51.57%	(12.43)	0.00%	-	-58.25%	(12.43)
ET Elec-Trans Limited	Current Year	0.14%	(1.48)	0.00%	-0.00	0.00%	-	0.00%	(0.00)
	Previous Year	0.14%	(1.48)	-0.01%	-0.00	0.00%	-	-0.01%	(0.00)
- Foreign									
Jinhua Indus Enterprises Limited	Current Year	0.27%	(2.79)	-0.11%	(0.06)	0.00%	-	-0.11%	(0.06)
	Previous Year	0.25%	(2.73)	-0.25%	(0.06)	0.00%	-	-0.28%	(0.06)
Jinhua Jahari Enterprises Limited	Current Year	-0.14%	1.48	-1.39%	(0.69)	0.00%	-	-1.35%	(0.69)
	Previous Year	-0.20%	2.17	1.69%	0.41	0.00%	-	2.01%	0.43
Joint Venture									
Bhaskarpara Coal Company Limited	Current Year	-0.67%	6.96	0.04%	0.02	0.00%	-	0.04%	0.02
	Previous Year	-0.63%	6.94	0.04%	0.01	0.00%	-	0.05%	0.01
Elimination	Current Year	-4.27%	44.48	-0.02%	(0.01)	0.00%	-	-0.02%	(0.01)
	Previous Year	-4.07%	44.49	0.07%	0.02	0.10%	-0.00	0.00%	0.00
Group as a Whole	Current Year	100.00%	(1042.38)	100.00%	49.49	100.00%	1.45	100.00%	50.93
	Previous Year	100.00%	(1093.32)	100.00%	24.10	100.00%	(2.76)	100.00%	21.34

45 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the GROUP. The funds are utilised on the activities which are specified in Schedule VII of the Companies Act, 2013. The utilisation is done by way of contribution towards various activities.

- Gross amount as per the limits of Section 135 of the Companies Act, 2013: Rs. 1.33 Crore. (Previous year: 0.63 Crore)
- Amount spent during the year ended 31st March 2021: Rs. 1.33 Crore. (Previous year: Rs. 0.63 Crore)

Notes to Consolidated Financial Statements for the year ended March 31, 2021**Year ended March 31, 2021**

(Rs In Crore)

Particulars	Amount Contributed	Amount to be contributed	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	1.33	-	1.33
Total	1.33	-	1.33

Year ended March 31, 2020

(Rs In Crore)

Particulars	Amount Contributed	Amount to be contributed	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	0.63	-	0.63
Total	0.63	-	0.63

46 On March 24, 2020, the Government of India ordered a nationwide lockdown to prevent community spread of Covid-19 in India resulting in significant reduction in economic activities. The group has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The group is in the business of manufacturing steel, pipe and steel melting equipment, Transformers, etc. The demand for the group products is expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the group. Further, the Management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the group, in the long-term. The group continues to monitor any material changes to the future economic conditions.

47 Events occurred after the Balance Sheet Date

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of October 15, 2021, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in the consolidated financial statements.

48 Previous year amount has been regrouped/re-casted/re-arranged/ re-classified/re-determined, wherever necessary, to make the figure of the current year comparable with the previous year.

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

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

Hitesh Shah
 Partner
 Membership No. 124095

Shailesh Bhandari
 Managing Director
 DIN:- 00058866

Suraj Bhandari
 Whole Time Director
 DIN:- 07296523

Place : Ahmedabad
 Date : 15th October 2021

Place : Palodia
 Date : 15th October 2021

NOTES:

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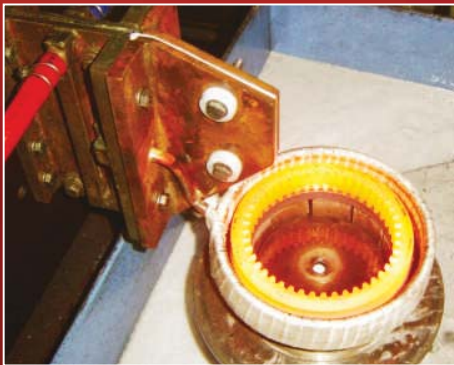
Melting



Refining



Casting



Heating & Hardening



Air Pollution Control Equipment



Transformers



TMT Bar



Ductile Iron Pipe



Electric Vehicle

ELECTROTHERM (INDIA) LIMITED

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CIN: L29249GJ1986PLC009126



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