



**64TH
ANNUAL REPORT
2022-23**

TRL KROSAKI

GETTING YOUNGER, GROWING STRONGER



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COMPLETE REFRACTORIES SOLUTION FROM THE SOIL OF INDIA

TRL KROSAKI REFRACTORIES LIMITED

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Board of Directors

(As on 27th July, 2023)

Mr. H. M. Nerurkar	Chairman
Mr. P. B. Panda	Managing Director
Mr. Hisatake Okumura	
Mr. Sachihiko Asaya	
Mr. Jumpei Konishi	
Ms. Ai Iwasaki	
Mr. Anirban Dasgupta	
Mr. Chaitanya Bhanu	
Mr. P. V. Bhide	Independent Director
Mr. R. Ranganath	Independent Director

Senior Executives

Mr. M. V. Rao	Executive Vice President (Finance) & CFO
Mr. H. Sehgal	Executive Vice President (Operations)
Mr. S. Sengupta	Executive Vice President (Sales, Marketing & Customer Care)
Dr. Tarapada Dash	Executive Vice President (Corporate Services)
Mr. P. K. Naik	Executive Vice President (Procurement & Sourcing)
Mr. H. Nagata	Executive Vice President (Technology & TSS)

Mr. Asim Kumar Meher	Company Secretary
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Registered Office

At/Po: Belpahar
Dist: Jharsuguda (Odisha), 768218
Phone No.: 06645-258417

CIN

U26921OR1958PLC000349

Principal Bankers

State Bank of India
Central Bank of India
Mizuho Bank Limited
MUFG Bank Limited
HDFC Bank Limited

Auditors

BSR & Co. LLP
Chartered Accountants
Kolkata

Secretarial Auditors

Ashok Mishra & Associates
Company Secretaries
Bhubaneswar

Cost Auditors

Saroj K Babu & Co.
Cost Accountants
Kolkata

NOTICE

Notice is hereby given that the Sixty-fourth Annual General Meeting of the members of TRL Krosaki Refractories Limited will be held on Tuesday, 12th September 2023, at 05:00 PM IST at the Registered Office at Belpahar, Dist: Jharsuguda, Odisha 768218, to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023 and the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2023 and the Report of the Auditors thereon.

Item No. 3 – Declaration of Dividend

To declare dividend of ₹ 22.50 per equity share of ₹ 10 each for the Financial Year 2022-23.

Item No. 4 – Appointment of a Director

To appoint a director in place of Mr. H. M. Nerurkar (DIN: 00265887), who retires by rotation in terms of section 152(6) and, being eligible, seeks re-appointment.

Item No. 5 – Appointment of a Director

To appoint a director in place of Mr. Hisatake Okumura (DIN: 05130777), who retires by rotation in terms of section 152(6) and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:

Item No. 6 – Revision in the terms of remuneration of Mr. Priyabrata Panda (DIN: 07048273), the Managing Director:

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

“**RESOLVED THAT** in partial modification of Resolution No. 6 passed at the 61st Annual General Meeting of the Company held on 29th September, 2020 and in accordance with the provisions of Sections 196, 197 and any other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V of the Act, the Company hereby approves the revision in the salary scale of Mr. Priyabrata Panda, Managing Director (DIN: 07048273) with effect from 4th April, 2020 to 3rd April, 2023 as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

Item No. 7 – Re-appointment of Mr. Priyabrata Panda (DIN: 07048273), as Managing Director and Key Managerial Personnel (“KMP”)

To Consider and if thought fit, to pass with or without modification(s), the following Resolutions as Special Resolutions:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) & the Rules framed thereunder, read with Schedule V of the Act, as amended from time to time, the Company hereby approves the re-appointment of Mr. Priyabrata Panda (DIN: 07048273), Managing Director of the Company, for a further period from 04.04.2023 to 30.04.2024, upon the terms and conditions of appointment and remuneration set out in the explanatory statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner, as may be agreed to between the Directors and Mr. Priyabrata Panda.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

Item No. 8 – Appointment of Mr. Chaitanya Bhanu as Director (DIN: 09733430)

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

“**RESOLVED THAT** Mr. Chaitanya Bhanu (DIN: 09733430), who was appointed as an Additional Director by the Board of Directors with effect from 20th September, 2022 and holds office up to the date of this Annual General Meeting and who is eligible for appointment to the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

Item No. 9 – Appointment of Ms. Ai Iwasaki as Woman Director (DIN: 09733987)

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

“RESOLVED THAT Ms. Ai Iwasaki (DIN: 09733987), who was appointed as an Additional Director by the Board of Directors with effect from 20th September, 2022 and holds office up to the date of this Annual General Meeting and who is eligible for appointment to the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

Item No. 10 – Ratification of Remuneration of Cost Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of ₹ 1,10,000/- per year plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the Cost Audit payable to Saroj K. Babu & Co., Cost Accountants (Firm Registration Number - 100591) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules 2014, for the Financial Years ending 31st March, 2023 and 31st March, 2024.

