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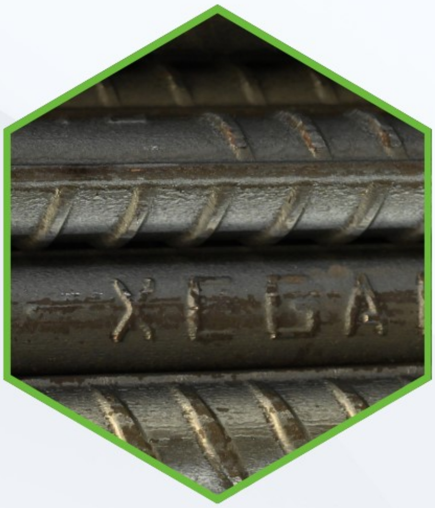
ESL STEEL LIMITED

2023- 2024
ANNUAL REPORT







ESL STEEL LIMITED

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CORPORATE INFORMATION

CIN: U27310JH2006PLC012663

BOARD OF DIRECTORS (As on 31.03.2024)	Mr. Arun Misra (DIN: 01835605) Non-Executive Director Mr. Thomas Mathew T (DIN: 00130282) Non-Executive Independent Director Mr. Subodh Kumar Rai (DIN: 10291122) Non-Executive Independent Director Ms. Poovannan Sumathi (DIN: 07147100), Non-Executive Woman Director Mr. Ashish Kumar Gupta (DIN: 07808012), Chief Executive Officer & Whole Time Director
CHIEF FINANCIAL OFFICER	Mr. Anand Prakash Dubey
COMPANY SECRETARY	Mr. Manish Kumar Chaudhary
STATUTORY AUDITORS	M/s. Lodha & Co. LLP, Chartered Accountants
LENDERS/BANKERS	ICICI Bank Ltd. Punjab National Bank RBL Bank Ltd YES Bank Limited HDFC Bank Limited UCO Bank Bank of Baroda Bank of India Union Bank of India Indian Bank Karnataka Bank
REGISTERED OFFICE	Village Siyaljori, P.O - Jogidih, P.S - Chandankyari, Dist. - Bokaro, Pin - 828 303, Jharkhand. Phone: 08651-102477 Email: esl.shares@vedanta.co.in Website: https://www.eslsteel.com//
PLANT	Village Siyaljori, P.O - Jogidih, P.S - Chandankyari, Dist. - Bokaro, Pin - 828 303, Jharkhand.

BOARD'S REPORT

Dear Shareholders,

The Board of Directors (Board) presents the Company's 17th Annual Report along with the Audited Financial Statements for the year ended March 31, 2024.

FINANCIAL SUMMARY/HIGHLIGHTS AND BUSINESS PERFORMANCE

Amount (INR in Lakhs)
(Except otherwise stated)

Particular	Year Ended 31 Mar' 2024	Year Ended 31 Mar' 2023
Revenue from operation	8,50,811.78	7,97,757.92
Other Income	11,052.14	7,470.22
Finance Cost	43,161.44	37,605.47
Exceptional Item	(2,579.22)	-
Profit/ (Loss) before exceptional items and tax	(62,338.45)	(47,077.25)
Profit/(Loss) after tax	(96,756.82)	(55,790.59)
EPS (Basic & Diluted) – (INR)	-5.23	-3.02

ESL Steel Limited (Formerly known as Electrosteel Steels Limited) (hereinafter referred to as ESL or the Company) is a fully integrated iron and steel manufacturing unit, situated at Siyaljori Village in Bokaro, Jharkhand. The Company currently has a capacity of 1.7 MTPA hot metal production and an expansion plan underway to enhance the capacity to 3 MTPA steel production.

ESL is engaged in manufacturing and supply of billets, TMT bars, wire rods, and ductile iron (DI) pipes. It also deals in iron ore, pig iron, and iron and steel scrap products related to its manufacturing. Additionally, ESL produces metallurgical coke, sinter, and power for its own use.

In the Financial Year 2024, the Company has achieved the highest ever hot metal production of 1.473 MT up 8 % Y-O-Y and highest ever saleable production of 1.386 MT up by 8% Y-O-Y. However, the EBITDA margins have contracted by 32% Y-O-Y mainly due to the decline in market prices for long-products and volatility in commodity prices, mainly in coal and iron ore.

The Company is working on optimizing the cost in all aspects and increasing the production and operational efficiency for better product mix and price realization to protect the margins. Mines acquired in earlier year have been ramped up In FY2024. It produced 5.4 MT and dispatches were 5 MT, ensuring iron ore raw material security.

India, the world's second-largest steel producer, significantly contributes over 2% to its GDP. In FY 2023-24, India's crude steel production is anticipated to rise by 14% to 143 million tons, driven by the government's infrastructure and housing initiatives. Finished steel consumption is expected to grow by 14%, reaching 135 million tons. Per capita steel consumption increased from 77 kg in FY 2022-23 to 87 kg in FY 2023-24 and is projected to reach 158 kg by FY 2030-31. The Indian steel market is forecasted to expand from 135 million tons in 2024 to 210 million tons by 2029, with an annual growth rate of 9.18%, reflecting robust demand and a positive outlook for the industry.

DIVIDEND

In view of the losses incurred by the Company during the Financial Year, the Management of the Company expresses their inability to declare any dividend for the financial year ended 31st March 2024.

TRANSFER TO RESERVES

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

EQUITY SHARE CAPITAL

(a) Authorised Share Capital:

Authorised Share Capital of your Company as on March 31, 2024, is INR 1,00,20,00,00,000 divided into 10,02,00,00,000 Equity Shares of INR 10 each.

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

Issued, Subscribed and Paid-Up Share Capital of your Company as on March 31, 2024, is INR 18,49,03,02,240 divided into 1,84,90,30,224 Equity Shares of INR 10 each fully paid up.

(c) Buy Back of Securities:

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

(d) Sweat Equity:

The Company has not issued any Sweat Equity Shares.

(e) Bonus Shares:

The Company has not issued any Bonus Shares.

(f) Employees Stock Option Plan:

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

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

HOLDING COMPANY

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

CREDIT RATING

CRISIL Ratings has updated its rating on the long-term bank facilities of your Company to 'CRISIL AA-' from 'CRISIL AA'. The rating on the short-term bank facilities has been reaffirmed at 'CRISIL A1+'

DEPOSITS

The Company has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 any modifications and reenactment thereof and any other applicable law for the time being in force.

CHANGE IN THE NATURE OF BUSINESS

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

MEETINGS OF BOARD & ITS COMMITTEES

Board Meetings:

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy in addition to the statutory and other matters. During the financial year 2023-24, the Board of Directors met Eight (8) times i.e., on 19th April 2023, 20th July 2023, 01st September 2023, 29th September 2023, 21st October 2023, 20th January 2024, 24th February 2024 and 30th March 2024. The intervening gap between the meetings was within the period prescribed under the provision of Section 173 of the Companies Act, 2013.

The Board of Directors of your Company as on 31st March 2024 consists of following Members:

1. Mr. Arun Misra – Non-Executive Director
2. Mr. Thomas Mathew T – Non-Executive Independent Director

3. Mr. Subodh Kumar Rai - Non-Executive Independent Director
4. Ms. Poovannan Sumathi - Non – Executive Woman Director
5. Mr. Ashish Kumar Gupta - Whole Time Director & Chief Executive Officer.

<u>Attendance during the year 2023-24:</u>

Name of Member	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended
Mr. Arun Misra*	8	6	6
Mr. Thomas Mathew T	8	8	8
Mr. Subodh Kumar Rai**	8	6	6
Mrs. Poovannan Sumathi	8	8	7
Mr. Ashish Kumar Gupta	8	8	8
Mr. Prasun Kumar Mukherjee ***	8	1	1
Mr. Mahendra Singh Mehta***	8	1	1

**Mr. Arun Misra was appointed as an Additional Non-Executive Director w.e.f September 01, 2023, via RBC passed by NRC and Board dated 30th August 2023, which was approved at the AGM dated 28th September 2023.*
***Mr. Subodh Kumar Rai was Appointed as an Additional Non-Executive Independent Director w.e.f. September 01, 2023, via RBC passed by NRC and Board dated 30th August 2023, which was approved at the AGM dated 28th September 2023.*
****Mr. Prasun Kumar Mukherjee and Mr. Mahendra Singh Mehta ceased to be an Independent Director w.e.f. June 03, 2023 and June 21, 2023 respectively.*

<u>Committee's Meetings:</u>

Audit Committee

The Audit Committee is constituted pursuant to provisions of Companies Act, 2013 and consists of following Members, as on 31st March 2024:

1. Mr. Thomas Mathew T, Non-Executive Independent Director – Chairman
2. Mr. Subodh Kumar Rai, Non-Executive Independent Director – Member
3. Mr. Arun Misra, Non-Executive Director– Member

During the financial year 2023-24, the Audit Committee members met Four (4) times i.e., on 19th April 2023, 20th July 2023, 21st October 2023, and 20th January 2024.

<u>Attendance during the year 2023-24:</u>

Name of Member	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended
Mr. Thomas Mathew T	4	3	3
Mr. Subodh Kumar Rai*	4	2	2
Mr. Arun Misra**	4	2	2
Mrs. Poovannan Sumathi	4	1	1
Mr. Ashish Kumar Gupta	4	2	2
Mr. Prasun Kumar Mukherjee***	4	1	1
Mr. Mahendra Singh Mehta***	4	1	1

** Mr. Subodh Kumar Rai was Appointed as an Additional Non-Executive Independent Director w.e.f. September 01, 2023, via RBC passed by NRC and Board dated 30th August 2023, which was approved at the AGM dated 28th September 2023.*
***Mr. Arun Misra was appointed as an Additional Non-Executive Director w.e.f September 01, 2023, via RBC passed by NRC and Board dated 30th August 2023, which was approved at the AGM dated 28th September 2023.*
****Mr. Prasun Kumar Mukherjee and Mr. Mahendra Singh Mehta ceased to be an Independent Director w.e.f. June 03, 2023, and June 21, 2023, respectively.*

Nomination and Remuneration Committee

The Nomination & Remuneration Committee is constituted pursuant to provisions of Companies Act, 2013 and consists of following Members as on 31st March 2024:

1. Mr. Thomas Mathew T, Non-Executive Independent Director – Chairman
2. Mr. Subodh Kumar Rai, Non-Executive Independent Director – Member
3. Mr. Arun Misra, Non-Executive Director– Member

During the financial year 2023-24, the Nomination and Remuneration Committee members met Two (2) times i.e., on 19th April 2023, and 20th January 2024.

Attendance during the year 2023-24:

Name of Member	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended
Mr. Thomas Mathew T	2	1	1
Mr. Subodh Kumar Rai*	2	1	1
Mr. Arun Misra**	2	1	1
Mrs. Poovannan Sumathi	2	1	1
Mr. Prasun Kumar Mukherjee***	2	1	1
Mr. Mahendra Singh Mehta***	2	1	1

** Mr. Subodh Kumar Rai was Appointed as an Additional Non-Executive Independent Director w.e.f. September 01, 2023, via RBC passed by NRC and Board dated 30th August 2023, which was approved at the AGM dated 28th September 2023.*
***Mr. Arun Misra was appointed as an Additional Non-Executive Director w.e.f September 01, 2023, via RBC passed by NRC and Board dated 30th August 2023, which was approved at the AGM dated 28th September 2023.*
****Mr. Prasun Kumar Mukherjee and Mr. Mahendra Singh Mehta ceased to be an Independent Director w.e.f. June 03, 2023, and June 21, 2023, respectively.*

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted pursuant to provisions of Companies Act, 2013 and consists of following Members as on 31st March 2024:

1. Mr. Thomas Mathew T, Non-Executive Independent Director – Chairman
2. Mr. Ashish Kumar Gupta, Chief Executive Officer & Whole Time Director - Member
3. Ms. Poovannan Sumathi, Non-Executive Director – Member

During the financial year 2023-24, the Stakeholders' Relationship Committee members met One(1) time i.e. on 19th April 2023.

Attendance during the year 2023-24:

Name of Member	No. of meetings held	No. of meetings entitled to attend	No. of meetings attended
Mr. Thomas Mathew T	1	1	1
Mrs. Poovannan Sumathi	1	1	1
Mr. Ashish Kumar Gupta	1	1	1
Mr. Prasun Kumar Mukherjee***	1	1	1

****Mr. Prasun Kumar Mukherjee ceased to be an Independent Director w.e.f. June 03, 2023.*

Corporate Social Responsibility Committee

Corporate Social Responsibility Committee constituted pursuant to provisions of Companies Act, 2013, consists of following Members as on 31st March 2024:

1. Mr. Thomas Mathew T, Non-Executive Independent Director – Chairman
2. Mr. Ashish Kumar Gupta, Chief Executive Officer & Whole Time Director - Member
3. Ms. Poovannan Sumathi, Non-Executive Director – Member

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of Companies Act, 2013, the Key Managerial Personnel of your Company as on 31st March 2024 are:

1. Mr. Ashish Kumar Gupta - Chief Executive Officer & Whole Time Director
2. Mr. Anand Prakash Dubey - Chief Financial Officer
3. Mr. Manish Kumar Chaudhary - Company Secretary

INDEPENDENT DIRECTORS AND THEIR DECLARATION

During the financial year Mr. Prasun Kumar Mukherjee, Mr. Mahendra Singh Mehta, Mr. Thomas Mathew T and Mr. Subodh Kumar Rai were the Independent Directors of the Company. However, Mr. Mukherjee and Mr. Mehta ceased to be Independent Directors w.e.f. June 03, 2023, and June 21, 2023, respectively.

Further, the first term of Mr. Thomas Mathew T expired on 14th June 2024, and he has been reappointed for the Second term of 2 years as an Additional Director (Non-Executive Independent) with effect from 15th June 2024 subject to the Consent of the members and the first term of Mr. Subodh Kumar Rai will expire on 31st August 2024 and the Board has recommended his reappointment as an Independent Director for the second term of further period of 2 years to the members in the upcoming Annual General Meeting.

The Company has received declarations pursuant to Section 149(7) of the Companies Act, 2013 from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

The Independent Directors have submitted a declaration that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

Further, in terms of Rule 8(5) (IIIA) of the Companies (Accounts) Rules, 2014 (as amended), the Board of Director of the Company is of the opinion that Mr. Subodh Kumar Rai, whose appointment as Independent Director of the Company has been approved by the Shareholders at the 16th Annual General Meeting held during the FY-2023-24, is a person of integrity and possesses relevant expertise and experience.

Further, both of our Independent Directors Mr. Thomas Mathew T and Mr. Subodh Kumar Rai are qualified to act as an Independent Director as per the Rules of Indian Institute of Corporate Affairs.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of annual accounts, containing financial statements for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanations for any material departures from those standards, wherever required.

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2023-24 and of the loss of the Company for that period.

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting any fraud and other irregularities.

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

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

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

SUBSIDIARY/ASSOCIATE /JOINT VENTURE COMPANY

The Company is not having any subsidiary/associate /joint venture Company during the year ended March 31, 2024.

INTERNAL FINANCIAL CONTROLS

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

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

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

INVESTOR EDUCATION AND PROTECTION FUND

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

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

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

During the year there were no applications made under the Insolvency and bankruptcy Code, 2016. One application pertaining to the main IBC case (CP IB 361/2017) under which ESL was acquired is pending before NCLT, Kolkata. *(Details of the case are given below).*

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE 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

There were no such instances during the financial year under review, hence this clause is not applicable to us.

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

A. The Company's Consent to Operate (CTO) for its steel plant at Bokaro was not renewed following its expiry in December 2017 and later on was rejected by the Jharkhand State Pollution Control Board (JSPCB). Subsequently the Environment Clearance (EC) was revoked by Ministry of Environment, Forest and Climate Change (MoEF & CC).Writ petitions were filed by the Company before the High Court of Jharkhand against the rejection orders for the renewal of its CTO by JSPCB and against revocation of EC by MOEF & CC. The High Court of Jharkhand was pleased to grant a stay and allowed the plant operations to continue till the next date of hearing and liberty was granted to apply for statutory clearance without prejudice to its rights and contentions.

   Pursuant to this order ESL applied for Forest Diversion proposal on October 4, 2018 (on without prejudice basis) and received Stage I Forest Clearance (FC) on December 17, 2019.

   ESL also applied for EC and Term of Reference (ToR) was granted to complete the process of EC for 3 MTPA plant on Aug 20, 2020.

   The High Court of Jharkhand discontinued the interim order against which ESL filed a Special Leave Petition before the Supreme Court of India and the Court pronounced the judgment on December 09, 2021 (Special Leave Petition along with the Interlocutory Application) and passed the following:

   "The appeals are allowed. The impugned order is set aside. The Respondent No.1 shall take a decision on the application of the Appellant for revised EC in accordance with law, within three

months from date. Pending such decision, the operation of the steel plant shall not be interfered with on the ground of want of EC, FC, CTE or CTO."

EAC recommended the grant of EC to ESL subject to certain conditions, including obtaining FC on July 29, 2021. MoEF & CC vide its letter dated February 02, 2022, has deferred to consider EAC's recommendation of grant of EC till FC Stage-II is granted to ESL. MoEF & CC revoked FC Stage - I vide letter dated June 05, 2023, against which ESL and State of Jharkhand has requested reconsideration. Compliance Report to MoEF & CC has been submitted, and further updated report from State is awaited.

B. During the FY 2022 -23, the State government of Odisha has issued Notice of Demand dated 03.12.2022 to deposit Rs. 8,51,05,51,206/- and Rs. 8,56,75,29,626 in relation to the penalty for alleged shortfall on minimum dispatch and production requirements of Company's Nadidihi iron ore and manganese Block Mines and Nadidihi iron ore block mines situated in Odisha. The Company has filed Revision Application under Rule 35 of MCR, 2016 before the Revisional Authority, Ministry of Mines contesting the above demand. Revisional Authority has directed the state government/DDM not to take any coercive actions till further orders vide order dated 14.03.2023. Since the State Government has not filed its reply till the last date of hearing (25 August 2023), the Revisional Authority ordered that the Revision Petition be listed as and when the State Government files their reply and, in the meanwhile, if the State Government takes any coercive steps, the Revisionist will be at liberty to approach the Revisional Authority.

Under the Terms of Mine Development and Production Agreement and Rule 12A of MCR, 2016, the Company had to maintain a level of production in so as to ensure minimum dispatch of 80% of the average of annual production of the two immediately preceding years. The company believes that it has completed the minimum required level of production and dispatches. Based on a legal evaluation, Company believes that the minimum dispatch requirement would get rectified by the State government.