RESOLVED FURTHER THAT the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company.”

NOTES:

- (a) The Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, ('Act') as amended relating to Special Business mentioned through Item Nos. 6 to 10 forms part of this Notice. A brief profile of the Director(s) who are being proposed to be appointed/re-appointed as required pursuant to the Secretarial Standards is annexed hereto.
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- (c) Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- (d) Corporate/Institutional members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Companies Act, 2013 are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
- (e) Members/Proxies/Authorised representatives are requested to bring the duly filled Attendance Slip enclosed here with to attend the meeting
- (f) In case of joint holders attending the Meeting, only such joint holders who are higher in the order of the names will be entitled to vote.
- (g) The register of Members and Share Transfer Books will remain closed from Friday, 8th September, 2023 to Tuesday, 12th September, 2023 both days inclusive.
- (h) If dividend on equity shares as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on and from September 16, 2023 as under:
 - In respect of Equity Shares held in physical form, to all those members whose name appear in the Company's Register of Members as on Thursday, 7th September, 2023 after giving effect to valid requests for transfers, transmission or transposition lodged with the Company on or before the end of business hours on Thursday, 7th September, 2023.
 - In respect of Equity Shares held in electronic form, to all beneficial owners of shares as at the end of business hours on Thursday, 7th September, 2023 as per details furnished by the Depositories for this purpose.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details.

Shareholders are requested to register / update their complete bank details:

- (a) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and
- (b) with the Company by emailing at asim.meher@trlkrosaki.com , if shares are held in physical mode, by submitting
 - (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details),

- (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf
- (h) Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their Residential Status, PAN, Category as per Income Tax Act with the Company (in case shares held in physical mode) and depositories (in case shares held in demat mode).
- (i) A Resident individual shareholder with PAN and who is not liable to pay Income Tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to asim.meher@trlkrosaki.com by 11:59 p.m. (IST) on Thursday, 7th September, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
- Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to asim.meher@trlkrosaki.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. (IST) on Thursday, 7th September, 2023.
- (j) During Financial Year 2018-19, the Ministry of Corporate Affairs ('MCA') vide Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014, mandated for every Unlisted Public Company that existing shareholders of the Company who hold securities in physical mode and intend to transfer their securities on or after 2nd October 2018 can do so only in dematerialized form. Therefore, shareholders holding shares in physical form are requested to consider converting their shareholding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. Shareholders can contact the Company or Depository Participant for assistance in this regard.
- (k) TRL Krosaki Refractories Limited has lodged its entire shareholding with NSDL facilitating shareholders to dematerialize their individual holdings. The ISIN No. of TRL Krosaki Refractories Limited is INE 012L01014. Shareholders wishing to dematerialize their shares may contact their Depository Participant through which they are operating Demat Account or contact Company for further details.
- (l) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF authority in web Form No. IEPF-5 available on www.iepf.gov.in.
- (m) A detailed Know Your Shareholder (KYS) form is annexed with the Annual Report. Members are requested to provide updated details as per the form attached and send it to the registered address of the Company or scan and mail the same to asim.meher@trlkrosaki.com.
- (n) To support the 'Green Initiative' and for receiving all communications (including Annual Report) from the Company electronically, members who have not yet registered their email address are requested to register the same with their Depository Participants (DPs)/Company in case the shares are held in electronic form or in case the shares are held in physical form may follow the instruction as mentioned in point no (m).
- (o) Pursuant to Section 72 of the Companies Act, 2013 read with Rules framed thereunder, shareholders are entitled to make nomination in respect of shares held by them. Shareholders holding shares in physical form and desirous of making nomination(s) are requested to send their nomination(s) in the prescribed Form No. SH-13 duly filled-in to the Company at its registered office. A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the holder of shares who has made the nomination, by giving a notice of such cancellation or variation, to the Company in Form No SH-14. Further, shareholders holding shares in electronic form are requested to contact their respective Depository Participant, with whom they are maintaining their demat account, for availing this facility.
- (p) During the Annual General Meeting, members may access copy of the Notice along with the Annual Report on the Company's website at <https://www.trlkrosaki.com/>.
- (q) Shareholders desiring any information as regards to Accounts are requested to write to the Company at asim.meher@trlkrosaki.com at least seven days before the meeting so as to enable the management to keep the information ready at the meeting.