C. Vedanta Limited submitted its resolution plan in the course of CIRP of Electrosteel Limited for its acquisition. The resolution plan that was submitted and approved by NCLT specified NIL payment to the Operational Creditors. When the same was challenged in the Supreme Court, the Supreme Court directed while approving the Resolution plan that it is up to the financial creditors to take a haircut from their share. Subsequently IAs were filed in the NCLT by various applicants and vide order dated 28 June 2022, the NCLT directed CoC for reconsideration on NIL payment to Operational Creditor to balance the interest of all stakeholders (no observation on reassessment of resolution plan or enhancement of amount). The 14 IAs filed were disposed with above directions. SBI (being the Lead Bank) agreed for re-convening of the CoC and filed IA for reappointment of a

Resolution Professional (RP) since the previous RP had been de-registered. Application was decided by the NCLT and a Special Officer was appointed (as there is no provision to appoint Resolution Professional after the implementation of the Resolution Plan) by the court vide its order dated 12 January 2024 to convene the meeting and finalise within one month. A clarification application was filed by Vedanta Limited before the NCLT on 6th February 2024 for rectifying the incorrect dates mentioned in order dated 12 January 2024 which was allowed. Further in compliance with the 12th January 2024 order, the Special Officer is scheduling the CoC meetings. Vedanta has submitted its letter to the Special Officer vide letter dated 4th March 2024 clarifying its stand that the decision is on the haircut which is to be taken by the Financial Creditors. Special Officer had submitted its Report before the NCLT on 2nd April 2024 affirming CoC's and Vedanta's stand in the matter.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

ANNUAL EVALUATION OF THE BOARD

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

The Independent Directors of the Company in their meeting held on March 19, 2024, without the attendance of Non-Independent Directors and members of the Management, on the basis of defined and agreed parameters, inter alia, had:

(i) reviewed the performance of the Non-Independent Directors, the Board and Committees thereof and

(ii) assessed the quality, quantity, and timeliness of flow of information between the Management and the Board, that is necessary for the Board to be effective and reasonably perform their duties.

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

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

STATUTORY AUDITORS & AUDIT REPORT

The shareholders of the Company at the Fifteenth (15th) Annual General Meeting, had reappointed M/s. Lodha & Co. LLP (Formerly known as Lodha and Co.) , Chartered Accountants (Firm Registration No.:301051E) as Statutory Auditors of the Company to hold office for the second term for a period of five consecutive years, commencing from the conclusion of Fifteenth (15th) Annual General Meeting till the conclusion of the Twentieth (20th) Annual General Meeting.

M/s. Lodha & Co. LLP, Chartered Accountants have audited the books of accounts of the Company for the financial year ended March 31, 2024, and have issued the Auditors' Report thereon. There are no qualifications or reservations or adverse remarks in the said Report.

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

COST AUDITORS & COST AUDIT REPORT

The Company is required to maintain cost records for its products as specified by the Central Government under sub-section (1) of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, (as amended) as amended from time to time, and accordingly such accounts and records are made and maintained in the prescribed manner.

In terms of requirement of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, (as amended), the Board of Directors of your Company, upon recommendation of Audit Committee, have re-appointed M/s. Sanjiban & Co., Cost Accountants, (Registration No.: 000259) as Cost Auditors, to conduct a cost audit of your Company for the financial year 2024-25, at a remuneration of INR 1,00,000 per annum plus applicable taxes and out of pocket expenses as actuals.

As required under the Act, the remuneration payable to the Cost Auditors is required to be placed before the Members for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Sanjiban & Co., Cost Accountants for financial year 2024-25 is included in the Notice convening the ensuing AGM.

The cost audit report of the Company for the Financial year ended March 31, 2023, does not contain any qualification or adverse remarks, and was filed with the Ministry of Corporate Affairs (MCA) in XBRL mode within the stipulated due date.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules thereunder, the Board of Directors had appointed M/s. Vinod Kothari & Company, Company Secretaries of 1006-1009, Krishna Building, 224 A.J.C. Bose Road Kolkata – 700 017, India, as Secretarial Auditor of the Company for the financial year 2023-24, to conduct secretarial audit of the Company. The said M/s. Vinod Kothari & Company have submitted their Report for the financial year ended March 31, 2024, which is enclosed as **Annexure B** and forms an integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark. Thus, no further management comments are required for the same. However, the best practices as suggested by secretarial auditors have already been adopted.

INTERNAL AUDITORS

In line with the provisions of Section 138 of the Companies Act, 2013, M/s. KPMG, were appointed by the Board of Directors as Internal Auditors of the Company for the financial year 2023-24. The Audit Committee defines the scope of internal audit from time to time and reviews the observations of internal auditors and the action taken report submitted by the management on the observations at its meeting held every quarter and suggests the management the improvements required in the systems followed by the Company.

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

ANNUAL RETURN

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

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

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

All related party transactions entered during the year 2023-24 have been placed on quarterly basis before the Audit Committee/Board for approval/noting/ratification/modification as the case may be.

During the period under review related party transactions have been on arms- length basis and in the ordinary course of business. Accordingly, the particulars of the transactions as prescribed in form AOC-2 under Section 134 of the Act read with the rules made therein are not required to be disclosed as they are not applicable.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any Loans, Guarantees and made Investments as covered under the provisions of Section 186 of the Companies Act, 2013 during the Financial Year 2023 -24.

RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY POLICY

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

MANAGERIAL REMUNERATION AND REMUNERATION POLICY

The information required pursuant to Section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

In terms of Section 136 of the Companies Act, 2013 the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

The Company has in place a directors' appointment and remuneration policy, and it is available on the website of the Company at https://www.eslsteel.com/.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2023-24, two complaints were received, and the cases have been duly resolved.

As part of Vedanta Group, ESL is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. The Group has endeavored to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's Whistle Blower Policy. As per the Policy adopted by various businesses in the Group, all complaints are reported to the Director – Management Assurance, who is independent of operating management and the businesses. In line with global practices, dedicated email IDs, a centralized database, a 24X7 whistle blower hotline and a web-based portal have been created to facilitate receipt of complaints.

All employees and stakeholders can register their integrity related concerns either by calling the number or by writing on the web-based portal which is managed by an independent third party. The hotline provides multiple local language options. All cases reported as part of whistle blower mechanism are taken to their logical conclusion within a reasonable timeframe. After the investigation, established cases are brought to the Group Ethics Committee for decision making. All Whistle Blower cases are periodically presented and reported to the Company's Audit Committee. The details of this process are provided in the Whistle Blower Policy and is posted on the Company's website https://www.eslsteel.com/
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SECRETARIAL STANDARDS

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

AWARDS, RECOGNITIONS & CERTIFICATIONS

The Company has received the following awards, recognitions, and certifications during the financial year 2023-24:

- Happiness and Well-Being Award for FY 2023-24
- Kincentric Best Employer Award for FY 2023-24
- NABARD awards Project WADI for highest survival rate of plants & overall excellent performance, July 2023
- 10th CSR India Award, Greentech Foundation – Gender Equality & Empowering Women, for FY 2023 -24
- Sardar Patel National Award 2024

GREEN INITIATIVE

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

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

ESG INITIATIVE

Environmental, Social, and Governance (ESG) initiatives represent a framework for companies to align their operations with sustainable and ethical practices, considering the long-term impact on the environment, society, and corporate governance.

ESL, with its vision to become a high-grade and low-cost steel producer adhering to the highest Environment, Health, and Safety standards, has embarked on numerous initiatives towards environment during the Financial Year 2023-24 such as:

- The company has developed Miyawaki Forestry, covering 2.63 acres with over 53,000 saplings, and planted an additional 82,000 trees across its premises.
- ESL introduced electric forklifts to reduce its carbon footprint and
- Demonstrating a commitment to resource efficiency, the company achieved 100% utilization of blast furnace slag, fly ash, and bed ash, and installed a dust analyzer in its Sinter plant to monitor and control emissions.

Beyond its environmental efforts, ESL has also engaged in various CSR initiatives, including children's education and Nandghar initiatives, healthcare, water sanitization, sports, and community infrastructure development, despite the minimum spending requirement is not applicable on the Company under Section 135 of the Companies Act and Rules made thereunder.

Through these comprehensive ESG initiatives, ESL Steel Limited is not only advancing towards its vision but also contributing significantly to environmental sustainability and community welfare.

APPRECIATION

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

For and on behalf of the Board of Directors

	Ashish Kumar Gupta	**Poovannan Sumathi**
	Chief Executive Officer &	**Non-Executive Director**
Place: Bokaro	**Whole Time Director**	**(DIN: 07147100)**
Dated: 18th July 2024.	**(DIN: 07808012)**	

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transforming for good

ESL STEEL LIMITED
(Formerly known as Electrosteel Steels Limited)

ANNEXURE A

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014 DURING THE FINANCIAL YEAR 2023-24

A) CONSERVATION OF ENERGY

(i) Steps taken for Conservation of Energy:

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

1. Thermography audit in boilers and furnaces at different locations has been done and then actions taken for thermal energy saving drive of around 426 million Kcal as recovering heat loss by doing proper insulation.
2. Optimization of compressor running and operation process control at BRM led to annual energy saving approx.10079 MWH.
3. Operation control through PLC logic at BRM and in caster main of SMS led to annual energy saving approx. 276 MWH.
4. Reduction in compressed air consumption by installing a 3 Ton capacity grab crane led to annual energy saving approx.940 MWH.
5. LT Capacitor bank commissioning of different KVAr at BF has been done which led to annual power saving approx. 392 MWH.
6. Drive installation works for Secondary Dedusting fan in SMS, P#6 conveyor motor of Sinter and isolating 30KW pump at DIP have led to annual energy saving of approx. 354 MWH.
7. Replacement of conventional lights with suitable LED lights has led to annual energy saving of approx. 181 MWH.
8. Projects like replacement of silo disc feeder, re-modification of process for operational efficiency and maintenance work of different equipment led to annual energy saving of approx. 741 MWH.

(ii) **The Steps taken/to be taken by the Company for Utilizing Alternate Sources of Energy:**

ESL is proactively advancing its commitment to sustainability by incorporating alternative energy sources into its operations. Recognizing the significance of renewable energy in reducing carbon footprints and enhancing energy efficiency, ESL has devised a comprehensive strategy to transition towards greener power solutions. This strategic plan includes:

a. ESL is going to install in-house Solar Renewable Energy Generating Project of 1.5 MWp as Rooftop model inside plant premises.

b. Project of Top Recovery Gas Energy Turbine at BF # 1 & 2 is planned for generate cogeneration power from BF gas.

c. For above project, ESL has submitted their willingness form to Bureau of Energy Efficiency for availing financing scheme of energy saving project & PWC has prepared the DPR under BEE guideline for this project.

d. ESL has approached DVC for availing Renewable Power from DVC under their contract demand and submitted Green Tariff Policy requirements to Jharkhand State Electricity Commission for procuring Green Power via DVC.

(iii) The Capital Investment on Energy Conservation Equipment

The Company is focused on the Capital Expenditure requirement for energy saving equipment, during FY 24 the company has incurred 24 lacs as expenditure towards Capital investment for Energy Conservation Equipment.

(iv) Proposed Project in Energy Savings

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

a. ESL is going to sign PPA for in-house Solar Renewable Energy Generating Project of 1.5 MW as Rooftop model inside plant premises.
b. Project of Blast Furnace Pressure Recovery Turbine at BF # 3 is taken to be complete in FY25.
c. Project of Top Recovery Gas Energy Turbine at BF # 1 & 2 will be planned for FY25.
d. Coke Drying project by Sinter Waste gas is started for reduction in moisture in coke, which ultimately lead to lower fuel rate in Blast Furnace.
e. Increment of BF gas to reduce thermal fuel consumption at CPP and steam saving project.

f. Improvement project for enhancing effectiveness of different cells of C. T. at CPP.
g. For optimization of power consumption VFD installation and installation of hybrid Power Factor Correction system will done at DIP.
h. Coke Route Conveyor average running hours to be reduced as well as operational control for quenching pump will be done at VCO.

B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption

1. Computer Vision based APS at Blast Furnace (A reduction of 3,328 tCO2e has been achieved by implementing fuel rate reductions of 4kg/THM in 2 months).

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

1. Sinter Green Mix Optimizers adopted which resulted in cost saving.

2. Ladle tracking system is adopted as digital initiative which has reduced the Skull Generation.

3. Data historian for data centralization and process monitoring is adopted for operation improvement.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

During the Financial Year there were no such instances.

(iv) Expenditure incurred on Research and Development

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Items	FY 2023-2024
	Amount in INR Lakh
Foreign Exchange Income	16233.41
Foreign Exchange Outgo	63044.27
Net Foreign Exchange Outgo	**46810.86**

For and on behalf of the Board of Directors

Ashish Kumar Gupta
Chief Executive Officer &
Whole Time Director
(DIN: 07808012)

Poovannan Sumathi
Non-Executive Director
(DIN: 07147100)

Place: Bokaro
Dated: 18th July 2024.

ANNEXURE – B

Form No. MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[*Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*]

To,
The Members,
ESL Steel Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ESL Steel Limited (hereinafter called '**Company**' or '**ESL'**) for the financial year ended March 31, 2024 ('Audit Period') in terms of the engagement letter dated September 22, 2023. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('Act') and the rules made thereunder including any re-enactment thereof;
2. The Depositories Act, 1996 ('Act') and the regulations and bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
4. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:

    a. The Bureau of Indian Standards Act, 2016 and rules and regulations made thereunder;
    b. Bihar Electricity Duty Act, 1948 and rules and regulations made thereunder;
    c. The Electricity Act, 2003 and rules and regulations made thereunder;
    d. The Energy Conservation Act, 2001 and rules and regulations made thereunder;
    e. The Mines and Minerals (Development and Regulation) Act, 1957 and rules and regulations made thereunder

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, corresponding rules, standards, as applicable to the Company.

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of executive director, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance with due compliance of the Act and SS-1 except for the meetings held at a shorter notice (in compliance of applicable provisions). Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions are carried through unanimous approval and there was no minuted instance of dissent in Board or Committee meetings.

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

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

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

Nitu Poddar
Partner
Membership No.: A37398
CP No.:15113
UDIN: A037398F000771835
Peer Review Certificate No.: 4123/2023

Place: New Delhi
Date: July 18, 2024

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

Annexure I

Auditor and Management Responsibility
ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
ESL Steel Limited
Our Secretarial Audit Report of even date is to be read along with this letter.

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

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

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

4. Wherever our audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;

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

6. We have held discussion with the management on several points and wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc;

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

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

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

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

Annexure II

List of Documents

1. Minutes for the meetings of the following held during the Audit Period:
    a. Board of Directors;
    b. Audit Committee;
    c. Nomination and Remuneration Committee;
    d. Stakeholder Relationship Committee;
    e. Meeting of Independent Directors;
    f. Annual General Meeting.
2. Proof of circulation of draft minutes of the Board and Committee meetings on a sample basis;
3. Resolutions passed by circulation;
4. Agendas of Board and Committee meetings on a sample basis;
5. Annual Report for financial year 2022-23;
6. Draft Financial Statement for financial year 2023-24;
7. Directors disclosures under the Act and rules made thereunder;
8. Statutory Registers maintained under the Act;
9. Forms filed with the Registrar;
10. Compliance certificate for other applicable laws;
11. Memorandum of Association and Articles of Association of the Company.

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ESL Steel Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, and the statement of Profit and Loss(including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other notes for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and it's loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note no. 44 of the financial Statement indicating that approval for Consent to Operate (CTO) and Environmental Clearance (EC) is pending before Ministry of Environment, Forest and Climate Change (MoEF) and also long-term funding constraints currently being faced by the company and the losses being incurred by it. However, considering the direction of Hon'ble Supreme Court of India allowing the continuation of the operation of the company and financial and other support provided by the Holding Company, the financial statements of the company due to the reasons stated in the said note have been prepared on going concern basis, though the uncertainty on the Company's ability to continue as such exists as on this date. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	Addressing the key audit matters
Impairment of Property, Plant and Equipment (PPE), Capital Work in Progress (CWIP) and Intangible Assets <u>(as described in note 5.4 and 4(a) of the financial statements)</u>	
Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions about the forecast for cash flows, production, volume of operations, selling prices of the product and discount rate considered for arriving at the present value of future cash flows. The above includes the evaluation of plant and equipment pertaining to expansion project undertaken in earlier years and it's prospects for implementation in near future and implementation in this respect. Impairment testing of PPE, CWIP and Intangible assets were carried out during the year ended March 31, 2018 and provision of Rs. 5,11,193.01 lakhs were made. No further provision or reversal thereof has been considered necessary during this year.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of Impairment includes the following: • Critical evaluation of internal and external factors impacting the entity's performance and indicators of impairment (or reversal thereof) in line with Ind AS 38; • Analysing the management's review, contention and representation regarding the project in progress and adjustments needed against carrying value of the assets. This includes, reviewing the status of plant and equipment so far procured currently under progress and being a technical matter placing reliance on management contention and technical advice in this respect; • Review of impairment covering the entire block of tangible and intangible assets and capital work in progress and valuation models used to determine the recoverable amount by analysing the key assumptions used by management in this respect including: − Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances; − Price assumptions used in the models; and − The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use. • Review of projections at current capacity and volume of operations and projected outcome thereagainst and impact thereof on overall impairment assessment. • Placing reliance on the management's assumption for future prospects, expansion of current capacity, expected volume of business and sustainability of the cash flows.
Recognition of Deferred Tax Assets <u>(as described in note 48 of the financial statements)</u>	
Deferred tax assets amounting to Rs. 2,23,096.73 lakhs attributable to depreciation have been carried forward in the financial statements as at March 31, 2024. The above outstanding amount is after reversal of Deferred Tax Assets of Rs. 30,900.92 lakhs related to carry forward business losses.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of recognition of Deferred Tax includes the following: • Utilisation of Deferred tax assets have been tested considering the period of expiry with respect to carried forward business loss based on internal forecasts prepared by the Company and probability of future taxable income;

Key Audit Matters	Addressing the key audit matters
Deferred Tax Assets carried forward as on March 31, 2024 does not include Rs. 82,195.51 lakhs (including Rs. 28,922.21 lakhs for the year) note being recognised on account of carried forward business losses including depreciation on year-to-year basis following the principle of conservatism.	• We critically examined the temporary differences between the carrying amounts of balances of assets and liabilities as per Ind AS financial statement and those considered for tax purposes; • Reversal of deferred liability due to timing differences and possible adjustments of deferred tax assets there against; • Critical review of the future projections and underlying assumptions for broad consistency following the principle of prudence for arriving at reasonable degree of probability on assertions thereof considering the past trends; and • Review of management's assumption with respect to earning in future periods and taxability thereof and placing reliance on such assumptions and projections given the current and future scale of operations and prevailing conditions and situations.
Evaluation of Accounting of Iron Ore Mines (as described in note 4(f) of the financial statements)	
Recognition of Mining rights and Assets, stripping activity assets and generation thereagainst, production profile, stripping ratio, and proved/ probable reserves, categorization of Mines as exploratory, development, producing, liability for decommissioning costs are based on Technical/ commercial evaluation by the management.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of disclosure includes the following: • Review of the Production Profile and related overburden as submitted by the management to the authorities; • Examined the valuation process/methodology and checks being performed to ensure that the valuation of inventory are as per the policy prescribed in this respect; • Evaluated the approach adopted by the management in determining the expected costs of decommissioning including appropriateness of discount and inflation rates for estimating such cost and determining the liability in this respect; • Review of the report submitted by Independent technical consultants for estimated for of decommissioning, restoration and other similar liabilities; • Reliance has been placed on the report of independent technical consultant for proved/probable reserves in the mines. • Assessed the appropriateness of the disclosures made in the financial statements. • Reliance has been placed on the judgments and estimation of the internal/ external experts for the purpose of technical /commercial evaluation and also submission made to authorities in this respect.

Key Audit Matters	Addressing the key audit matters
Non-Renewal of Consent to Operate from JPSCB <u>(as described in note 44 of the financial statements)</u>	
The Company's application for renewal of Consent to Operate ('CTO') was denied by Jharkhand State Pollution Control Board ('JSPCB'). Further Environmental Clearance has also not been granted by Ministry of Environment and Forest (MoEF). MoEF vide its letter dated February 02, 2022 had deferred the grant of EC till Forest Clearance (FC) Stage-II is granted to the company. Further, MoEF vide its letter dated June 05, 2023 has revoked the stage I clearence granted earlier against which the company has made representation for reconsideration. The company has so far procured substantial portion of land and the same have either been handed over to forest department or is in the advance stage of doing so for compensatory afforestation. Pending decision of MoEF on the mater, Hon'ble Supreme Court has directed that operation of steel plant shall not be interfered with on the ground of want of EC, FC, CTE or CTO. Pending completion of the entire process and determination of aggregate cost, Rs. 19,699.69 lakhs (including Rs. 22,977.83 lakhs provided during the period) (net of Rs. 26,830.69 lakhs paid) towards cost of land and Rs. 20,556.58 lakhs towards other related costs etc. (net of Rs. 1,473.99 lakhs paid) has been provided on estimated basis and have been carried forward in the accounts as on March 31, 2024.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of "Going Concern" include the following: • Obtained the status of the case from the legal department and their view on the matter; • Evaluated the steps being taken by management for ensuring the related compliances including those relating to procurement of land for compensatory afforestation and/or other costs thereof to be provided by the company and plans for future course of actions for obtaining Stage II Clearance as required for obtaining the environment clearance from MoEF; • Reviewed the provision made for cost of land to be provided to forest department for compensatory afforestation; • Reviewed the appropriateness of provision made for afforestation and other costs to be incurred based on the report received from EIA consultant after considering the various concerns raised during the public hearing on the matter and disclosures made in this respect by the management; • Reliance has been placed on the estimate and consultant report for cost of land and other costs to be incurred for compensatory afforestation against forest land; and • Further, reliance has also been placed on the legal expert's view vis-à-vis direction of Hon'ble Supreme court of India concerning the operation of the plant and consultants recommendation and report, pending final decision on the matter.
Claims in respect of MDPA <u>(as described in note 40(B) of the financial statements)</u>	
As at March 31, 2024, the Company has disputed the demand raised in respect of shortfall in terms of Mine Development and Production Agreements (MDPA) entered into with respect to the Iron Ore Block obligating certain minimum production and despatch of Iron Ore for each year of the operations. Significant management judgement supported by legal clarification on the matter is required to assess such matters to determine the probability of occurrence of outflow of economic resources and materiality of the amount involved.	Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of "Claims in respect of MDPA" include the following: • Understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; • Inquired with the management for recent developments and the status of the same as reviewed and noted by the Audit Committee; • Performed our assessment on a test basis on the underlying calculations supporting the said claim as disclosed in the Standalone Financial Statements;

Key Audit Matters	Addressing the key audit matters
	• Evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; • In case of demand made provisionally review of the possibilities of meeting the shortfall on aggregate year to year basis; • Assessed the adequacy of the Company's disclosures; • Examined external legal opinions and other evidence to corroborate management's assessment of the possibility of the liability against the demand raised in terms of MDPA; and • Reliance has been placed on such legal interpretation and opinion provided on the matter.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

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

    e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act; and

    f) With respect to the adequacy of the internal financial controls with reference to financial statements in place and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to financial statements.

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

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

    ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note no. 46(d) to the financial statements;

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

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

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

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

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

vi. Based on the verification carried out by an Independent professional appointed for the purpose and our examination of the data and details provided to us, which included test checks and samples obtained by us in this respect and being a technical matter placing reliance on the report submitted by them, we report that the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same was operational throughout the year. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention in this respect is not applicable for the financial year ended March 31, 2024 and as such the same has not been reported upon by us.

4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, In our opinion and according to the information and explanations given to us, the remuneration paid to the Whole time Director for reasons stated in Note no. 32.1 has exceeded the limit specified under provisions of Section 197 of the Act for which necessary ratification is being sought from the Shareholders. Further, the sitting fees paid by the Company to its other Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein except for commission to be paid to them as approved by the Board of Directors which as stated in Note no. 35.4 is subject to shareholder's approval.

For Lodha & Co LLP,
Chartered Accountants
Firm's ICAI Registration No.: 301051E/ E300284

Place: Kolkata
Date: April 17, 2024

Ashim Kumar Ghosh
Partner
Membership No: 054565
UDIN: 24054565BKHORU6274

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:

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

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

b. The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to this program, a comprehensive and detailed verification of Property, plant and Equipment and Capital Work in Progress was carried out in earlier year by engaging the services of an Independent firm of professional and no such verification has been carried out in this year. The discrepancies noted on such verification even though material in certain cases had been properly dealt with in the books of account.

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

(Amount Rs. In Lakhs)

Particulars	**Area**	**Gross Block**
Land- Pending execution of Lease Deed	325.19 acres	10,517.75
Land- Pending compliance of compensatory afforestation*	455.35 acres	53,142.06

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

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

d. The company is not following revaluation model of accounting and accordingly has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets during the year. Accordingly, the reporting under Clause 3 (i)(d) of the Order is not applicable to the Company.

e. As per the information and explanation given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, further reporting under Clause 3 (i)(e) of the Order is not applicable to the Company.

ii) a. As informed, the inventories of the Company except for materials in transit and stock lying with third parties at year end have been physically verified by the independent firm of professionals along with the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable, and procedure followed for such verification is appropriate. As the Company's inventory of raw materials comprises mostly of bulk materials such as coal, coke, iron ore, etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. The discrepancies noticed on physical verification between the physical stock and book stock of inventories to the extent verified during the year, were not 10% or more in aggregate for each class of inventory and the same have been properly dealt with in the books of account.

b. According to the information and explanation given to us the company has been sanctioned working capital limit in excess of Rupees Five Crores on the basis of securities of Current Assets of the company. On the basis of examination of returns/statements submitted upto February 2024 by the Company to the banks in this respect, as provided to us for the purpose, these were in agreement with the books and records and the financial statements prepared therefrom by the management. However, the return for the month of March 2024 has not been submitted to the banks and as such cannot be commented upon by us.

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

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2024 from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder and therefore, the provisions of clause 3(v) of the Order is not applicable to the company.

vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it. Further, there were no undisputed amounts payable in respect of these statutory dues in arrear as at March 31, 2024 for a period of more than six months from the date they become payable except for Provident Fund under Employees' Provident Funds And Miscellaneous Provisions Act, 1952 amounting to Rs. 4.18 lakhs.

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

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

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

b. According to the information, explanations and representation given to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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

d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short-term basis aggregating to Rs. 1,80,469.38 lakhs for long-term purposes.

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

x) a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (x)(b) of the Order is not applicable to the Company.

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

b. 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 and representation received from the management, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has not been filed with the Central Government.

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

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

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

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

b. Further, we have considered, during the course of our audit, the reports of the internal auditor for the period under audit, issued to the Company during the year and till the date of our audit, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 “Using the work of Internal Auditors”.

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

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

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

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

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

xvii) On the basis of overall examination of the financial statement, the Company has incurred cash losses during the financial year covered by our audit but has not incurred cash losses in the immediately preceding financial year.

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

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors, Management plans as provided to us including as stated in Note no. 46(iii)(a) and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts and assumptions as represented to us up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due for payment.

xx) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

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

For Lodha & Co LLP,
Chartered Accountants
Firm's ICAI Registration No.: 301051E/ E300284

Place: Kolkata
Date: April 17, 2024

Ashim Kumar Ghosh
Partner
Membership No: 054565
UDIN: 24054565BKHORU6274

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

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

We have audited the internal financial controls with reference to financial statements of ESL Steel Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated under the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework) ("COSO 2013"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in COSO 2013.

For Lodha & Co LLP,
Chartered Accountants
Firm's ICAI Registration No.: 301051E/ E300284

Place: Kolkata
Date: April 17, 2024

Ashim Kumar Ghosh
Partner
Membership No: 054565
UDIN: 24054565BKHORU6274

ESL STEEL LIMITED

BALANCE SHEET AS AT MARCH 31, 2024

(Rs. in lakhs)

Particulars		Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS				
Non-current assets				
(a)	Property, Plant and Equipment	5	4,43,749.07	4,48,552.06
(b)	Capital work-in-progress	6	1,70,018.23	1,29,895.94
(c)	Other Intangible Assets	7	42,128.38	46,816.63
(d)	Financial Assets:			
	(i) Other Financial Assets	8	9,542.42	9,323.62
(e)	Non Current Tax Assets (net)	9	2,179.45	2,461.57
(f)	Deferred Tax Assets (net)	48	2,23,096.73	2,54,892.24
(g)	Other Non-Current Assets	10	7,225.19	2,909.06
	Total Non-Current Assets		**8,97,939.47**	**8,94,851.12**
Current assets				
(a)	Inventories	11	1,06,339.14	1,39,439.34
(b)	Financial Assets:			
	(i) Investments	12	2,001.50	2,003.39
	(ii) Trade Receivables	13	11,070.28	24,862.95
	(iii) Cash and Cash Equivalents	14	15,950.80	3,503.65
	(iv) Bank Balances other than (iii) above	15	11,397.04	15,841.10
	(v) Other Financial Assets	16	2,637.11	1,491.20
(c)	Other Current Assets	17	33,459.67	42,589.13
	Total Current Assets		**1,82,855.54**	**2,29,730.76**
TOTAL ASSETS			**10,80,795.01**	**11,24,581.88**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity Share Capital	18	1,84,903.02	1,84,903.02
(b)	Other Equity	19	2,74,965.34	3,71,803.41
	Total Equity		**4,59,868.36**	**5,56,706.43**
Liabilities				
Non-current liabilities				
(a)	Financial Liabilities:			
	(i) Borrowings	20	1,48,895.66	1,94,548.75
	(ii) Lease Liabilities	39	2,503.15	1,468.21
(b)	Provisions	21	22,333.99	21,937.59
	Total Non-Current Liabilities		**1,73,732.80**	**2,17,954.55**
Current liabilities				
(a)	Financial Liabilities:			
	(i) Borrowings	22	80,432.66	46,041.60
	(ii) Lease Liabilities	39	21,637.57	17,534.16
	(iii) Operational Buyers' Credit / Suppliers' Credit	45	86,364.88	1,27,774.84
	(iv) Trade Payables	23		
	- Total Outstanding dues of micro and small enterprises		7,883.23	6,508.12
	- Total Outstanding dues of creditors other than micro and small enterprises		57,335.35	60,892.72
	(v) Other Financial Liabiities	24	24,652.49	13,072.41
(b)	Other Current Liabilities	25	1,68,721.39	77,907.41
(c)	Provisions	26	166.28	189.64
	Total Current Liabilities		**4,47,193.85**	**3,49,920.90**
	Total Liabilities		**6,20,926.65**	**5,67,875.45**
TOTAL EQUITY AND LIABILITIES			**10,80,795.01**	**11,24,581.88**

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

As per our report of even date

For Lodha & Co LLP
Chartered Accountants

Ashim Kumar Ghosh
Partner

Place: Kolkata
Dated: April 17, 2024

For and on behalf of the Board of Directors

A Sumathi Non-Executive Director
(DIN : 07147100)

Ashish Kumar Gupta Whole time Director
(DIN : 07808012)

Anand Prakash Dubey Chief Financial Officer

Manish Kumar Chaudhary Company Secretary
M.No. ACS 23037

ESL STEEL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in lakhs)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations			
Sale of Products	27	8,30,046.22	7,85,181.04
Other Operating Income	28	20,765.56	12,576.88
Total Revenue from Operations		**8,50,811.78**	**7,97,757.92**
Other Income	29	11,052.14	7,470.22
Total Income		**8,61,863.92**	**8,05,228.14**
Expenses			
Cost of Materials Consumed	30	4,38,598.59	5,02,292.24
Changes in Inventories of Finished/ Semi-Finished Goods and Stock-in-Trade	31	14,808.97	(40,542.28)
Employee Benefits Expense	32	22,589.61	21,326.21
Finance Costs	33	43,161.44	37,605.47
Depreciation and Amortisation Expense	34	46,300.78	44,375.30
Other Expenses	35	3,58,742.98	2,87,248.45
Total Expenses		**9,24,202.37**	**8,52,305.39**
Profit/ (Loss) before exceptional items and tax		**(62,338.45)**	**(47,077.25)**
Exceptional Items	36	**(2,579.22)**	-
Profit/ (loss) before tax		**(64,917.67)**	**(47,077.25)**
Tax expense:	48		
(1) Current tax		-	-
(3) Deferred Tax		31,839.15	8,713.34
Profit/ (loss) for the year		**(96,756.82)**	**(55,790.59)**
Other Comprehensive Income:			
(i) Items that will not be reclassified to profit or loss	37	(124.89)	(423.96)
(ii) Income tax relating to items that will not be reclassified to profit or loss	48	43.64	148.15
Other Comprehensive Income (net of taxes)		**(81.25)**	**(275.81)**
Total Comprehensive Income for the year (comprising of Profit/(Loss) and Other Comprehensive Income for the year)		**(96,838.07)**	**(56,066.40)**
Earning per Equity Share [Face value of Rs. 10 each]:	42		
Basic and Diluted		(5.23)	(3.02)

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

As per our report of even date

For Lodha & Co LLP
Chartered Accountants

Ashim Kumar Ghosh
Partner

Place: Kolkata
Dated: April 17, 2024

For and on behalf of the Board of Directors

A Sumathi Non-Executive Director
(DIN : 07147100)

Ashish Kumar Gupta Whole time Director
(DIN : 07808012)

Anand Prakash Dubey Chief Financial Officer

Manish Kumar Chaudhary Company Secretary
M.No. ACS 23037

ESL STEEL LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
A. Cash flow from Operating Activities		
Profit/(Loss) before tax	**(64,917.67)**	**(47,077.25)**
Adjustment to reconcile Profit/(Loss) before tax to net cash generated from operating activities		
Depreciation and amortization expenses	46,300.78	44,375.30
Loss/(profit) on sale/discard of fixed assets	307.88	571.10
Sundry Credit balances/Provision no longer required written back	(7,019.29)	(2,506.72)
Sundry Balances written-off	1,085.72	782.97
Unrealised (gain)/ Loss on foreign currency translation and transaction	(457.47)	62.60
Net gain/(loss) on Derivative Instruments on fair valuation through profit and loss	(15.24)	(849.67)
Interest Income	(2,196.54)	(2,217.47)
Net Gain/(loss) on Current Investments on Fair Valuation through profit and loss	(137.37)	(341.78)
Impairment Allowance for doubtful debts, Advances and deposits	117.86	3.35
Finance Cost	43,161.44	37,605.47
Operating profit/(loss) before Working Capital Changes	**16,230.10**	**30,407.90**
Movements in working capital :		
Decrease/(Increase) in Inventories	33,100.17	(21,513.77)
(Decrease)/Increase in Trade Payables, Other financial/Non-Financial liabilities and Provisions	(12,534.62)	1,03,755.98
Decrease/(Increase) in Trade Receivables (net of advances received)	94,621.00	(7,919.62)
Decrease/(increase) in loans and advances, Other financial/non-financial asets and other assets	(5,282.35)	(8,574.59)
Cash generated from / (used in) operations	**1,26,134.30**	**96,155.90**
Direct taxes paid (net of refunds)	282.12	(831.51)
Net Cash flow generated / (used in) Operating Activities (A)	**1,26,416.42**	**95,324.39**
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipments (other than ROU Assets) including intangible assets and movement in Capital Work in Progress	(47,423.75)	(59,230.11)
Proceeds from disposal of Property, Plant and Equipments	30.05	22.73
Movement in Fixed Deposits (having original maturity of more than three months)	4,382.62	37,101.76
Investment in mutual funds	(1,31,693.43)	(2,38,176.15)
Sale Proceeds on disposal of mutual funds	1,31,832.69	2,53,846.88
Interest received	2,159.62	2,573.81
Net Cash flow generated / (used in) Investing Activities (B)	**(40,712.20)**	**(3,861.08)**
Cash flow from Financing Activities		
Repayment of long-term borrowings	(46,041.60)	(46,041.60)
Proceeds/(Repayment) from short-term borrowings (net)	34,391.06	-
Payment against Lease Liabilities (including cost of land for afforestation)	(21,666.36)	(10,240.47)
Interest and other borrowing cost paid	(39,940.17)	(38,088.62)
Net Cash flow generated / (used in) Financing Activities (C)	**(73,257.07)**	**(94,370.69)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	12,447.15	(2,907.38)
Cash and cash equivalents at the beginning of the year	3,503.65	6,411.03
Cash and cash equivalents at the end of the year (Refer Note no. 14)	**15,950.80**	**3,503.65**

ESL STEEL LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in lakhs)

Notes

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

2. Ind AS 7 Cash flow statements requires the entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes, opening and closing balances in liabilities arising from financing activities and changes in this respect are as follows:

Particulars	As at March 31, 2023	Cash flows*	Non-Cash Flows**	As at March 31, 2024
Non-current borrowings [Refer Note no. 20]	1,94,548.75	-	(45,653.09)	1,48,895.66
Current maturities of long term debt [Refer Note no. 22]	46,041.60	(46,041.60)	46,041.60	46,041.60
Short Term Borrowings [Refer Note no. 22]	-	34,391.06	-	34,391.06
Finance Lease Liabilities [Refer Note no. 39]	19,002.37	(21,666.36)	26,804.71	24,140.72
Interest accrued but not due on borrowings [Refer Note no. 24]	856.85	(856.85)	3,311.76	3,311.76

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

** Non-Cash flow changes includes Current / Non Current classification, Foreign Exchange Movement, Amortised Cost and Other Adjustments.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
In Current Accounts	15,450.80	3,503.65
Fixed Deposits with original maturity of less than 3 months	500.00	-
Total cash and cash equivalents (Refer Note No. 14)	**15,950.80**	**3,503.65**

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

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

Ashim Kumar Ghosh
Partner

Place: Kolkata
Dated: April 17, 2024

For and on behalf of the Board of Directors

A Sumathi Non-Executive Director
(DIN : 07147100)

Ashish Kumar Gupta Whole time Director
(DIN : 07808012)

Anand Prakash Dubey Chief Financial Officer

Manish Kumar Chaudhary Company Secretary
M.No. ACS 23037

ESL STEEL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH, 31, 2024

(Rs. in lakhs)

A. EQUITY SHARE CAPITAL

Particulars	Amount	Amount
Balance as at March 31 ,2022		1,84,903.02
Changes during the year		-
Balance as at March 31 ,2023		**1,84,903.02**
Changes during the year		-
Balance as at March 31 ,2024		**1,84,903.02**

B. OTHER EQUITY
As at March 31, 2024

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Reserves and Surplus		Other Comprehensive Income	Total
			Securities premium	Retained earnings	Re-measurement of defined benefit plan	
Balance as at March 31, 2023	9,59,908.68	(1,74,593.58)	1,79,036.44	(5,92,548.13)	-	3,71,803.41
Profit/(Loss) for the Year	-	-	-	(96,756.82)	-	(96,756.82)
Other Comprehensive Income for the year	-	-	-	-	(81.25)	(81.25)
Total comprehensive income for the year	**-**	**-**	**-**	**(96,756.82)**	**(81.25)**	**(96,838.07)**
Transfer to Retained Earning				(81.25)	81.25	-
Balance as at March 31, 2024	**9,59,908.68**	**(1,74,593.58)**	**1,79,036.44**	**(6,89,386.20)**	**-**	**2,74,965.34**

As at March 31, 2023

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Reserves and Surplus		Other Comprehensive Income	Total
			Securities premium	Retained earnings	Re-measurement of defined benefit plan	
Balance as at March 31, 2022	9,59,908.68	(1,74,593.58)	1,79,036.44	(5,36,481.73)	-	4,27,869.81
Profit/(Loss) for the Year	-	-	-	(55,790.59)	-	(55,790.59)
Other Comprehensive Income for the year	-	-	-	-	(275.81)	(275.81)
Total comprehensive income for the year	**-**	**-**	**-**	**(55,790.59)**	**(275.81)**	**(56,066.40)**
Transfer to Retained Earning	-	-	-	(275.81)	275.81	-
Balance at March 31, 2023	**9,59,908.68**	**(1,74,593.58)**	**1,79,036.44**	**(5,92,548.13)**	**-**	**3,71,803.41**

Refer Note no. 19 for nature and purpose of reserves

As per our report of even date

For and on behalf of the Board of Directors

For Lodha & Co LLP,
Chartered Accountants

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

Ashish Kumar Gupta (DIN : 07808012) — Whole time Director

Ashim Kumar Ghosh
Partner

Anand Prakash Dubey — Chief Financial Officer

Place: Kolkata
Dated: April 17, 2024

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

Sensitivity: Confidential (C2)

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

i. Statement of Compliance

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

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

ii. Application of new and revised standards:

Effective April 01, 2023, the company has adopted the amendments to existing Ind AS vide Companies (Indian Accounting Standard) Amendment Rules, 2023. These amendments to the extent relevant to the company's operation include amendments to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and include amendments to help entities to distinguish changes in accounting policies from changes in accounting estimates. Further consequential ammendments with respect to the concept of material accounting policies were also made in ", Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There were other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations, Ind AS 109 "Financial Instruments " Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these were not relevant to the company.