By Order of the Board of Directors

Sd/-

Asim Kumar Meher
Company Secretary
(ACS : 42427)

Date : July 27, 2023
Place : Kolkata

Registered Office :
Po: Belpahar, Dist. Jharsuguda, Odisha, Pin: 768218
CIN: U26921OR1958PLC000349
Website: www.trlkrosaki.com

Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”)

The following Explanatory Statements set out all material facts relating to Item Nos. 6 to 10 mentioned in the accompanying Notice.

Item No. 6

At the 61st Annual General Meeting of the Company held on 29th September, 2020, the Members had approved the re-appointment of Mr. Priyabrata Panda (DIN:07048273) as Managing Director of the Company for a period of three years, commencing from 4th April, 2020 to 3rd April, 2023 on the terms and conditions as set out in the Explanatory Statement annexed to the Notice of the said Annual General Meeting. The Members at the said Annual General Meeting had inter alia approved, salary in the scale of ₹ 5,50,000/- to ₹ 7,00,000/- per month with the authority of the Board to decide an annual increment effective from 1st April every year.

Mr. Panda's service has been extended further from 4th April 2023 to 30th April 2024 at the Board meeting held on 17th March, 2023 and his next increment is due with effect from 1st April 2023. In order to accommodate the increased basic pay per month from 1st April 2023 to 3rd April 2023, the Board of Directors of the Company, at their meeting held on 27th July, 2023, considering his present salary, and based on the recommendation of the Nomination and Remuneration Committee, decided to revise the upper limit of ₹ 7,00,000/- per month in the present salary scale of Mr. Panda, (i.e ₹ 5,50,000/- to ₹ 7,00,000/- per month) to ₹ 7,70,000/- per month.

The other terms and conditions of Mr. Panda's re-appointment as the Managing Director as enumerated in Resolution No. 6 passed at the 61st Annual General Meeting of the Company held on 29th September, 2020 and the Explanatory Statement thereto remain the same.

Pursuant to the provisions of Section 196, 197 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V of the Act, the approval of the Members is sought with respect to the above revision in terms of remuneration of Mr. Panda i.e. the approval of salary scale of ₹ 5,50,000/- to ₹ 7,70,000/- per month, vide a Special Resolution as set out in Item No. 6 of the Notice.

Except Mr. Priyabrata Panda, none of the Directors and key managerial personnel of the Company or their relatives are concerned or interested in the Resolution at Item No. 6 of the Notice.

The Board recommends the Resolution mentioned at Item No. 6 of the Notice for approval of the Members.

Item No. 7

Mr. Priyabrata Panda (DIN:07048273), was appointed as Managing Director of the Company from 1st January 2015 to 31st December 2017. He was subsequently reappointed as Managing Director up to 3rd April, 2020. He was further reappointed as Managing Director up to 3rd April, 2023. The Nomination & Remuneration Committee in their meeting held on 17th March 2023, recommended to the Board for his re-appointment as Managing Director of the Company for another period from 04.04.2023 to 30.04.2024. Accordingly, the Board of Directors of the Company, at their meeting held on 17th March, 2023, has re-appointed Mr. Priyabrata Panda as Managing Director of the Company for the period from 4th April 2023 to 30th April 2024 with following terms and conditions, subject to the approval of the Shareholders.

The main terms and conditions relating to the re-appointment of Mr. Priyabrata Panda as the Managing Director are as follows:

- (1) **Period:** 4th April, 2023 to 30th April, 2024.
- (2) **Nature of Duties:** Mr. Priyabrata Panda shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a Company.
- (3) **Remuneration:**
 - (i) Salary: ₹ 7,70,000/- (Rupees Seven Lakh Seventy Thousand only) per month, with authority to the Board which expression shall include a Committee thereof, to fix his basic salary from time to time within the maximum of ₹ 10,00,000/- (Rupees Ten Lakh only) per month. The annual increments will be merit based and take into account the Company's performance; such increment shall fall due on 1st April of every succeeding year.

OR

Such remuneration by way of commission, in addition to salary and perquisites, calculated with reference to the net profits of the Company for each financial year, subject to the overall ceiling stipulated in section 197 of the Companies Act, 2013 and also such limit as may be decided by the Board of Directors of the Company at the end of each such financial year.

These amounts (if any) will be paid after the Annual Financial Statements of the Company have been approved by the Board and adopted by the Shareholders in Annual General Meeting.

- (iii) **Long Term Incentive Plan:** Deferred cash-based incentive scheme as approved by the Board
- (iv) **Perquisites and Allowances:**

In addition to the salary and Commission / Performance Linked Remuneration, the Managing Director shall also be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servant's salaries, society charges and property tax, medical reimbursement for self and family, medical/accident insurance, leave travel concession for self and his family, club fees and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board or Committee thereof and the Managing Director, such perquisites and allowances to be restricted to an overall limit of 140% of the annual salary of the Managing Director.

Provided that—

- (a) for the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
- (b) provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and

long-distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling; and

(c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund and Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of the said ceiling.

(v) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. Panda, the Company has no profits or inadequate profits, the Company will pay him remuneration by way of salary, performance linked remuneration, perquisites and allowances, Long-Term Incentive as approved by the Board.

(4) Other terms of appointment:

- (a) The Managing Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- (b) The terms and conditions of the re-appointment of the Managing Director and/or this agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.
- (c) The appointment may be terminated earlier, without any cause, by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.
- (d) The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:
 - (i) if the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated Company to which he is required by the Agreement to render services; or
 - (ii) in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the Agreement; or
 - (iii) in the event the Board expresses its loss of confidence in the Managing Director.
- (e) In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- (f) Upon the termination by whatever means of Managing Director's employment under the Agreement:
 - (i) He shall immediately cease to hold offices held by him in any holding Company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.
 - (ii) He shall not, without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.
- (g) All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Managing Director unless specifically provided otherwise.
- (h) If and when the agreement expires or is terminated for any reason whatsoever, Mr. Panda will cease to be the Managing Director and also cease to be a Director of the Company. If at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and the Agreement shall forthwith terminate. If at any time, the Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.
- (i) The terms and conditions of re-appointment of Managing Director also include clauses pertaining to adherence to the Company's Code of Conduct, protection and use of intellectual property, non-competition, non-solicitation post termination of agreement and maintenance of confidentiality.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Priyabrata Panda to whom the resolutions relate, are concerned or interested in the resolutions mentioned at Item No. 7 of the Notice.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the approval of the Members is sought for the re-appointment and terms of remuneration of Mr. Priyabrata Panda as Managing Director as set out above.

Item No. 8

Based on the recommendation of the Nomination and Remuneration Committee, the Board, in its meeting held on 19th September, 2022, has appointed Mr. Chaitanya Bhanu (DIN: 09733430) as an Additional Director of the Company with effect from 20th September, 2022 to hold office up to the date of ensuing Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 (the "Act") and Article 97 of the Articles of Association of the Company.

Accordingly, Mr. Chaitanya Bhanu (DIN: 09733430) is proposed to be appointed as a Non-Executive Director, liable to retire by rotation, in the ensuing Annual General Meeting pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 (the "Act") and Article 91 of the Articles of Association of the Company.

The Company has received from Mr. Chaitanya Bhanu (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of Act and (iii) other disclosures as applicable.

Mr. Chaitanya Bhanu, aged about 52 years, is working as Vice President, Steel Manufacturing at Tata Steel Limited. He is responsible for the steel manufacturing operations at Jamshedpur comprising of Flat and Long Products and downstream flat rolling operations near Mumbai.

He joined Tata Steel as a Graduate Trainee in 1992 after graduating with Honors degree in Metallurgical Engineering from IIT (BHU),

Varanasi. He later obtained a post graduate degree in Materials & Metallurgical Engineering from IIT, Kanpur in 1997. In 2019, he was nominated by Tata Steel for the General Management Program (GMP) at CEDEP in Fontainebleau, France. Since 1992 he has worked in different capacities in functions like Technology, R&D, Steelmaking & Hot Rolling Operations, as well as Human Resources at Tata Steel. In his long career with Tata Steel, he has held senior positions of GM Operations in Kalinganagar and that of Principal Executive officer, where he was heading the office of CEO & MD. He has played an active role in the improvement of performance levels in steelmaking and casting operations in Tata Steel for last two decades. He has been recipient of Essar Gold Medal of IloM for his contribution to Secondary Metallurgy in the year 2009.