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

iii. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not issued, under the Companies (Indian Accounting Standards) Rules, any new standards or made amendments to the existing standards under the said Rule, which are effective from 1st April, 2024 and applicable to the Company.

iv. These financial statements are approved for issue by the Board of Directors. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3 MATERIAL ACCOUNTING POLICIES

A. Basis of Preparation

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

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

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

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

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

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

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

Fair value measurement

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

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

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

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

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

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

B. PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost on the date of transition i.e. have been fair valued to be considered as deemed costs and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input tax credit availed) and other expenses incidental to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use. In addition interest on borrowing to finance the construction of qualifying assets is capitalised as a part of the assets cost until such time the asset is ready for it's intended use.

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

The cost of replacing part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

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

Property, Plant and Equipments that are not ready for intended use as on the balance sheet date are disclosed as Capital work in progress (CWIP). CWIP includes Project Development expenditure, equipment to be installed, construction and erection costs, etc. Such costs are added to the related items of PPE and are classifed to the appropriate categories of PPE when completed and ready for its intended use. Expenditure directly relatable to the implementation of the project prior to commencement of production and stabilization thereof being for such use are classified as Project Development Expenditure and disclosed under Capital Work-in-Progress (net of income earned during the project development stage).

C. LEASES

The Company's lease assets (other than those dealt hereunder as Mining Assets) primarily consist of leases for land, office space, transit houses, vehicles, plant and equiments, intangible assets, furnitures and fixtures etc. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considerd for arriving at ROU and lease liabilities when it is reasonably certain that they will be exercised.

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

The lease liability is initially measured at the present value of the future lease payments.The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. ROU asset are separately presented/disclosed under PPE/Intangible Assets. Lease liability obligations is presented seperately under the head "Financial Liabilities" and lease payments have been classified as financing cash flows.

D. DEPRECIATION AND AMORTISATION

Depreciation on PPE except otherwise stated, is provided as per Schedule II of the Companies Act, 2013 on straight line method over the estimated useful lives. Certain Plant and Machinery have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the entire component/ PPE.

Depreciation on PPE commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets considered for depreciation and amortisation are as follows:

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

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

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

E. MINING ASSETS

Acquisition Costs

Costs associated with acquisition of lease/licenses and rights to explore, stamp duty, registration fees and other such costs are capitalised as Mining Rights and classified under Intangible Assets. Other assets pertaining to mining operations are capitalised under respective head of Property, Plant and Equipment. Bid premium and royalties payable with respect to mining operations is contractual obligation for carrying out such operations and are variable in nature being linked to the market prices of the mining produce. These are expensed and considered as cost of the mining produce as and when related liability in this respect arises as per respective agreements/ statute.

Exploration and evaluation

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

The Company measures its exploration and evaluation assets at cost. These are classified as Property, plant and equipment or intangible assets depending upon the nature of the assets and applies the classification consistently. Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities.

Stripping cost

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

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

Other production stripping cost incurred are expensed in the statement of profit and loss.

The stripping cost incurred during the production phase of a surface mine is recognised as part of mining assets to the extent the current period stripping cost exceeds the average period stripping cost over the life of mine and recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and certain criteria are met.

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

Site restoration, rehabilitation and environmental costs.

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs which relate to the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities are typical of extractive industries and they are normally incurred at the end of the life of the mine. Such costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and are capitalised along with mining assets with corresponding provisions being included under Provision for Site Restoration of Mines. The capitalised asset is charged to profit and loss over the life of the asset through amortisation over the useful life of the respective mine. The provision is increased in each period by unwinding the discount considered for arriving at the present value and the same is adjusted to the Statement of Profit and Loss. Estimates made as above are based on local legislation and/or other agreements and are reviewed periodically.

F. INTANGIBLE ASSETS (OTHER THAN MINING ASSETS)

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

G. DERECOGNITION OF TANGIBLE AND INTANGIBLE ASSETS

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

H. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

I. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities (financial instruments) are recognised when the company becomes a party to the contractual provisions of the instruments. The company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

The company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.
Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

1. FINANCIAL ASSETS

1.1 Initial Recognition and measurement

The financial assets include investments, trade receivable, loans and advances, cash and cash equivalents, bank balances other than cash and cash equivalents, derivative financial instruments and other financial assets.

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate in initial recognition. However, trade receivable that do not contain a significant financing component are measured at transaction price.

1.2 Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

(i) at amortised cost,

(ii) at fair value through other comprehensive income (FVTOCI), and

(iii) at fair value through profit or loss (FVTPL).

Financial Assets at amortised cost

A 'financial Asset' is measured at the amortised cost if the following two conditions are met:

(i) The asset is held within a business whose objective is to hold these assets in order to collect contractual cash flows and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised Cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial asset give rise to cash flows representing solely payments of principal and interest.

Financial Assets at Fair value through profit or loss (FVTPL)

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

1.3 Derecognition

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

2. FINANCIAL LIABILITIES

2.1 Initial Recognition and measurement

The financial liabilities include trade and other payables, loan and borrowings including book overdraft, derivative financial instruments and other financial liabilities.

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or are deducted from the fair value of the financial liabilities as appropriate in initial recognition.

2.2 Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified in the following categories:

(i) at amortised cost, and

(ii) at fair value through profit or loss (FVTPL).

Financial Liabilities at amortised cost

After initial recognition, financial liabilities are measured at amortized cost using Effective Interest Rate (EIR) method. When the financial liabilities are derecognised, gain or losses are recognised in profit or loss. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

Financial Liabilities at Fair value through profit or loss (FVTPL)

Financial Liabilities which does not meet the criteria of amortised cost are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3. DERIVATIVE AND HEDGE ACCOUNTING

Initial Recognition and Subsequent measurement

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

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

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

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

4. OFFSETTING FINANCIAL INSTRUMENTS

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

5. IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

J. INVENTORIES

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

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished and semi-finished goods represents direct and indirect cost for bringing the inventory to present situation and condition including cost of material plus costs of conversion, comprising of labor costs and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost of mining iron ore inventory includes bid premium, royalties, other overheads and costs incurred for mining.

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

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

K. FOREIGN CURRENCY TRANSACTIONS

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

L. EQUITY SHARE CAPITAL

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

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

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

N. EMPLOYEE BENEFITS

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

Short-term Employee Benefits

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

Other Long-term Employee Benefits

The cost of providing long term employee benefits consisting of leave encashment that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

Post-employment Benefit Plans

The Company operates the following post employment schemes:

- Defined Benefit Plans

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

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

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

- Defined Contribution Plan

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

O. OPERATING AND OTHER INCOME

i. **REVENUE FROM SALE OF PRODUCT**

Revenue from contracts with customers is accounted for only when it has commercial substance, and all the following criteria are met:

(i) parties to the contract have approved the contract and are committed to perform their respective obligations;

(ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;

(iii) consideration in exchange for the goods or service to be transferred is collectible and determinable.

Revenue from contract with customers is recognized on satisfaction of performance obligation, when control over the goods or services has been transferred and/or goods/ services are delivered/ provided to the customer. Delivery occurs when the goods have been shipped or delivered to a specific location, and the customer has either accepted the goods under the contract or the company has sufficient evidence that all the criteria for acceptance have been satisfied.

Revenue is measured at the amount of transaction price (consideration specified with the customers) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of rebates, claims and discounts, returns and value added tax. Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the company are excluded from revenue. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Revenue in respect of Sales contracts providing mechanism for pricing provisionally based on the price as per the Platts Steel Markets Daily index report as specified in the contracts. In such cases, revenue is recognised at such price on passing of control of the goods to the customers. Final settlement of the price is based on the applicable price for a specified future period. Such provisionally priced sales are marked to market at the end of the reporting period using the relevant forward prices for the future period specified in the contract. Post transfer of control of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 'Revenue from contracts with customers' and therefore the Ind AS 115 rules on variable consideration do not apply. Differential arising with respect to the final settlement and those on mark to market basis with respect to such sales are considered as provisional pricing adjustment and included in the revenue from operations and disclosed by way of notes to the financial statements.

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

ii. **INTEREST, DIVIDEND AND CLAIMS**

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

iii. **EXPORT BENEFITS**

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

P. BORROWING COST

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

Q. RESEARCH AND DEVELOPMENT

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

R. GOVERNMENT GRANTS

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

S. TAXES ON INCOME

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

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

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

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

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

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

T. EARNINGS PER SHARE

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

U. SEGMENT REPORTING

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

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

The Company enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials, services and project materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are generally settled within twelve months for raw materials/ services and within 36 months for the project materials. Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Payments made to vendors are treated as cash item and disclosed as cash flows from operating/ investing activity depending on the nature of the underlying transaction. Where such arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the balance sheet.

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

4 CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

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

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

a) **Depreciation / amortisation of and impairment on Property, Plant and Equipment / Intangible/ ROU Assets.**

Property, plant and equipment, ROU and intangible assets are depreciated/amortized over the estimated useful lives in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013 and estimate for proven and probable mineral reserve, taking into account the estimated residual value, wherever applicable.

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

In earlier years, the company determined the recoverable amount of the CGU based on the transaction price in terms of approved resolution plan and impairment with respect to carrying value of the assets was provided. This has been reviewed based on the assumptions and adjustments for forecasts wich may vary subsequently requiring adjustment as and when ascertained. According to such review, no further adjustment in the carrying value thereof has been considered essential. As at March 31, 2024, the carrying amount of Property, Plant and Equipment, Intangible assets and Capital Work in Progress is Rs. 6,55,895.68 lakhs (March 31, 2023: Rs. 6,25,264.63 lakhs)

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

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

c) **Impairment allowances on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowances as a result of the inability of the customer to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. In case of variation in financial conditions of the trade receivable the amount of impairment as recognised may vary having a significant impact on the Financial Statement.

d) **Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Also there are many transactions and assumptions during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

The Company has significant amount of unused business and depreciation losses. Significant management judgement is required to determine the amount of deferred tax assets (DTA) that can be recognised, based upon the likely timing for utilisation thereof against taxable profit together with future tax planning strategies. The management has reviewed the rationale for continuing recognition of DTA recognised in earlier years based on the likely timing and level of profitability in future and expected utilisation of deferred tax thereagainst. Accordingly, Rs. 30,900.92 lakhs has been reversed during the year and remaining amount recognised in earlier year has been continued to be carried forward for future period and Rs. 82,195.51 lakhs representing business losses and depreciation has not been recognised. Since these are based on assumptions and projections and thereby are inherently uncertain. The amount of DTA may vary in subsequent period depending upon then prevailing conditions, circumstances and profitability.

e) **Going Concern assumption**

As indicated in Note no. 44 of the financial statements, Ministry of Environment, Forest and Climate Change (MoEF) has revoked the stage I Forest clearance granted earlier and thereby the company has made representation for reconsideration of the same and grant of time for ensuring expedious action for compliances as substantial progress have been made in identification and procurement of forest land. Further, despite constraints in meeting long term funding requirements for want of CTO and losses incurred by the company, the net worth of the company is positive. Even though there is uncertainity in this respect as on this date and considering that effective steps including procurement and transfer of land to the forest department currently being undertaken for obtaining required clearances, considering the direction of Hon'ble Supreme Court allowing the continuation of the operations of the company and continued support by the Holding company for meeting company's funding and other requirements, the accounts of the company have been continued to be prepared on going concern basis. In the event of the assumption for going concern not turning out to be true in subsequent period, the same may have significant impact on the financial statement of the company.

f) **Mining Rights and Assets**

Mine Reserve and Site restoration Cost

Reserves considered for computing acquisition costs, stripping cost, costs as part of mining activity, exploration and evaluation cost are reassessed at least annually. Moreover, changes in reserves as a result of change in management assumptions could impact the amortisation rates and the carrying value of assets. Provision for site restoration are estimated based on available information, taking into account applicable local legal requirements, mining plans, data base based on survey report, current prices and discount rates. Significant technical and commercial judgements are required to determine the Company's estimate for iron ore reserves and provision for site restoration. All assumptions are reviewed annualy and variations are accounted for accordingly.

Commitment under MDPA arrangement

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

Based on management's evaluation of mining plan submitted and also as referred to in Note no. 40(A)(d), the accounts have been prepared on the assumption that there will not be any shortfall with respect to minimum quantity stipulated for production as required under MDPA.

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

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

h) **Provisions and Contingencies**

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

Management uses in-house and external legal professional to make judgment for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

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

(Rs. in lakhs)

5 PROPERTY, PLANT AND EQUIPMENT:

As at March 31, 2024												
Particulars	**Freehold land**	**ROU - Land Leasehold**	**Buildings**	**ROU - Building Leasehold**	**ROU - Equipments Leasehold**	**Plant and Equipment**	**Furniture and Fixtures**	**Vehicles**	**ROU - Vehicles Leasehold**	**Office Equipments**	**Railway Siding**	**Total**
Gross Block												
As at March 31, 2023	41,736.40	41,698.82	2,00,459.69	666.09	1,667.33	8,42,200.93	1,023.65	179.83	2,072.21	4,773.84	20,122.02	11,56,600.81
Additions	-	23,082.09	410.77	340.00	1,360.80	7,943.85	174.25	136.69	93.67	600.13	17.28	34,159.53
Disposal	-	-	-	-	-	(721.26)	(0.80)	(47.38)	(36.74)	(7.80)	-	(813.98)
Other Adjustments	-	-	-	(40.56)	(36.76)	-	-	-	(165.49)	-	-	(242.81)
As at March 31, 2024	**41,736.40**	**64,780.91**	**2,00,870.46**	**965.53**	**2,991.37**	**8,49,423.52**	**1,197.10**	**269.14**	**1,963.65**	**5,366.17**	**20,139.30**	**11,89,703.55**
Accumulated Depreciation												
As at March 31, 2023	-	4,714.72	46,204.81	413.65	807.48	2,20,448.49	348.41	90.90	956.17	2,397.18	6,661.78	2,83,043.59
Charge for the year	-	1,637.00	4,032.55	229.01	852.13	30,213.93	75.87	28.03	472.07	327.31	778.99	38,646.89
Disposal	-	-	-	-	-	(277.29)	(0.30)	(12.88)	-	(4.60)	-	(295.07)
Other Adjustments	-	-		(55.60)	(22.84)	-	-	-	(166.81)	-	-	(245.25)
As at March 31, 2024	**-**	**6,351.72**	**50,237.36**	**587.06**	**1,636.77**	**2,50,385.13**	**423.98**	**106.05**	**1,261.43**	**2,719.89**	**7,440.77**	**3,21,150.16**
Impairment												
As at March 31, 2023	18,006.21	-	77,522.21	-	-	3,20,549.81	134.68	29.75	-	1,079.90	7,682.60	4,25,005.16
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	(197.64)	-	-	-	(3.20)	-	(200.84)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	**18,006.21**	**-**	**77,522.21**	**-**	**-**	**3,20,352.17**	**134.68**	**29.75**	**-**	**1,076.70**	**7,682.60**	**4,24,804.32**
Net carrying amount												
As at March 31, 2024	**23,730.19**	**58,429.19**	**73,110.89**	**378.47**	**1,354.60**	**2,78,686.22**	**638.44**	**133.34**	**702.22**	**1,569.58**	**5,015.93**	**4,43,749.07**

As at March 31, 2023												
Particulars	**Freehold land**	**ROU - Land Leasehold**	**Buildings**	**ROU - Building Leasehold**	**ROU - Equipments Leasehold**	**Plant and Equipment**	**Furniture and Fixtures**	**Vehicles**	**ROU - Vehicles Leasehold**	**Office Equipments**	**Railway Siding**	**Total**
Gross Block												
As at March 31, 2022	39,445.06	36,746.48	2,00,307.25	540.12	1,051.17	8,25,294.08	926.31	241.70	1,549.42	4,195.96	20,107.59	11,30,405.14
Additions	2,291.34	4,952.34	152.44	128.06	630.82	18,500.76	100.33	13.25	295.08	644.15	20.25	27,728.82
Disposal	-	-	-	(2.09)	-	(1,593.91)	(2.99)	(75.12)	-	(66.27)	(5.82)	(1,746.20)
Other Adjustments	-	-	-	-	(14.66)	-	-	-	227.71	-	-	213.05
As at March 31, 2023	**41,736.40**	**41,698.82**	**2,00,459.69**	**666.09**	**1,667.33**	**8,42,200.93**	**1,023.65**	**179.83**	**2,072.21**	**4,773.84**	**20,122.02**	**11,56,600.81**
Accumulated Depreciation												
As at March 31, 2022	-	3,472.82	42,199.13	300.71	539.41	1,92,793.76	284.63	111.44	267.63	2,206.79	5,888.59	2,48,064.91
Charge for the year	-	1,241.90	4,005.68	112.94	268.07	28,181.19	64.08	12.69	688.54	244.35	774.95	35,594.39
Deductions/ Disposal	-	-	-	-	-	(526.46)	(0.30)	(33.23)	-	(53.96)	(1.76)	(615.71)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**4,714.72**	**46,204.81**	**413.65**	**807.48**	**2,20,448.49**	**348.41**	**90.90**	**956.17**	**2,397.18**	**6,661.78**	**2,83,043.59**
Impairment												
As at March 31, 2022	18,006.21	-	77,522.21	-	-	3,21,093.69	134.68	40.90	-	1,091.10	7,684.88	4,25,573.67
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Deductions/ Disposal	-	-	-	-	-	(543.88)	-	(11.15)	-	(11.20)	(2.28)	(568.51)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**18,006.21**	**-**	**77,522.21**	**-**	**-**	**3,20,549.81**	**134.68**	**29.75**	**-**	**1,079.90**	**7,682.60**	**4,25,005.16**
Net carrying amount												
As at March 31, 2023	**23,730.19**	**36,984.10**	**76,732.67**	**252.44**	**859.85**	**3,01,202.63**	**540.56**	**59.18**	**1,116.04**	**1,296.76**	**5,777.64**	**4,48,552.06**

(Rs. in lakhs)

5.1 Gross block includes certain property, plant and equipment i.e. freehold land which have been valued on April 01, 2015 i.e. the date of transition by an Independent Valuer and considered as "deemed cost" resulting in increase in value thereof by Rs. 15,513.41 lakhs (March 31, 2023: Rs. 15,513.41 lakhs)

5.2 Gross book value of Railway siding includes Rs. 12,137.50 lakhs (March 31, 2023: Rs 12,137.50 lakhs) ownership of which has not been vested with the company.

5.3 ROU Land Leasehold includes:-

a) Rs. 10,517.75 lakhs (March 31, 2023: Rs. 10,413.50 lakhs) in respect of 325.19 acres which are under process of regularisation by conversion to leasehold land (including Rs.9,097.09 lakhs being amount paid against demand made for such conversion) pending execution of lease deed. Such Leasehold land has been accounted for in accordance with Ind AS 116 with effect from April 01, 2019 pending execution of Lease deed and has been amortised considering a period of thirty years from the date of demand/capitalisation;

b) Estimated cost of 455.35 acres of forest land amounting to Rs. 53,142.06 lakhs (March 31, 2023: Rs. 30,164.24 lakhs) (on proportionate basis) includes Rs. 46,530.38 lakhs (March 31, 2023 : Rs. 23,552.55 lakhs) (as dealt herein below under 5.3(d)) being estimated cost of compensatory land to be provided as compensation towards afforestation. The title deed for such land even though in the name of the company the title thereof belongs to forest department pending compliance of requirement of afforestation and approval from respective authorities. The entire cost as estimated to be incurred in this respect, pending regularisation of title deed etc. and determination of amount if any in this respect has been considered as ROU Assets and have been amortised considering a period of thirty years from the date of demand/capitalisation.; and

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

d) In order to obtain the Environmental Clearence as dealt with in Note no. 44, the company apart from afforestation cost was required to provide five times of non-forest land in exchange of land used by the company for the Steel Plant and Rs. 46,530.38 lakhs (including Rs. 22,977.83 lakhs provided during the year) (March 31, 2023: Rs. 23,552.55 lakhs) being the cost as estimated by the management to be incurred and considered adequate for meeting the liability in this respect has been provided in the financial statements. Further, Rs. 6,611.69 lakhs being the NPV for area under utilisation as per the report of EIA consultant had also been capitalised in earlier year as ROU.

5.4 In earlier years, the Company had carried out the Impairment testing determining the Fair Value less cost to Sale and Value in Use. The said Valuation was been carried out by an Independent Valuer appointed in this respect.

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

The recoverable amount of the CGU was determined to be Rs. 6,08,186.00 lakhs as on that date and impairment of Rs. 5,11,193.01 lakhs was provided in that year. During the year, the amount of the impairment and assumptions made for the same considering the entire block of tangible and intangible assets including those relating to Iron Ore mines as one CGU and taking into account the potential impact of variation in costs, realisation etc., have been broadly reviewed for consistency and as estimated no further impairment/reversal thereof has been indicated and provision for impairment as determined and recognised in earlier year has remained unchanged.

5.5 Refer note. No. 20 in respect of charge created against borrowings. This includes land dealt with in Note no. 5.3 above.

6 CAPITAL WORK-IN-PROGRESS

	Particulars	Refer Note No.	As at March 31, 2024		As at March 31, 2023	
(a)	Capital Work in Progress	6.1				
	As per last Balance Sheet		1,32,834.43		85,035.06	
	Add: Addition during the year		35,018.77		65,636.19	
	Less: Capitalisation during the year		(2,863.58)	1,64,989.62	(17,836.82)	1,32,834.43
(b)	Project Development Expenditure	6.2				
	As per last Balance Sheet		56,331.70		54,846.47	
	Add: Finance Cost transferred from Statement of Profit and Loss	33.1	7,097.16		1,485.23	
	Add: Employee Benefit Expenses transferred from Statement of Profit and Loss	32	869.94		-	
	Less: Capitalisation during the year		-	64,298.80	-	56,331.70
(c)	Impairment					
	As per last Balance Sheet		(59,270.19)		(59,270.19)	
	Less: Transfer to Property, Plant and Equipment		-	(59,270.19)	-	(59,270.19)
				1,70,018.23		**1,29,895.94**

(Rs. in lakhs)

6.1 The project undertaken in earlier years for enhancing the production capacity from 1.5MTPA to 2.57MTPA and those in nature of balancing equipment for attaining the operational efficiency and related costs consisting of one Blast Furnace, Horizontal Coke Oven and other related equipments and facilities is under progress. Accordingly, Rs. 68,733.91 lakhs (net) being cost of various plant and equipment acquired for the project in earlier years has been carried forward as capital work in progress and is proposed to forming part of the planned expansion project post technical evaluation and consequential adjustments, as considered appropriate. Details in this respect and costs incurred subsequently pending completion are given in 6.3 and 6.4 below.

6.2 **Project Development Expenditure**

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

6.3 Ageing Schedule of Capital Work in Progress

Particulars	Amount in CWIP for a Period of				As at	Amount in CWIP for a Period of				As at
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	March 31, 2024	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	March 31, 2023
Projects in Progress										
Capacity Expansion and Efficiency Upgradation	38,879.63	53,899.47	-	72,810.05	**1,65,589.15**	53,899.47	-	-	72,810.05	**1,26,709.52**
Sustaining Capex- Modification and Addition	3,414.80	714.27	269.22	30.79	**4,429.08**	2,535.61	620.02	30.79	-	**3,186.42**

6.4 **Projects Overdue and expected Completion date**

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

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

Particulars	Amount in CWIP to be completed in				As at	Amount in CWIP to be completed in				As at
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	March 31, 2024	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	March 31, 2023
Sustaining Capex- Modification and Addition										
SMS PLANT	68.46	-	-	-	68.46	689.69		-	-	689.69
POWER PLANT	164.65	-	-	-	164.65	90.05	-	-	-	90.05
IRON ORE MINES	1,226.22	-	-	-	1,226.22	271.68	-	-	-	271.68
REBAR ML	-	-	-	-	-	45.00	-	-	-	45.00
BF2	319.17	-	-	-	319.17	388.06	-	-	-	388.06
BF3	-	-	-	-	-	63.00	-	-	-	63.00
COMN FACLITY	574.66	-	-	-	574.66	1,198.07	-	-	-	1,198.07
QA-IZ	-	-	-	-	-	149.48	-	-	-	149.48
QA-SZ	-	-	-	-	-	2.72	-	-	-	2.72
V. COKEOVEN	-	-	-	-	-	305.19	-	-	-	305.19
DIP	-	-	-	-	-	28.80	-	-	-	28.80
SINTER PLANT	27.88	-	-	-	27.88	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

7. OTHER INTANGIBLE ASSETS

(Rs. in lakhs)

As at March 31, 2024

Particulars	Gross Block				Amortisation				Impairment				Net carrying amount
Particulars	**As at March 31, 2023**	**Additions**	**Other Adjustments**	**As at March 31, 2024**	**As at March 31, 2023**	**Charge for the period**	**Other Adjustments**	**As at March 31, 2024**	**As at March 31, 2023**	**For the period**	**Other Adjustments**	**As at March 31, 2024**	**As at March 31, 2024**
Computer Softwares	2,070.26	236.43	75.91	2,230.78	848.26	361.38	45.17	1,164.47	54.66	-	-	54.66	1,011.65
Mining Assets	54,819.82	1,178.54	-	55,998.36	9,170.53	7,081.66	-	16,252.19	-	-	-	-	39,746.17
ROU- Software	-	1,581.41	-	1,581.41	-	210.85	-	210.85	-	-	-	-	1,370.56
	56,890.08	**2,996.38**	**75.91**	**59,810.55**	**10,018.79**	**7,653.89**	**45.17**	**17,627.51**	**54.66**	**-**	**-**	**54.66**	**42,128.38**

As at March 31, 2023

Particulars	Gross Block				Amortisation				Impairment				Net carrying amount
Particulars	**As at March 31, 2022**	**Additions**	**Other Adjustments**	**As at March 31, 2023**	**As at March 31, 2022**	**Additions**	**Other Adjustments**	**As at March 31, 2023**	**As at March 31, 2022**	**Additions**	**Other Adjustments**	**As at March 31, 2023**	**As at March 31, 2023**
Computer Softwares	1,596.24	474.02	-	2,070.26	509.82	338.44	-	848.26	54.66	-	-	54.66	1,167.34
Mining Assets	53,892.03	927.79	-	54,819.82	728.06	8,442.47	-	9,170.53	-	-	-	-	45,649.29
ROU- Software	-	-	-	-	-	-	-	-	-	-	-	-	-
	55,488.27	**1,401.81**	**-**	**56,890.08**	**1,237.88**	**8,780.91**	**-**	**10,018.79**	**54.66**	**-**	**-**	**54.66**	**46,816.63**

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

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

7.3 Mining Assets represents expenditure incurred in relation to acquisition of mining rights, mine development expenditure post development of technical and commercial feasibility and restoration obligations as per applicable regulations. This includes Stripping Activity Assets Gross Block amounting to Rs. 1,804.59 lakhs (including Rs. 1,157.09 lakhs for the year) as on March 31, 2024.

7.4 Refer Note no. 40(A)(d)

(Rs. in lakhs)

8 OTHER FINANCIAL ASSETS

	Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
(a)	Security Deposits			
	Considered good		685.82	528.14
	Considered doubtful		1.90	67.27
	Less: Impairment Allowance for doubtful deposit		(1.90)	(67.27)
(b)	Fixed Deposits with Banks (having original maturity of more than 12 months)	15.2	8,853.84	8,792.40
(c)	Interest receivable on fixed deposits	15.2	2.76	3.08
			9,542.42	**9,323.62**

8.1 Movement of Impairment Allowances for doubtful deposits

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Balance at the beginning of the year	67.27	63.91
Recognised during the year	1.90	3.36
Reversal during the year	(67.27)	-
Balance at the end of the year	**1.90**	**67.27**

9 NON-CURRENT TAX ASSETS (NET)

Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
Advance Income Tax including Tax deducted at source		2,179.45	2,461.57
		2,179.45	**2,461.57**

10 OTHER NON-CURRENT ASSETS

	Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
(a)	Capital advances		7,126.10	2,834.83
(b)	Prepaid Expenses		99.09	74.23
			7,225.19	**2,909.06**

11 INVENTORIES

	Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
(a)	Raw Materials		14,112.23	33,809.35
(b)	Raw Materials in transit		6,123.72	7,118.73
(c)	Semi Finised Goods/ Work In Progress		52,191.87	58,717.30
(d)	Finished Goods		3,334.49	9,594.87
(e)	Finished Goods in transit		117.23	120.25
(f)	Stores and Spares	11.1	21,835.96	19,688.74
	Less: Provision for Obsolete and Non-moving Stores and Spares	11.2	(3,267.97)	(3,563.33)
(g)	Stores and Spare Parts in transit		1,622.22	1,663.25
	Less: Provision for Obsolete and Non-moving Stores and Spares	11.2	(45.80)	(45.15)
(h)	Scrap and By Products		10,315.19	12,335.33
			1,06,339.14	**1,39,439.34**

11.1 Stores and Spares stock includes stock of DI Pipe Mould of size 350 mm and above amounting to Rs. 1,516.06 lakhs (March 31, 2023: Rs. 323.28 lakhs).

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

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Balance at the beginning of the year	3,608.48	4,316.64
Recognised during the year	-	-
Reversal during the year	(294.71)	(708.16)
Balance at the end of the year	**3,313.77**	**3,608.48**

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

12 INVESTMENTS

Particulars	As at March 31, 2024		As at March 31, 2023	
Investments measured at fair value through Profit and Loss	**Units**	**Amount**	**Units**	**Amount**
Investment in Mutual Funds (unquoted)				
(a) Aditya Birla Sunlife Liquid Fund- Regular Growth Plan (Face Value: Rs. 100)	-	-	2,75,915.11	1,001.80
(b) Aditya Birla Sunlife Overnight Fund- Direct Plan - Growth Option (Face Value: Rs. 100)	1,54,550.06	2,001.50	-	-
(c) ICICI Prudential Liquid Fund- Direct Plan- Growth Option (Face Value: Rs. 100)	-	-	3,00,610.72	1,001.59
		2,001.50		**2,003.39**

(Rs. in lakhs)

12.1 Aggregate amount of Investment in Mutual Funds	2,001.50	2,003.39
12.2 Aggregate amount of NAV of Investment in Mutual Funds	2,001.50	2,003.39

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

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

13 TRADE RECEIVABLES

Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
Unsecured			
Considered good	13.1	11,047.63	24,615.97
Considered good, having significant increase in Credit Risk	13.1	22.65	246.98
Credit Impaired	13.1	54.30	70.37
Less: Impairment Allowance for doubtful debts	13.2	(54.30)	(70.37)
		11,070.28	**24,862.95**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Undisputed Trade Receivables- Considered Good		
Within the credit period	9,250.03	14,504.81
Less than 6 Months	1,497.93	9,833.84
6 months - 1 Year	80.69	165.62
1-2 Years	103.32	80.42
2-3 years	79.62	19.17
More than 3 years	36.04	12.11
	11,047.63	**24,615.97**
Undisputed Trade Receivables- Significant increase in Credit Risk		
6 months - 1 Year	15.08	191.13
1-2 Years	2.57	55.85
2-3 years	5.00	-
	22.65	**246.98**
Disputed Trade Receivables- Credit impaired		
Less than 6 Months	-	-
6 months - 1 Year	-	-
1-2 Years	-	6.12
2-3 years	6.12	10.50
More than 3 years	48.18	53.75
	54.30	**70.37**

13.2 Movement of Impairment Allowances for doubtful debts

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Balance at the beginning of the year	70.37	112.53
Recognised during the year	-	-
Reversal during the year	(16.07)	(42.16)
Balance at the end of the year	**54.30**	**70.37**

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

14 CASH AND CASH EQUIVALENTS

	Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
(a)	**Balances with Banks:**			
	- In Current Accounts		15,450.80	3,503.65
(b)	Fixed Deposits with original maturity of less than 3 months		500.00	-
			15,950.80	**3,503.65**

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

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
Fixed Deposits with Banks (having original maturity of more than 3 months)	15.1 and 15.2	11,397.04	15,841.10
		11,397.04	**15,841.10**

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

15.2 Fixed Deposits with banks includes:

a) Rs.20,048.95 lakhs (March 31, 2023: Rs.23,974.52 lakhs) (including Rs.8,844.80 lakhs (March 31, 2023: Rs.8,780.54 Lakhs) disclosed under other non-current assets) which have been lodged with bank as margin money against Letter of Credit/Bank Guarantees/OD facilities issued/granted by them; and

b) Rs.201.93 lakhs (March 31, 2023: Rs.658.98 lakhs) (including Rs.9.04 lakhs (March 31, 2023: Rs.11.86 lakhs) disclosed under other non-current assets) lying with Customers/ Vendors/ Government Authorities in term of agreement/orders.

(Rs. in lakhs)

16 OTHER FINANCIAL ASSETS

	Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
(a)	Earnest Money/ Security Depoits to Vendors			
	Considered good		923.16	1,115.08
	Considered Doubtful		7.70	43.68
	Less: Impairment Allowance for doubtful deposits	16.1	(7.70)	(43.68)
(b)	Interest receivable		38.74	6.22
(c)	Export incentive receivables		126.50	76.81
(d)	Insurance Claim Receivable		-	293.09
(e)	Other Deposits	16.2	1,548.71	-
			2,637.11	**1,491.20**

16.1 Movement of Impairment Allowances for doubtful Debts and Deposits

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Balance at the beginning of the year	43.68	101.38
Recognised during the year	7.70	-
Reversal during the year	(43.68)	(57.70)
Balance at the end of the year	**7.70**	**43.68**

16.2 Rs.1,548.71 lakhs (March 31, 2023: Nil) has been deposited in compliance of the direction of the Hon'ble Jharkhand High Court in respect of award given in favor of a vendor pertaining to the period prior to June 04, 2018. The company has however filed an SLP before Hon'ble Supreme Court of India against the award of West Bengal Micro Small Enterprise Facilitator Council (WBMSEFC) and the matter is pending as on this date. (Refer sub-note in Note no. 40)

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

17 OTHER CURRENT ASSETS

	Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
(a)	Balance with Government Authorities			
	Considered good	17.3	9,268.78	7,697.70
	Considered doubtful		-	178.38
	Less: Impairment Allowance for doubtful balances	17.1	-	(178.38)
(b)	Advances for supply of goods and services			
	Considered good	17.4	15,247.32	27,156.31
	Considered doubtful		129.47	275.25
	Less: Impairment Allowance for doubtful balances	17.1	(129.47)	(275.25)
(c)	Prepaid Expenses	17.2	8,372.58	7,015.29
(d)	Advances against salaries		43.97	14.22
(e)	Others- GST Clearing accounts, LTIP		527.02	705.61
			33,459.67	**42,589.13**

17.1 Movement of Impairment Allowances for doubtful balances:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Balance at the beginning of the year	453.63	1,235.95
Recognised during the year	108.26	-
Reversal during the year	(432.42)	(782.32)
Balance at the end of the year	**129.47**	**453.63**

17.2 Includes amount paid to related parties against Brand Fees for the financial year 2023-2024 (Refer Note no 38)

17.3 Includes

a) Rs.1,288.43 lakhs (March 31, 2023: Rs.1,288.43 lakhs) related to Input Tax Credit on burnout based on the order of Hon'ble Supreme Court of India;

b) Rs.525.57 lakhs (March 31, 2023: Rs.525.57 lakhs) lying as deposit paid under protest against various judicial authorities in terms of the respective Orders; and

c) Rs.6,037.39 lakhs (March 31, 2023: Rs.3,516.22 lakhs) being differential amount of electricity duty charged against which a writ petition has been filed at Hon'ble High Court of Jharkhand stating that amendment made pursuant to Jharkhand Electricity Duty (Amendment) Act, 2021, for enhancing the duty are ultra vires the provision of Bihar Electricity Duty Act, 1948 as well as Articles 14, 19(1)(g) and 265 of the Constitution of India.

17.4 Includes Rs. 4,470.50 lakhs (March 31, 2023: Rs. 13,513.58 lakhs) lying with vendors under cash and carry arrangement against supply of imported coal over the specified period of time.