He is a certified Green Belt in 6 Sigma (IGE India) and is a certified Thomas Profile Assessor (2016), apart from having the Professional Coach qualification from ICF (2018). He is also associated with the Indian Institute of Metals (IloM) and is currently serves as its Joint Secretary.

The Board considers that Mr. Chaitanya Bhanu's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Chaitanya Bhanu as Director.

The resolution seeks the approval of the members in terms of Section 149, 152 and other applicable provisions of the Act for appointment of Mr. Chaitanya Bhanu as Director of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Chaitanya Bhanu, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.

Item No. 9

Based on the recommendation of the Nomination and Remuneration Committee, the Board, in its meeting held on 19th September, 2022, has appointed Ms. Ai Iwasaki (DIN: 09733987) as an Additional Director (Woman Director) of the Company with effect from 20th September, 2022 to hold office up to the date of ensuing Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 (the "Act") and Article 97 of the Articles of Association of the Company.

Accordingly, Ms. Ai Iwasaki (DIN: 09733987) is proposed to be appointed as a Non-Executive Director (Woman Director), liable to retire by rotation, in the ensuing Annual General Meeting pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 (the "Act") and Article 91 of the Articles of Association of the Company.

The Company has received from Ms. Ai Iwasaki (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of Act and (iii) other disclosures as applicable.

Krosaki Harima Corporation, Japan nominated Ms. Ai Iwasaki vide their letter dated September 12, 2022 as Director on the Board of Directors of TRL Krosaki Refractories Limited. Ms. Ai Iwasaki, 45 is a Bachelor of Foreign Studies from The University of Kitakyushu, Japan, in the year 2000. Ms. Iwasaki joined Krosaki Harima on April 1, 2002 after completing her bachelor degree in foreign studies. At that time, she was assigned to the International Sales Department, where she gained practical experience as a salesperson for refractory business in Europe. In August 2018, Ms. Iwasaki was additionally assigned to the Global Planning Department and have been in charge of the coordination works for KHC subsidiary companies in Europe as well.

The Board considers that Ms. Ai Iwasaki's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms. Ai Iwasaki as Director.

The resolution seeks the approval of the members in terms of Section 149, Section 152 and other applicable provisions of the Act for appointment of Ms. Ai Iwasaki as Director of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Ms. Ai Iwasaki, to whom the resolutions relate, are concerned or interested in the resolution mentioned at Item No. 9 of the Notice.

Item No. 10

The Company is required under Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time ("Cost Audit Rules"), to have the audit of its cost records for products covered under the Cost Audit Rules conducted by a Cost Accountant in Practice. Based on the recommendation of the Audit Committee, the Board, in its meetings held on 1st August 2022 and 27th July, 2023, has approved the appointment of M/s Saroj K Babu & Co., Cost Accountants (Firm's Registration Number 100591) as the Cost Auditors for Financial Years 2022-23 and 2023-24 at a remuneration of ₹ 1,10,000 (Rupees one lakh ten thousand only) per year (plus applicable taxes and reimbursement of out-of-pocket expenses) for two years respectively. Further, based on the recommendation of the Audit Committee, the Board in its meeting held on 27th July, 2023, has considered and noted that ratification of remuneration for two years would clear the backlog of one year since commencement of the Cost Audit. In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for two Financial Years ending on 31st March, 2023 and 31st March, 2024.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the resolution mentioned at Item No. 10 of the Notice.

By Order of the Board of Directors

Sd/-

Asim Kumar Meher
Company Secretary
(ACS : 42427)

Date : July 27, 2023
Place : Kolkata

Registered Office :
Po: Belpahar, Dist. Jharsuguda, Odisha, Pin: 768218
CIN: U26921OR1958PLC000349
Website: www.trlkrosaki.com

Annexure to the Notice

Details of the Directors seeking appointment/re-appointment in the Sixty fourth Annual General Meeting pursuant to clause 1.2.5 of Secretarial Standard – 2 on General Meetings as laid down by the Institute of Company Secretaries of India.