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

18 EQUITY SHARE CAPITAL

	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	**Authorised:**		
	10,02,00,00,000 (March 31, 2023: 10,02,00,00,000) Equity Shares of Rs. 10/- each	10,02,000.00	10,02,000.00
		10,02,000.00	**10,02,000.00**
(b)	**Issued, Subscribed and Fully Paid Up:**		
	1,84,90,30,224 (March 31, 2023: 1,84,90,30,224) Equity Shares of Rs. 10/- each	1,84,903.02	1,84,903.02
		1,84,903.02	**1,84,903.02**

(Rs. in lakhs)

18.1 Reconciliation of the number of Equity Shares Outstanding:

Particulars	As at March 31, 2024	As at March 31, 2023
No. of shares as at the beginning	1,84,90,30,224	1,84,90,30,224
Changes during the year	-	-
No. of shares as at the end	**1,84,90,30,224**	**1,84,90,30,224**

18.2 Shareholders holding more than 5% Shares Equity Shares:

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	Nos	% holding	Nos	% holding
Vedanta Limited	1,76,55,53,040	95.49%	1,76,55,53,040	95.49%

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

19 OTHER EQUITY

	Particulars		As at March 31, 2024	As at March 31, 2023
(a)	**Capital Reserve**	19.1		
	As per last Balance Sheet		**9,59,908.68**	**9,59,908.68**
(b)	**Capital Reserve on Amalgamation**	19.1		
	As per last Balance Sheet		**(1,74,593.58)**	**(1,74,593.58)**
(c)	**Securities Premium**	19.2		
	As per last Balance Sheet		**1,79,036.44**	**1,79,036.44**
(d)	**Retained Earnings**	19.3		
	As per last Balance Sheet		(5,92,548.13)	(5,36,481.73)
	Profit/(Loss) for the Year		(96,756.82)	(55,790.59)
	Transfer from Other Comprehensive Income		(81.25)	(275.81)
			(6,89,386.20)	**(5,92,548.13)**
(e)	**Other Comprehensive Income**			
	Re-measurement of defined benefit plan			
	As per last Balance Sheet		-	-
	Other Comprehensive Income for the year		(81.25)	(275.81)
	Transfer to Retained Earnings		81.25	275.81
			-	-
			2,74,965.34	**3,71,803.41**

19.1 Capital Reserve

A) Capital Reserve includes:

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

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

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

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

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

19.2 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

19.3 Retained Earnings

Retained earnings represents the amount of accumulated earnings/losses of the company. This includes Other Comprehensive Income of (Rs. 804.17 lakhs) (March 31, 2023: (Rs. 722.92 lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.

19.4 Other Comprehensive Income

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

(Rs. in lakhs)

20 BORROWINGS

Particulars		Refer Note No.	As at March 31, 2024	As at March 31, 2023
Secured Borrowings				
(a)	**From Banks:**			
	- Term Loan	20.1, 20.2, and 20.3	1,84,220.46	2,27,351.95
	Total (a)		**1,84,220.46**	**2,27,351.95**
Unsecured Borrowings				
(a)	Inter-Corporate Deposits from Holding Company	20.2 and 20.3	10,716.80	13,238.40
			10,716.80	**13,238.40**
	Less: Disclosed under Current Maturity of Long Term Debt- Unsecured	22	(2,521.60)	(2,521.60)
	Less: Disclosed under Current Maturity of Long Term Debt- Secured	22	(43,520.00)	(43,520.00)
			1,48,895.66	**1,94,548.75**

20.1 Security

Term Loan from banks is secured by:

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

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

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

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

20.2 The interest rate for the above loans ranges from 8.22% to 10.70%.

20.3 **Repayment terms:**

Year	**Term Loan from Banks**	**Inter-Corporate Deposit from Holding Company**
2024-2025	43,520.00	2,521.60
2025-2026	43,520.00	2,521.60
2026-2027	43,520.00	2,521.60
2027-2028	43,520.00	2,521.60
2028-2029	10,140.46	630.40

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

21 PROVISIONS

Particulars		Refer Note No.	As at March 31, 2024	As at March 31, 2023
(a)	Provision for Employee Benefits	32.1	1,469.95	1,096.28
(b)	Provision for Compliance Cost for EC	21.1 and 21.3	20,556.58	20,556.58
(c)	Provision for Site Restoration for Mines	21.2 and 21.3	307.46	284.73
			22,333.99	**21,937.59**

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

21.2 Provision for site restoration for mines relates to compensatory afforestation, mine closure and rehabilitation obligations. These amounts have been computed based on the Mining Plan submitted to the authority and will be incurred on closure of the mines over a period of 1 to 5 years. The cost to be incurred for Mine Closure Plan in terms of the Mining Regulation based on evaluation carried out by an Independent Professional in the previous year based on the present value of such cost to be incurred over the period specified as above has been varried forward in these accounts.

21.3 Movement of the Provisions are as follows:

Particulars	**Provision for Compliance Cost for EC**		**Provision for Site Restoration for Mines**	
	For the Year ended March 31, 2024	**For the Year ended March 31, 2023**	**For the Year ended March 31, 2024**	**For the Year ended March 31, 2023**
Balance at the beginning of the year	20,556.58	22,030.57	284.73	106.99
Recognised during the year	-	-	-	164.23
Finance cost unwinding	-	-	22.73	13.51
Written back/paid during the year	-	(1,473.99)	-	-
Balance at the end of the year	**20,556.58**	**20,556.58**	**307.46**	**284.73**

(Rs. in lakhs)

22 BORROWINGS

Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
Secured Borrowings			
Working Capital facilities from banks	22.3	6,391.06	-
Current maturities of long-term debts- Secured	20	43,520.00	43,520.00
Unsecured Borrowings			
Inter-Corporate Deposits from Holding Company	22.2	28,000.00	-
Current maturities of long-term debts	20	2,521.60	2,521.60
		80,432.66	**46,041.60**

22.1 The company has availed borrowings (both fund and non-fund based) from banks on the basis of security of current assets. The quarterly return or statements of current assets as submitted except for the month of March 2024 which is yet to be filed are in agreement with the books of accounts.

22.2 The company has obtained various short term facilities from the Holding Company to meet its funding requirement for compliance with respect to CTO and operations currently being undertaken as per the support letter approved by the Holding Company. Such facilities are unsecured fixed interest bearing.

22.3 Refer Note no. 43 in respect of security against working capital facilities

23 TRADE PAYABLES

Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
Payable for goods and services			
Due to Micro and Small Enterprises	23.1	7,883.23	6,508.12
Others		57,335.35	60,892.72
		65,218.58	**67,400.84**

23.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at March 31, 2024	As at March 31, 2023
a) Principal amount remaining unpaid but not due as at year end	7,883.23	6,508.12
b) Interest amount remaining unpaid but not due as at year end	-	-
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006,	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed	-	-
e) Interest accrued and remaining unpaid as at year end	143.45	-
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as	-	-

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

Particulars	As at March 31, 2024	As at March 31, 2023
Undisputed - Non MSME		
Less than 1 year	42,025.97	59,215.84
1-2 years	14,369.59	1,533.49
2-3 years	936.51	94.21
More than 3 years	3.28	31.66
	57,335.35	**60,875.20**
Undisputed - MSME		
Less than 1 year	7,426.89	6,152.43
1-2 years	357.18	320.71
2-3 years	95.18	34.98
More than 3 years	3.98	-
	7,883.23	**6,508.12**
Disputed - Non MSME		
Less than 1 year	-	1.73
1-2 years	-	15.79
2-3 years	-	-
More than 3 years	-	-
	-	**17.52**
	65,218.58	**67,400.84**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Undisputed - Non MSME	4,199.71	16,622.14
Disputed - Non MSME	-	0.58
Undisputed - MSME	2,410.24	1,523.96
Disputed - Non MSME	-	-
	6,609.95	**18,146.68**

(Rs. in lakhs)

24 OTHER FINANCIAL LIABILITIES

	Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
(a)	Interest accrued but not due on borrowings	20	3,311.76	856.85
(b)	Earnest Money Deposit/ Security Deposit Customer		1,813.42	1,550.53
(c)	Capital Vendors		16,189.74	8,501.98
(d)	Derivative Instrument Liability at fair value through profit and loss (net)	46(d)(iii)	15.24	282.79
(e)	Others Payables			
	- Employees payable		2,881.26	1,420.97
	- Others		441.07	459.29
			24,652.49	**13,072.41**

25 OTHER CURRENT LIABILITIES

	Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
(a)	Advance from customers	25.1	1,06,073.73	25,210.59
(b)	Statutory Dues Payables		62,647.66	52,696.82
	(includes Royalty on Iron Ore mines, Provident Fund, GST, Tax deducted at source etc.)		**1,68,721.39**	**77,907.41**

25.1 Includes Interest bearing advance of Rs. 86,822.55 lakhs (March 31, 2023: Rs. 10,216.16 lakhs) received from holding company in terms of Agreement for Sale of Iron Ore to be adjusted against shipment made thereagainst or on expiration of the contract along with interest at SBI 1Y MCLR+0.20 calculated on the outstanding balance.

26 PROVISIONS

Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits	32.1	166.28	189.64
Other Provisions	26.1	-	-
		166.28	**189.64**

26.1 Other Provisions represent amount provided in respect of defined contribution for employee benefit including for contractual workmen pursuant to the Order of Hon'ble Supreme Court being no longer required and written back during the previous year. Movement of such Provisions are as follows:

Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year		-	953.83
Recognised during the year		-	-
Written back during the year		-	(953.83)
Balance at the end of the year		**-**	**-**

(Rs. in lakhs)

27 REVENUE FROM OPERATIONS

Particulars	Refer Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Sale of Products:			
Finished and Semi-Finised Products:			
- Export Sales		22,180.63	38,118.22
- Domestic Sales		8,07,862.58	7,47,062.82
		8,30,046.22	**7,85,181.04**

27.1 Disclosure as per Ind AS 115:

Disaggregate Revenue

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

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	Government		Non-Government	
Within India				
- Billets	-	-	12,320.57	7,921.32
- TMT bars	9,870.02	20,340.81	2,50,607.48	2,38,502.75
- Wire rods	-	-	2,16,987.57	2,27,746.92
- DI pipes	8,824.67	669.92	1,38,349.45	1,25,615.32
- PIG Iron	-	-	80,534.08	85,857.95
- Iron Ore	-	-	90,368.74	40,180.14
- Others	-	-	20,547.34	12,708.06
Outside India				
- Billets	-	-	-	1,677.37
- TMT bars	-	-	249.48	90.42
- Wire rods	-	-	6,553.08	4,683.03
- DI pipes	-	-	-	-
- PIG Iron	-	-	942.04	232.92
- Iron Ore	-	-	14,436.03	31,434.48
- Others	-	-	-	-
	18,694.69	**21,010.73**	**8,31,895.86**	**7,76,650.68**

27.2 Revenue from sale of products for the year ended March 31, 2024 includes revenue from contracts with customers of Rs. Rs. 61,145.07 lakhs (March 31, 2023: Rs. 2,258.97 lakhs) based on provisional pricing and pricing adjustments (net) of Rs. 4,706.68 lakhs (March 31, 2023: Nil) arising on account of gains/ losses on final settlement of such provisionally priced sales contracts and on mark to market basis at the end of the year.

27.3 Majority of the Company's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within three months. As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient under paragraph 121 of Ind AS 115 and has not given the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date.

28 OTHER OPERATING INCOME

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Scrap/ By-products and Others	20,544.33	12,480.37
Incentive on Exports	221.23	96.51
	20,765.56	**12,576.88**

29 OTHER INCOME

	Particulars	Refer Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a)	Interest income on Fixed deposits, Security Deposits, overdue debts etc. measured at amortised cost		2,191.81	2,088.44
(b)	Interest income on financial assets measured at amortised cost		4.73	129.03
(c)	Sundry Credit balances/Provision no longer required written back	29.1	7,019.29	2,506.72
(d)	Net Gain on foreign exchange fluctuation		431.11	-
(e)	Net gain on Derivative Instruments on fair valuation through profit and loss		132.21	-
(f)	Net Gain on Current Investments at Fair Value through profit and loss		137.37	341.78
(g)	Miscellaneous Income		1,135.62	2,404.25
			11,052.14	**7,470.22**

29.1 Includes old balances of certain suppliers/service providers/Trade Receivables/ clearing accounts being no longer payable on reconciliation have been written back during the year.

(Rs. in lakhs)

30 COST OF MATERIALS CONSUMED

Particulars	Refer Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Raw material and other materials consumed			
Inventory at the beginning of the year		40,928.08	57,642.97
Add: Purchases and other related costs		4,17,906.46	4,85,577.35
Less: Inventory at the end of the year		20,235.95	40,928.08
	30.1	**4,38,598.59**	**5,02,292.24**

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

Particulars	Refer Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cost of Material consumed			
Increase/(Decrease) in Stock of Raw Material		(4,316.23)	(3,215.21)
Changes in Inventories of Finished/ Semi-Finished Goods and Stock-in-Trade			
Increase/(Decrease) in Stock of Finished Goods		-	-
Increase/(Decrease) in Stock of Semi-Finished Goods		(2,786.79)	(745.95)
Increase/(Decrease) in Stock of Scrap/ By-products		2,310.54	1,988.83
		(4,792.48)	**(1,972.33)**

30.2 Cost of material consumed represents procurement from external sources and cost incurred for own generation/raising etc. remain included under respective head of accounts.

31 CHANGES IN INVENTORIES OF FINISHED/ SEMI-FINISHED GOODS AND STOCK-IN-TRADE

	Particulars	Refer Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(i)	**Inventories at the end of the year**			
(a)	Finished Goods		3,451.72	9,715.12
(b)	Semi-Finished Goods		52,191.87	58,717.30
(c)	Scrap / By-products		10,315.19	12,335.33
			65,958.78	**80,767.75**
(ii)	**Inventories at the beginning of the year**			
(a)	Finished Goods		9,715.12	2,798.62
(b)	Semi-Finished Goods		58,717.30	30,577.35
(c)	Scrap / By-products		12,335.33	6,849.50
			80,767.75	**40,225.47**
		31.1	**14,808.97**	**(40,542.28)**

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

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

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Reversal/ Write-down in value of Inventories	615.41	-
a) Inventories recognised as expense	8,20,600.12	7,58,178.12

32 EMPLOYEE BENEFITS EXPENSE

	Particulars	Refer Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a)	Salaries and wages		21,140.09	19,667.32
(b)	Contribution to Provident and Other Funds		1,082.80	1,012.75
(c)	Staff welfare expenses		1,236.66	646.14
(d)	Less: Transferred to Capital Work in Progress	6.2	(869.94)	-
			22,589.61	**21,326.21**

32.1 The Shareholders vide their ordinary resolution dated September 28, 2023 had approved the remuneration paid/ payable to the Wholetime Director amounting to Rs. 346.41 lakhs. Due to inadequacy of profit during the year, such remuneration has exceeded the limit specified in Section 197 of the Act read with Schedule V by Rs. 64.47 lakhs. However, till June 04, 2023, the company was covered under exemption of the aforesaid provisions according to Section III (b) (iii) of Schedule V for a period of 5 years from the date of NCLT approval as the company was acquired by Vedanta Limited through Resolution Plan approved by Hon'ble NCLT. Further pursuant to provisions of Section 197 (9) and Section 197 (10) of the Companies Act 2013 in case remuneration already paid to the managerial personnel exceeds the needs limit specified, the same needs to be ratified by the shareholders by passing a Special Resolution within 2 years of making excess payment which is being taken up in the ensuing Annual General Meeting.

32.2 POST RETIREMENT EMPLOYEE BENEFITS

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

(I) Defined Contribution Plans

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

(Rs. in lakhs)

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

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Employer's Contribution to Provident Fund	548.83	438.30
Employer's Contribution to Pension Scheme	133.33	213.87
Employer's Contribution to Superannuation Scheme	45.68	74.07
Employer's Contribution to National Pension Scheme	80.21	54.80

(II) Post Employment Defined Benefit Plans:

The Post Employment defined benefit scheme is a defined benefit plan. The present value of obligation is determined based on independent actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Details of such fund are as follows:

Gratuity (Funded)

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

(III) The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended March 31, 2024 and corresponding figures for the previous year:

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

	Gratuity (funded) As at March 31, 2024	Gratuity (funded) As at March 31, 2023
Liability at the beginning of the year	1,858.38	1,349.63
Interest Cost	137.33	96.36
Current Service Cost	259.49	222.78
Benefits paid	(258.37)	(187.02)
Remeasurements - Due to Financial Assumptions	66.04	297.91
Remeasurements - Due to Experience Adjustments	80.28	78.72
Liability at the end of the year	**2,143.15**	**1,858.38**

(b) Changes in the Fair Value of Plan Asset

	As at March 31, 2024	As at March 31, 2023
Fair value of Plan Assets at the beginning of the year	1,282.84	1,241.55
Expected return on Plan Assets	94.80	88.62
Contributions by the Company	-	-
Benefits paid	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	21.43	(47.33)
Fair value of Plan Assets at the end of the year	**1,399.07**	**1,282.84**

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

	As at March 31, 2024	As at March 31, 2023
Liability at the end of the year	2,143.15	1,858.38
Fair value of Plan Assets at the end of the year	1,399.07	1,282.84
Amount recognised in the Balance Sheet	**744.08**	**575.54**

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

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current Service Cost	259.49	222.78
Interest Cost	137.33	96.36
Expected return on plan assets	(94.80)	(88.62)
Total Defined benefit recognised in Statement of Profit & Loss Account	**302.02**	**230.52**

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

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Remeasurements - Due to Financial Assumptions	66.04	297.91
Remeasurements - Due to Experience Adjustments	80.28	78.72
Remeasurements- Return on Assets	(21.43)	47.33
Remeasurements recognised in Other Comprehensive Income	**124.89**	**423.96**

(Rs. in lakhs)

(f) **Balance Sheet Reconciliation**

	As at March 31, 2024	As at March 31, 2023
Opening Net Liability	575.54	108.08
Defined Benefit Cost included in Statement of Profit and Loss Account	302.02	230.52
Remeasurements recognised in OCI	124.89	423.96
Employers Contribution	-	-
Benefit Paid directly by company	(258.37)	(187.02)
Amount recognised in Balance Sheet	**744.08**	**575.54**

(g) Percentage allocation of plan assets in respect of fund managed by insurer is as follows:

	As at March 31, 2024	As at March 31, 2023
Fund managed by Insurer	100.00%	100.00%

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

	As at March 31, 2024	As at March 31, 2023
Summary of Financial Assumptions		
Discount Rate	7.10%	7.39%
Future Salary Increase	8.00%	8.00%
Salary Escalation- After Five Years	8.00%	8.00%
Expected Return on Plan Assets	7.10%	7.39%
Summary of Demographic Assumptions		
Mortality Rate [as % of IALM (2012-14) (Mod.) Ult. Mortality Table]	100.00%	100.00%
Disability Table (as % of above mortality rate)	5.00%	5.00%
Withdrawal Rate	1% to 8%	1% to 8%
Retirement Age	60/58 Years	60/58 Years
Average Future Service	23.49	23.46
Weighted Average Duration	13.06	13.05

Sensitivity Analysis

Particulars	Change in Assumption	Gratuity As at March 31, 2024	Gratuity As at March 31, 2023
Changes in Defined Benefit Obligations:			
Salary Escalation	+0.50%	121.47	101.38
Salary Escalation	(0.50%)	(112.72)	(94.13)
Discount Rates	+0.50%	(113.12)	(94.22)
Discount Rates	(0.50%)	123.12	102.47

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	112.70	151.43
Year 2	77.58	67.48
Year 3	78.41	63.58
Year 4	90.17	93.30
Year 5	89.64	70.30
Remaining Subsequent Years	1,694.66	1,412.27

Other Long Term Employee benefits

Compensated Absences

The obligation for compensated absences is recognised in the same manner as gratuity except remeasurement benefit which is treated as part of other comprehensive income. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2024 and March 31, 2023 are given below:

	As at March 31, 2024	As at March 31, 2023
Privileged Leave	775.53	672.47
Sick Leave	116.62	40.27
Average number of people employed	1,825	1,791

(Rs. in lakhs)

Risk analysis

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

Investment risk

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

Interest risk

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

Longevity risk / Life expectancy

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

Salary growth risk

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

33 FINANCE COSTS

	Particulars	Refer Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a)	Interest Expense on financial liabilities not measured at FVTPL		47,618.35	37,619.82
(b)	Other Borrowing Cost (i.e. LC charges, Suppliers Credit, Guarantee Comission etc.)		2,640.25	1,470.88
(c)	Less: Transferred to Capital Work in Progress	33.1	(7,097.16)	(1,485.23)
			43,161.44	**37,605.47**

33.1 The company has capitalised general funds borrowed and used for the purpose of obtaining a qualifying asset by applying a capitalisation rate of 9.80% (March 31, 2023: 9.56%) to the expenditure incurred on the said asset as required in terms of Ind AS 23 "Borrowing Costs".

33.2 Interest Expense includes Rs. 381.04 lakhs (March 31, 2023: Rs. 229.45 lakhs) towards lease obligations of Right of Use Assets.

34 DEPRECIATION AND AMORTISATION EXPENSE

	Particulars	Refer Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a)	Depreciation on Tangible Assets	5	38,646.89	35,594.39
(b)	Amortisation of Intangible Assets	7	7,653.89	8,780.91
			46,300.78	**44,375.30**

35 OTHER EXPENSES

	Particulars	Refer Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a)	Consumption of Stores and Spares		22,473.94	23,557.30
(b)	Power and Fuel		34,705.74	34,507.07
(c)	Freight and Forwarding Charges		20,521.32	29,317.35
(d)	Rent		211.75	128.00
(e)	Rates and taxes		950.37	554.04
(f)	Insurance		1,574.51	1,936.97
(g)	Repairs to Plant and Machinery		4,467.66	5,466.00
(h)	Repairs to Building & others		876.56	578.26
(i)	Operation and Maintenance expenses		44,431.74	30,283.77
(j)	Machine Hire Charges		791.23	959.25
(k)	Royalty, Bid Premium & other mines fees	35.1	1,95,753.88	1,30,905.51
(l)	Brand Fees	35.2	10,628.08	10,501.12
(m)	Material Handling Expenses		5,522.28	3,064.57
(n)	Listing and Registrar Expenses		26.44	56.47
(o)	Security Expenses		2,091.90	1,962.75
(p)	Advertisement and Business Promotion Expenses		152.75	215.39
(q)	Travelling & Conveyance		1,730.53	1,843.52
(r)	Legal & Professional Fees		4,044.10	3,453.65
(s)	Payment to Auditors	35.3	58.16	63.26
(t)	Net (gain)/loss on foreign exchange fluctuation		-	586.27
(u)	Net (gain)/loss on Derivative Instruments on fair valuation through profit and loss		-	433.45
(v)	Loss on Sale/Discard of Fixed Assets (Net)		307.88	571.10
(w)	Selling and Distribution Expenses		265.47	349.99
(x)	Packing Materials consumed and packing charges		1,832.68	1,587.57
(y)	Impairment Allowance for Doubtful Debt and Deposits		9.60	3.35
(z)	Provision for Doubtful Advance		108.26	-
(aa)	Sundry Balances written-off		1,085.72	782.97
(ab)	Sitting Fees to Directors		41.09	60.39
(ac)	Other Miscellaneous Expenses		4,079.34	3,519.11
			3,58,742.98	**2,87,248.45**

35.1 Royalty, Bid Premium & other mines fees includes Rs. 38,062.06 lakhs (March 31, 2023: Rs. 65,721.72 lakhs) provided on provisional basis based on last notified Iron Ore prices pending publication of such prices by IBM.

(Rs. in lakhs)

35.2 The company in terms of the Brand Licence Agreement dated September 24, 2019 read with addendum dated May 23, 2022 with Vedanta Resources Limited has agreed to pay 1.5% of the Turnover as "Brand Fee". In accordance with the said agreement, the company has paid advance of Rs. 11,122.16 lakhs (March 31, 2023: Rs. 16,546.33 lakhs) against which Rs. 10,628.08 lakhs (March 31, 2023: Rs. 10,501.12 lakhs) has been recognised as expense. The balance amount will be adjusted/refunded in subsequent year.

35.3 Payment to Auditors

	Particulars	**For the Year ended March 31, 2024**	**For the Year ended March 31, 2023**
(a)	Statutory Audit Fee	35.00	30.00
(b)	Certification etc.	21.00	31.25
(c)	Out of Pocket Expenses	2.16	2.01
		58.16	**63.26**

35.4 The Board of Director's based on the recommendation of the Nomination and Remuneration Committee meeting have approved comission amounting to Rs. 29.60 lakhs to it's independent directors which is subject to Shareholder's approval in the ensuring Annual General Meeting.

36 EXCEPTIONAL ITEMS

Particulars	**Refer Note No.**	**For the Year ended March 31, 2024**	**For the Year ended March 31, 2023**
Demand for Water Charges	36.1	(2,579.22)	-
		(2,579.22)	-

36.1 Exceptional Item Rs. 2,579.22 lakhs represents water withdrawal charges pertaining to earlier period provided during the year as demanded and determined by Damodar Valley Corporation.

37 COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	**Refer Note No.**	**For the Year ended March 31, 2024**	**For the Year ended March 31, 2023**
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of Defined benefit plans	32.1	(124.89)	(423.96)
		(124.89)	**(423.96)**

38 RELATED PARTY TRANSACTIONS

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

Names of the related parties and description of relationships:

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

	Key Management personnel	**Designation**
B	Arun Misra	Non-Executive Director (Appointment w.e.f. September 01, 2023)
	Subodh Kumar Rai	Director (Appointment w.e.f. September 01, 2023)
	Poovannan Sumathi	Non-Executive Director
	Thomas Mathew Thumpeparambil	Non-Executive Director
	Anand Prakash Dubey	Chief Financial Officer
	Ashish Kumar Gupta	Whole Time Director and Chief Executive Officer
	Prasun Kumar Mukherjee	Non-Executive Director (Resigned w.e.f June 03, 2023)
	Mahendra Singh Mehta	Non-Executive Director (Resigned w.e.f June 21, 2023)

C **Entities where KMP or their close member have significant influence or control or Group Enterprises or Companies under common control and with whom transaction have taken place during the year**

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

(Rs. in lakhs)

D **Related party transaction:**

Nature of Transaction	**Holding Company- VL**	
	2023-24	**2022-23**
Recovery of Expenses	269.63	187.33
Reimbursement of Expenses	352.50	-
Purchase of materials	-	21,497.06
Purchase of assets	-	273.04
Interest Expenses	5,278.86	2,758.33
Guarantee Comission	713.47	850.16
Corporate Cost Allocation and reimbursement	3,453.81	4,360.80
Advance received against Sale of Materials	1,43,136.00	12,500.00
Sale of scrap	961.01	-
Sale of materials	65,851.75	2,258.97
Sale of assets	-	8.10
Closing balance as at March 31	**2023-24**	**2022-23**
Inter Corporate Deposit Payable	38,716.80	13,238.40
Trade Payables	16,261.57	22,480.22
Reimbursement of Expenses Payable	5.51	-
Recovery of Expenses Receivable	0.17	-
Advance from Customer	86,822.55	10,216.16
Corporate Guarantee given against borrowings	1,99,948.19	2,28,480.00
Interest Payable	1,370.81	288.03

Nature of Transaction	**Key Management Personnel**		**Entities where KMP or their close member have**	
	2023-24	**2022-23**	**2023-24**	**2022-23**
Sale of goods				
SPTL	-	-	1,961.47	2,672.10
MRPL	-	-	3,490.11	713.03
FACL	-	-	-	388.34
Sale of assets				
FACL	-	-	-	1.39
Purchase of assets				
BACL	-	-	-	12.51
FACL	-	-	-	1.33
SMCL	-	-	-	10.69
SRL	-	-	-	0.63
Recovery of Expenses				
FACL	-	-	3.09	30.18
HZL	-	-	25.36	6.96
Runaya	-	-	10.55	-
BACL	-	-	13.67	6.92
MEL	-	-	16.56	47.88
TSPL	-	-	-	4.48
Reimbursement of Expenses				
BACL	-	-	30.01	2.12
FACL	-	-	8.82	-
HZL	-	-	23.06	6.68
VGCBPL	-	-	-	0.32
SDL	-	-	51.16	-
MEL	-	-	-	57.40
TSPL	-	-	0.51	9.52
Purchase of Materials/Services Received				
VGCBPL	-	-	-	175.79
SDL	-	-	863.30	
FACL	-	-	669.65	581.53
MEL	-	-	-	6,253.16
MVPL	-	-	15.58	1,393.83
Runaya	-	-	9.39	10.00
Brand Fees				
VRL	-	-	10,628.08	10,501.12
Interest Received				
SPTL	-	-	47.51	54.14
Remuneration				
Mahesh Iyer	-	13.39	-	-
Anand Prakash Dubey	110.38	113.80	-	-
Navnath Laxman Vhatte	-	151.72	-	-
Ashish Gupta	275.15	161.77	-	-
Director sitting fees and comission				
Prasun Kumar Mukherjee	3.87	19.46	-	-
Subodh Kumar Rai	12.46	-	-	-
Mahendra Singh Mehta	4.56	19.21	-	-
Thomas Mathew Thumpeparambil	20.21	13.26	-	-

(Rs. in lakhs)

Nature of Transaction	Key Management Personnel		Entities where KMP or their close member have	
	2023-24	2022-23	2023-24	2022-23
Closing balance as at March 31				
Remuneration Payable				
Anand Prakash Dubey	4.35	-	-	-
Ashish Gupta	9.73	-	-	-
Director Comission Payable				
Prasun Kumar Mukherjee	2.62	13.46	-	-
Subodh Kumar Rai	8.71	-	-	-
Mahendra Singh Mehta	3.31	13.95	-	-
Thomas Mathew Thumpeparambil	14.96	10.13	-	-
Trade Payable				
FACL	-	-	42.76	50.29
SDL	-	-	10.99	-
SPTL	-	-	1.57	-
MVPL	-	-	91.24	756.53
BACL	-	-	5.28	0.98
VRL	-	-	-	-
Advances Given				
VRL	-	-	6,461.79	5,967.70
Trade Receivable				
HZL	-	-	2.78	0.30
Runaya	-	-	0.33	
VGCBPL	-	-	3.96	3.96
MRPL	-	-	386.32	-
SPTL	-	-	-	12.55
MEL	-	-	63.31	45.92

E **Compensation of Key management personnel**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	396.77	398.20
Post-employment benefits	16.59	70.47
Other long-term benefits	13.27	23.94

Notes:

1. The above related party information is as identified by the management and relied upon by the auditor
2. In respect of above parties, there is no provision for doubtful debts as on March 31, 2024 and no amount has been written back or written off during the year in respect of debts due from/ to them.
3. Post-Employee benefits and other long term employee benefits have been disclosed made on retirement/resignation of services but does not include provision made on acturial basis as the same is available for all the employees together.
4. All transactions from related parties are made in ordinary course of business. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

5. Terms and conditions of transactions with related parties

All transactions are from related parties are made in ordinary course of business. For the year ended March 31 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39 DISCLOSURE AS PER IND AS 116

i) Following are the changes in the carrying value of right of use assets:

Particulars	Software	Land	Buildings	Equipment	Vehicle	Total
As at March 31, 2022	-	33,273.66	239.41	511.76	1,281.79	35,306.62
Addition	-	4,952.34	128.06	630.82	295.08	6,006.30
Deletion	-	-	(2.09)	-	-	(2.09)
Adjustments	-	-	-	(14.66)	227.71	213.05
Depreciation	-	(1,241.90)	(112.94)	(268.07)	(688.54)	(2,311.45)
As at March 31, 2023	**-**	**36,984.10**	**252.44**	**859.85**	**1,116.04**	**39,212.43**
Addition	1,581.41	23,082.09	340.00	1,360.80	93.67	26,457.97
Deletion	-	-	-	-	(36.74)	(36.74)
Adjustments	-	-	15.04	(13.92)	1.32	2.44
Depreciation	(210.85)	(1,637.00)	(229.01)	(852.13)	(472.07)	(3,401.06)
As at March 31, 2024	**1,370.56**	**58,429.19**	**378.47**	**1,354.60**	**702.22**	**62,235.04**

(Rs. in lakhs)

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

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	21,637.57	17,534.16
Non-current lease liabilities	2,503.15	1,468.21
Total	**24,140.72**	**19,002.37**

iii) The following is the movement in lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	19,002.37	23,469.34
Additions	26,457.97	6,006.30
Finance cost accrued during the period	381.04	229.45
Adjustments against assets	2.44	(460.16)
Deletions	(36.74)	(2.09)
Payment of lease liabilities	(21,666.36)	(10,240.47)
Closing	**24,140.72**	**19,002.37**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	21,694.00	17,834.55
Later than one year and not more than five years	2,724.80	1,596.62
Later than five years	-	-

v) Also refer Note no. 5.3 regarding lease liability being recognised pending execution of lease deed and Note no. 44 dealing with Environmental Clearence and approval for afforestation land.

vi) Further to above, the Company has certain operating lease arrangements for office, transit houses, furnitures and fixtures etc. for short-term leases. Expenditure incurred on account of rental payments under such leases during the year and recognized in the Profit and Loss account amounts to Rs. 211.75 lakhs (March 31, 2023: Rs. 128.00 lakhs).

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

A) CONTINGENT LIABILITIES

	Particulars	Refer Note No.	As at March 31, 2024	As at March 31, 2023
a)	Guarantees given by banks on behalf of the Company		10.00	10.00
b)	Electricity Duty charged pursuant to Jharkhand Electricity Duty (Amendment) Act, 2021	17.3(c)	6,037.39	3,516.22
c)	Electricity Duty on Captive Power Plant pursuant to Jharkhand Electricity Duty (Amendment) Act,	17.3(c)	3,310.39	1,616.59
d)	Demand raised in terms of Mine Development and Production Agreements (MDPA) entered with State Government for Iron Ore Mines (Refer Note (B) below)		1,75,726.21	1,75,726.21
			1,85,083.99	**1,80,869.02**

B) The Company has been granted Nadidihi Iron Ore and Manganese Block with Lease Area of 117.21 Hectares and Nadidihi Iron ore Block with Lease Area of 74.50 Hectares in Odisha on November 20, 2021. The Mine Development and Production Agreements (MDPA) entered into by the Company with respect to the above two Iron Ore Block obligates certain minimum despatch requirement for each year of the operations.

The Company has received demand notices dated December 03, 2022 aggregating Rs. 1,70,780.81 lakhs and dated April 11, 2023 aggregating Rs. 4,945.40 lakhs towards penalty for shortfall in minimum despatch for the first year of the lease i.e. upto November 19, 2022 and for subsequent quarter thereof from November 20, 2022 upto February 19, 2023 respectively for both the mines. In respect of period from November 20, 2022 upto period ended February 19, 2023 demands have been made on provisional basis and for the remaining period thereafter no such demand has been made. Management believes that the demands for shortfall as made against the company are not valid as per the provisions of law and MDPA. Accordingly, based on a legal opinion obtained, in respect of first year of commercial operations the Company has filed a Revision Application before Revisional Authority, Ministry of Mines challenging the said demand against which the said authority has directed the state government that no coercive actions should be taken to realise the amount demanded till any further order in this respect. In view of the management the obligation for minimum despatch quantity has been met cumulatively on annual basis and pending final decision as advised legally no liability requiring any provision on account of shortfall as per the above demands is expected to arise.

Notes:

In view of the management supported by legal opinion and various judicial pronouncements, the contention of the claimants in respect of statutory liability prior to June 04, 2018 are not tenable as per the Resolution Plan approved by Hon'ble NCLT and no outflow of fund with respect to these are expected. The Company's other pending litigations comprises of claims against the company and proceedings pending with Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements and does not expect any cash outflow in this respect.

(Rs. in lakhs)

C) CAPITAL AND OTHER COMMITMENTS

	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	Estimated amount of contracts remaining to be executed on capital account (net of advances) and	93,236.42	1,04,990.16
		In Foreign Currency	**In Foreign Currency**
(b)	Forward Contract Outstanding		
	In USD	1,25,72,179	3,56,14,827
	In EURO	-	2,78,100

D) The company has imported certain capital items etc., for the capital projects pending completion as on March 31, 2024. These imports have been made under Manufacturing and Other Operations in Warehouse Regulations, 2019 ('MOOWR Scheme') notified by Central Board of Indirect taxes and Customs whereby customs duty becomes payable either on clearances of such items for domestic purposes or scraping thereof if no such clearance is made. The amount of duty with respect to these items work out to be Rs. 10,971.51 lakhs which will become payable on happening of above stated events. This being relatable to capital items under installation, as such does not have any impact on Statement of Profit and Loss and Cash Flows of the company for the year ended March 31, 2024.

41 Segment information

(a) Description of segments and principal activities

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

(b) Geographical information

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

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
In India		
- Billets	12,320.57	7,921.32
- TMT bars	2,60,477.50	2,58,843.56
- Wire rods	2,16,987.57	2,27,746.92
- DI pipes	1,47,174.12	1,26,285.24
- PIG Iron	80,534.08	85,857.95
- Iron Ore	90,368.74	40,180.14
- Others	20,550.35	12,935.75
Outside India		
- Billets	-	1,677.37
- TMT bars	249.48	90.42
- PIG Iron	942.04	232.92
- DIP	-	-
- Iron Ore	14,436.03	31,434.48
- Wire rods	6,553.08	4,683.03

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

42 Calculation of Earning Per Share is as follows:

	Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a)	Net Profit/ (Loss) for basic and diluted earnings per share as per Statement of Profit and Loss	(96,756.82)	(55,790.59)
	Net Profit/ (Loss) for Basic and Diluted earnings per share	(96,756.82)	(55,790.59)
b)	Weighted average number of equity shares for calculation of basic and diluted earnings per share		
	Number of equity shares outstanding as on March 31	1,84,90,30,224	1,84,90,30,224
	Add: Movement in Equity Shares issued during the period	-	-
	Number of equity shares outstanding	1,84,90,30,224	1,84,90,30,224
	Weighted average number of equity shares considered for calculation of basic and diluted earnings	1,84,90,30,224	1,84,90,30,224
c)	Earnings per share (EPS) of Equity Share of Rs. 10/- each:		
	Basic EPS (Rs.) (a/d)	(5.23)	(3.02)
	Diluted EPS (Rs.) (a/d)	(5.23)	(3.02)

(Rs. in lakhs)

43 The Company has various fund and non-fund based working capital facilities from banks amounting to Rs. 1,18,900.00 lakhs secured by First ranking pari passu by deed of Hypothecation executed in favour of Vistra ITCL (India) Limited, security trustees over the whole of the current assets of the company both present and future including stock of raw materials, stock-in-process, semi-finished goods, finished goods, stores and spares. Further secured by all of the book debts, amount outstanding, monies receivable, investments, claims and bills of the borrower and Guarantees from the Holding company.

44 a) In respect of company's application for obtaining Environmental Clearance (EC) from Ministry of Environment, Forest and Climate Change (MoEF), MoEF vide its letter dated February 02, 2022 had deferred the grant of EC till Forest Clearance (FC) Stage-II is granted to the company. The company has so far procured substantial portion of land and the same have either been handed over to forest department or is in the advance stage of doing so for compensatory afforestation as required for obtaining Stage- II clearence. Further, the company has received Cabinet approval from Government of Jharkhand for 571.26 acres of Government land and also transferred 440.05 acre private land to Forest Department for Compensatory afforestation. The Company is in the process of procuring remaining land including certain other government land for which cabinet approvals etc. is awaited as on this date, so as to ensure all the necessary compliances for obtaining EC. In the meantime, MoEF vide its letter dated June 05, 2023 has revoked the stage I Forest clearance granted earlier and thereby the company has made representation for reconsideration of the same and grant of time for ensuring expedious action for compliances as substantial progress have been made in identification and procurement of forest land. The State Govt of Jharkhand has also submitted its request letter to MOEF to reconsider the FC Stage I revocation decision and grant some more time in light of the progress so far made, further efforts being taken in this respect inspite of the difficulties being faced by the Company. Moreover, as requested by MoEF the State Government has submitted the status of compliances by the company with respect to various conditions stipulated for granting EC. Pending completion of the entire process and determination of aggregate cost, Rs. 19,699.69 lakhs (including Rs. 22,977.83 lakhs provided during the period) (net of Rs. 26,830.69 lakhs paid) towards cost of land and Rs. 20,556.58 lakhs towards other related costs etc. (net of Rs. 1,473.99 lakhs paid) has been provided on estimated basis and have been carried forward in the accounts as on March 31, 2024. Differential amount and/or adjustments in this respect will be given effect to on determination thereof. On receipt of EC, application for obtaining Consent to Establish (CTE) and then Consent to Operate (CTO) will be made by the company.

b) Pending necessary approvals and clearences etc. from MoEF for granting CTO, Hon'ble Supreme Court has directed that operation of steel plant shall not be interfered with on the ground of want of EC, FC, CTE or CTO. Despite constraints in meeting long term funding requirements for want of CTO and losses incurred by the company, the net worth of the company is positive. Further, considering the direction of Hon'ble Supreme Court allowing the continuation of the operations of the company and continued support by the Holding company for meeting company's funding and other requirements, the accounts of the company have been continued to be prepared on going concern basis.

45 Operational Buyers' Credit and Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 6 % to 7% per annum. Further, other trade credit in rupee denominated currency from domestic banks at interest rate ranging from 6.00% to 9.00% per annum . These trade credits are largely repayable within 180 days from the date of draw down. Operational Buyer's credit availed in foreign currency is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. These facilities are secured by first pari passu charge over the present and future current assets of the Company.

(Rs. in lakhs)

46 FINANCIAL INSTRUMENTS

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Fair Value through Profit and Loss Account				
Derivative Assets - not designated as hedging instruments				
-Forward Contracts	-	-	-	-
Investments in Mutual Funds	2,001.50	2,001.50	2,003.39	2,003.39
Financial Assets at amortised cost				
Trade receivables	11,070.28	11,070.28	24,862.95	24,862.95
Cash and Bank Balances	15,450.80	15,450.80	3,503.65	3,503.65
Fixed Deposits with bank	20,750.88	20,750.88	24,633.50	24,633.50
Other Financial Assets	3,325.69	3,325.69	2,022.42	2,022.42
Financial Liabilities (Current and Non-Current)				
Financial Liabilities at amortised cost				
Borrowings- Floating Rate	1,88,111.52	1,88,111.52	2,27,351.95	2,27,351.95
Borrowings- Fixed Rate	41,216.80	41,216.80	13,238.40	13,238.40
Lease Liability	24,140.72	24,140.72	19,002.37	19,002.37
Trade payables	65,218.58	65,218.58	67,400.84	67,400.84
Operational Buyers' Credit / Suppliers' Credit	86,364.88	86,364.88	1,27,774.84	1,27,774.84
Interest on Loans and Borrowings	3,311.76	3,311.76	856.85	856.85
Others financial liabilities	21,325.49	21,325.49	11,932.77	11,932.77
Fair Value through Profit and Loss Account				
Derivative Liabilities - not designated as hedging instruments				
-Forward Contracts	15.24	15.24	282.79	282.79

(Rs. in lakhs)

b) **Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- The fair value of cash and cash equivalents, current trade receivables and payables, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost in the financial statements approximate their fair values.
- The Company's long-term debt has been contracted at floating rates of interest. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.
- Investment in liquid and short-term mutual funds which are classified as fair value through profit and loss are measured using quoted market prices at the reporting date multiplied by the quantity held.
- The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. The said valuation has been carried out by the counter party with whom the contract has been entered with and Management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

c) **Fair value hierarchy**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2024:

Particulars	As at March 31, 2024	As at March 31, 2023	Fair value measurements at reporting date using		
			Level 1	Level 2	Level 3
Financial Assets					
– Derivative- not designated as hedging instruments					
o Forward Contracts	-	-	-	-	-
			(-)	(-)	(-)
– Investment in Mutual Funds	2,001.50	2,003.39	2,001.50	-	-
			(2,003.39)	(-)	(-)
– Investment in Fixed Deposits	20,750.88	24,633.50	-	20,750.88	-
			(-)	(24,633.50)	(-)
Financial Liabilities					
– Borrowings- Floating Rate	1,88,111.52	2,27,351.95	-	1,88,111.52	-
			(-)	(2,27,351.95)	(-)
– Borrowings- Fixed Rate	41,216.80	13,238.40	-	41,216.80	-
			(-)	(13,238.40)	(-)
– Operational Buyers' Credit / Suppliers' Credit	86,364.88	1,27,774.84	-	86,364.88	-
			(-)	(1,27,774.84)	(-)
– Lease Liability	24,140.72	19,002.37	-	24,140.72	-
			(-)	(19,002.37)	(-)
– Derivative- not designated as hedging instruments					
o Forward Contracts	15.24	282.79	-	15.24	-
			(-)	(282.79)	(-)

(*) Figures in round brackets ( ) indicate figures as at March 31, 2023

(Rs. in lakhs)

During the year ended March 31, 2024 and March 31, 2023, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:
-Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.
-Financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. In respect of derivative financial instruments, the inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

d) **Derivatives assets and liabilities:**

The Company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

i) **The following tables present the aggregate contracted principal amounts of the Company's derivative contracts outstanding:**

Category	Currency	As at March 31, 2024		As at March 31, 2023	
		No. of Deals	Amount in Foreign Currency	No. of Deals	Amount in Foreign Currency
Buy Forward	USD/INR	15	1,25,72,179	24	3,56,14,827
	EURO/INR	-	-	2	2,78,100

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

Nature	Currency	As at March 31, 2024	As at March 31, 2023
Trade Payables (Including acceptances)	EURO	1,40,841	-
Trade Payables (Including acceptances)	USD	11,98,535	-
Trade Receivable	USD	4,29,443	76,94,507

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

(Amount in Rs. Lakh)

Paticulars	As at March 31, 2024	As at March 31, 2023
Not later than one month	(15.18)	(15.27)
Later than one month and not later than three months	(0.06)	(229.12)
Later than three months and not later than one year	-	(38.40)
Later than one year	-	-

(Rs. in lakhs)

e) **Sale of financial assets**

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

During the year ended March 31, 2024 and 2023, the Company transferred and recorded as sale of financial assets of Rs. 1,55,337.42 lakhs and Rs. 1,20,767.30 lakhs respectively, under arrangements without recourse and has included the proceeds from such sale in net cash provided by operating activities. These transfers resulted in charge of Rs. 3,451.78 lakhs and Rs. 2,110.31 lakhs for the year ended March 31, 2024 and 2023 respectively and is included under Finance Cost in the Statement of Profit and Loss.

f) **FINANCIAL RISK MANAGEMENT**

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

(i) **MARKET RISK**

Market risk is the risk or uncertainty arising from possible market fluctuation resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, investment in fixed deposits and mutual funds, borrowings and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade and other payables and trade receivables.

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

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

(Amount in Foreign Currency)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	USD	USD	EURO	EURO
Trade Receivable	4,29,443	76,94,507	-	-
Trade and other Payables	(11,98,535)	-	(1,40,841)	-
Net assets/(liabilities)	**(7,69,092)**	**76,94,507**	**(1,40,841)**	**-**

(Rs. in lakhs)

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

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2024	**For the year ended March 31, 2023**
PAYABLES (Weakening of INR by 5%)		
USD	(49.94)	-
EURO	(6.33)	-
RECEIVABLES (Weakening of INR by 5%)		
USD	17.89	316.11
EURO		
	(38.38)	316.11

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

Interest Rate Risk

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

Further there are deposits with banks which are for short term period are exposed to interest rate falling due for renewal. These deposits are however generally for trade purposes and as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings:

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2024	**For the year ended March 31, 2023**
Increase in 50 basis points		
Borrowings- Floating Rate	940.56	1,136.76

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

Commodity price risk

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

Commodity price risk has been managed by selling the products at prevailing market prices. Similarly, the Company procures key raw materials like iron ore and coal based on prevailing prices or rates of levies on raising. In respect of Iron Ore, consequent to commencement of mining operations supply of Iron Ore has been assured. However, the lead time for procurement of imported material mainly consisting of coal and differential of raising cost of iron ore and prevailing marke rate may have an impact on the profitability.

(Rs. in lakhs)

Other price risk

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

(ii) **CREDIT RISK**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly. Further the company obtains necessary security including letter of credits and/or bank guarantee to mitigate its credit risk.

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

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there is two customer (March 31, 2023: three) having outstanding of Rs. 4,898.57 lakhs (March 31, 2023: Rs. 15,296.71 lakhs) which accounts for more than 10% of the accounts receivable.

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

Financial assets that are neither past due nor impaired

Cash and cash equivalents and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounting to Rs. 1,820.25 lakhs (March 31, 2023: Rs. 10,358.14 lakhs) which are past due at the end of the reporting period, no credit losses there against are expected to arise.

(iii) **LIQUIDITY RISK**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The company relies on internal accruals, working capital facilities from banks and borrowings from holding company to meet its fund requirement. The ongoing implementation measures will have a positive cash flow and in term help to control the liquidity crisis.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. in lakhs)

Interest rate and currency of borrowings

Particulars	As at March 31, 2024		
	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	1,88,111.52	41,216.80	9.72%
Total	**1,88,111.52**	**41,216.80**	

Particulars	As at March 31, 2023		
	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	2,27,351.95	13,238.40	8.33%
Total	**2,27,351.95**	**13,238.40**	

Maturity Analysis of Financial Liabilities

As at March 31, 2024

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2,29,328.32	891.06	28,520.80	51,020.80	1,48,895.66	2,29,328.32
Interest payable	3,311.76	-	3,311.76	-	-	3,311.76
Lease Liability	24,140.72	19,699.70	904.17	1,033.70	2,503.15	24,140.72
Operational Buyers' Credit / Suppliers' Credit	86,364.88	-	86,364.88	-	-	86,364.88
Trade and other payables	86,544.07	86,544.07	-	-	-	86,544.07

As at March 31, 2023

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2,40,590.35	-	23,020.80	23,020.80	1,94,548.75	2,40,590.35
Interest payable	856.85	-	856.85	-	-	856.85
Lease Liability	19,002.37	16,431.03	555.72	547.41	1,468.21	19,002.37
Operational Buyers' Credit / Suppliers' Credit	1,27,774.84	-	1,27,774.84	-	-	1,27,774.84
Trade and other payables	79,333.61	79,333.61	-	-	-	79,333.61

(Rs. in lakhs)

(iii)(a) The company's current liabilities are currently in excess of the current assets and the mismatch in this respect is expected to be bridged with internal generations as well as funds and support provided by the holding company. The company has financial assets which will be realised in the ordinary course of business. Further, there are unused line of credit of Rs. 22,550.00 lakhs sanctioned from the banks as on this date. The Operational Buyers'/ Suppliers' Credit and Term Loan from banks are backed by Corporate Guarantees issued by the holding company and also as approved by the Board of the said company has assured additional fund from them or with their support to the tune of Rs. 1,22,000.00 lakhs which can be made available as and when required by the company. These alongwith the expected generation of fund from normal operations will be sufficient to cater the financial liability becoming due or payable in the forthcoming year .

(iv) **CAPITAL MANAGEMENT**

The primary objective of the Company’s capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company’s objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The gearing ratio as at March 31, 2024 and March 31, 2023 are as follows:

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Current loans and borrowings	80,432.66	46,041.60
Non-current loans and borrowings	1,48,895.66	1,94,548.75
Total loans and borrowings	**2,29,328.32**	**2,40,590.35**
Less: Cash and Cash Equivalents	15,950.80	3,503.65
Net Debt	**2,13,377.52**	**2,37,086.70**
Total equity attributable to the equity shareholders of the Company	4,59,868.36	5,56,706.43
Capital and Debt	**6,73,245.88**	**7,93,793.13**
Total capital (loans and borrowings and equity)	**0.46**	**0.43**

47 RATIOS

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Particulars	**Numerator**	**Denominator**	**As at / For the year ended March 31, 2024**	**As at / For the year ended March 31, 2023**	**Variance**	**Remarks**
Current Ratio	Current Assets	Current Liabilities	0.41	0.66	-37.72%	Due to Long term funding constraint.
Debt-Equity ratio	Short Term Borrowings+ Long Term Borrwings+ Lease Liabilities	Total Equity	0.55	0.47	18.20%	
Debt service coverage ratio	Earning before Interest, Depreciation and Tax+ Exceptional Items	Interest Expense+Principal Repayment of Long Term Debt	0.23	0.37	-38.15%	On account of decrease in sales price and variation in the mining cost and realisation thereagainst

(Rs. in lakhs)

Particulars	Numerator	Denominator	As at / For the year ended March 31, 2024	As at / For the year ended March 31, 2023	Variance	Remarks
Return on Equity Ratio	Profit after Tax+ Exceptional Items	Total Equity	-20.48%	-10.02%	104.35%	On account of decrease in sales price and variation in the mining cost and realisation thereagainst
Inventory turnover ratio	Revenue from operations less EBITDA	Average Inventory	6.70	5.93	13.08%	
Trade Receivable turnover	Revenue from Operation	Average Trade Receivables	47.36	48.47	-2.29%	
Trade payables turnover ratio	Total Purchases	Average Trade Payables including Operational Buyers' Credit / Suppliers' Credit	2.62	3.28	-20.03%	
Net capital turnover ratio	Revenue from operations	Working Capital	(3.22)	(6.64)	-51.51%	Due to Long term funding constraint.
Net profit ratio	Profit after Tax+ Exceptional Items	Revenue from Operation	-11.07%	-6.99%	58.28%	On account of decrease in sales price and variation in the mining cost and realisation thereagainst
Return on capital employed	Earning before Interest and Tax+ Exceptional Items	Average Capital Employed (Capital Employed= Total Assets- Current Liabilities)	-2.74%	-1.20%	128.79%	Due to Long term funding constraint.
Return on Investments	Income generated from investments	Time weighted average investments	7.37%	14.57%	-49.44%	Due to rate fluctuation of Mutual Funds

(Rs. in lakhs)

48 INCOME TAX

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

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

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

Particulars	As at March 31, 2022	Charge/ (Credit) to Statement of Profit and Loss	Charge/ (Credit) to Other Comprehensive	As at March 31, 2023	Charge/ (Credit) to Statement of Profit and Loss	Charge/ (Credit) to Other Comprehensive	As at March 31, 2024
Deferred Tax Liability							
a) Related to Property, Plant and Equipment and Intangible Assets	52,818.80	3,144.98	-	55,963.78	1,126.29	-	57,090.07
b) Fair Valuation of Mutual Funds	4.81	(3.59)	-	1.22	(1.22)	-	-
c) Loans carried at Amortised Cost	529.71	(135.53)	-	394.18	(138.19)		255.99
d) Forward Contract receivable	198.09	(198.09)	-	-	-	-	-
Total Deferred Tax Liability	**53,551.41**	**2,807.77**	**-**	**56,359.18**	**986.88**	**-**	**57,346.06**
Deferred Tax Assets							
a) Accumulated Unabsorbed depreciation	2,55,787.61	(22,511.40)	-	2,78,299.01	(360.88)	-	2,78,659.89
b) Accumulated Unabsorbed business loss	58,685.80	27,784.88	-	30,900.92	30,900.92		-
c) Provision for doubtful debts, advances, and other provisions	2,051.90	568.94	-	1,482.96	273.46	-	1,209.50
d) Amount deductible on payment basis	483.53	182.33	(148.15)	449.35	(75.09)	(43.64)	568.08
e) Others	-	(119.18)	-	119.18	113.86	-	5.32
Total Deferred Tax Assets	**3,17,008.84**	**5,905.57**	**(148.15)**	**3,11,251.42**	**30,852.27**	**(43.64)**	**2,80,442.79**
Deferred Tax Liability/(Assets) (Net)	**(2,63,457.43)**	**8,713.34**	**(148.15)**	**(2,54,892.24)**	**31,839.15**	**(43.64)**	**(2,23,096.73)**

The rationale for recognition of Deferred Tax Assets has been reviewed considering the loss in current year and expected sustainability of profit and growth in volume of business in subsequent period. Accordingly as a matter of prudence based on past trends etc., Deferred Tax Assets of Rs. 30,900.92 lakhs created in earlier years on business losses considering the expected utilisation thereof within the stipulated period against taxable income, have been reversed during the period. Further, deferred tax assets to the extent of Rs. 82,195.51 lakhs (including Rs. 28,922.21 lakhs for the year) on account of such losses including depreciation on year-to-year basis has not been recognised. The balance amount of Deferred Tax assets of Rs. 2,23,096.73 lakhs which based on management's assumption for reasonable certainty of utilisation thereof as required in terms of Ind AS 12 "Income Taxes" has been carried forward as at March 31, 2024.

In view of the management, future taxable income of the company considering the projected volume of operations etc., will be sufficient to absorb the amount of deferred tax assets over a period of time.

(Rs. in lakhs)

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

Particulars	**Year of Expiry**	**Amount**
Unabsorbed depreciation	No Expiry	7,97,447.03

(d) **The Expiry date for accumulated business loss remaining unrecognised are as follows:**

Particulars	**Year of Expiry**	**Amount**
Unabsorbed depreciation	No Expiry	45,293.75
Business Loss	2026-2027	27,585.10
Business Loss	2027-2028	1,11,510.00
Business Loss	2031-2032	13,358.25
Business Loss	2032-2033	37,473.56

(e) Reconciliation of Tax expense and the accounting profit multiplied by domestic tax rate for March 31, 2024

Particulars	**For the Year ended March 31, 2024**	**For the Year ended March 31, 2023**
Profit/ (Loss) before tax	**(64,917.67)**	**(47,077.25)**
Income Tax Charge/(Credit) thereon based on tax rate @ 34.94%	(22,684.83)	(16,450.67)
Adjustment for:		
Difference in amount of Unabsorbed business loss considered for last year computation	(360.80)	(4,733.99)
DTA on business losses reversal during the year	30,900.92	10,007.48
Lease payment against afforestation	(6,887.11)	(3,736.01)
Other Permanent difference	1,948.76	1,122.60
Unrecognised unused tax losses/ depreciation	28,922.21	22,503.93
	31,839.15	**8,713.34**

(Rs. in lakhs)

49 Additional Information pursuant to ammendments (effective 1st April, 2021) made in Schedule III to the extent applicable to the company (Other than those that have been disclosed under the respective Notes to the financial statements:

A) Utilisation of borrowed funds and share premium

(i) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(B) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(C) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(D) Compliance with number of layers of companies

The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

(E) Relationship with Struck-off Companies

Based on information available with the company from the webiste of Ministry of Corporate Affairs. There were no transaction during the current year with such companies.

(F) Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(G) Wilful Default

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(H) Registration or satisfaction of charges with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

50 These financial statements have been approved by the Board of Directors of the Company on April 17, 2024, for issue to the shareholders for their adoption.

51 Previous Year's figure has been regrouped/rearranged wherever necessary to make it comparable with current year presentation.

As per our report of even date

For Lodha & Co LLP,
Chartered Accountants

Ashim Kumar Ghosh
Partner

Place: Kolkata
Dated: April 17, 2024

For and on behalf of the Board of Directors

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

Ashish Kumar Gupta (DIN : 07808012) — Whole time Director

Anand Prakash Dubey — Chief Financial Officer

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