Name of Director	Mr. H. M. Nerurkar (DIN: 00265887)	Mr. P. B. Panda (DIN: 07048273)	Mr. Hisatake Okumura (DIN: 05130777)
Date of Birth	20.10.1948	04.04.1958	22.11.1962
Date of the first appointment	27.08.2011	17.10.1981	01.04.2018
Expertise in specific Functional Areas	Metallurgy	(Ceramic Technology)	Technical Service & Plant Management
Qualifications	B.Tech (Metallurgy)	B.Sc. B.Tech (Ceramic Technology)	Bachelor of Science
Number of Board meetings attended during 2022-23	6	6	6
Directorship held in other Indian public companies (excluding Foreign Companies)	7	Nil	Nil
Membership/ Chairmanship of Committees of other Indian Public Companies (includes only Audit Committees and Stakeholder Relationship Committee)	9	Nil	Nil
Shareholding in the Company	Nil	100 Shares	Nil

Name of Director	Mr. Chaitanya Bhanu (DIN:09733430)	Ms. Ai Iwasaki (DIN: 09733987)
Date of Birth	19.01.1971	06.01.1978
Date of the first appointment	20.09.2022	20.09.2022
Expertise in specific Functional Areas	Materials & Metallurgical Engineering	International Sales
Qualifications	Post graduate degree in Materials & Metallurgical Engg.	Bachelor of Foreign Studies
Number of Board meetings attended during 2022-23	3	3
Directorship held in other Indian public companies (excluding Foreign Companies)	Nil	Nil
Membership/ Chairmanship of Committees of other Indian Public Companies (includes only Audit Committees and Stakeholder Relationship Committee)	Nil	Nil
Shareholding in the Company	Nil	Nil

Note : There is no inter se relationship between above mentioned directors, other directors and Key Managerial Personnel of the Company.

Highlights

(₹ in Crores)

	2022-23	2021-22	2020-21	2019-20	2018-19
Turnover	2299.15	1923.97	1429.73	1653.76	1594.29
Profit Before Interest, Depreciation & Taxes	268.76	183.10	90.62	174.76	177.53
Depreciation	38.70	34.31	28.93	26.83	31.85
Profit before Taxes	207.32	136.51	57.14	131.38	129.96
Profit After Taxes	155.28	102.81	44.48	100.69	84.72
Shareholders' Funds	707.83	585.91	497.57	485.94	418.33
Borrowings	263.09	307.52	209.25	233.16	219.01
Dividends	47.03	31.35	13.38	30.31	30.74
Shareholders' Funds - per Share(₹)	339	280	238	233	200
Dividend - (%)	225	150	64	145	122
Employees - (Numbers)	1437	1395	1427	1458	1335

DIRECTORS' REPORT

To
The Members,

The Board of Directors hereby presents the 64th Annual Report along with the Audited Financial Statements for the year ended 31st March, 2023.

Financial Results

(₹ Crores)

	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Gross Revenue	2299.15	1923.97	2299.15	1923.97
Less Total Expenses	2030.39	1740.87	2030.39	1740.87
Profit before finance cost, depreciation, taxes and other comprehensive income	268.76	183.10	268.76	183.10
Less Finance Cost	22.74	15.92	22.74	15.92
Less Depreciation	38.70	34.31	38.70	34.31
Add share of profit of Associates	—	—	3.35	0.61
Exceptional Item	—	3.64	—	3.64
Profit before taxes	207.32	136.51	210.67	137.12
Less provision for current taxation	47.59	32.53	47.59	32.53
Less provision for deferred taxation	4.45	1.17	4.81	0.85
Profit after taxes	155.28	102.81	158.27	103.74
Other comprehensive income	(2.15)	(1.06)	(2.15)	(1.06)
Total comprehensive income	153.13	101.75	156.12	102.68
Add Balance brought forward from earlier year	345.48	257.11	352.84	263.54
Balance:	498.61	358.86	508.96	366.22
Less				
Dividend Paid for the previous year	31.35	13.38	31.35	13.38
Balance carried forward	467.26	345.48	477.61	352.84

Dividend

Your directors are pleased to recommend a dividend of ₹ 22.50 per share, i.e. 225 % for the year ended 31st March, 2023, for approval by the shareholders at the forthcoming Annual General Meeting.

Transfer to Reserves

The Board of Directors have decided to retain the entire amount of profit in the profit and loss account.

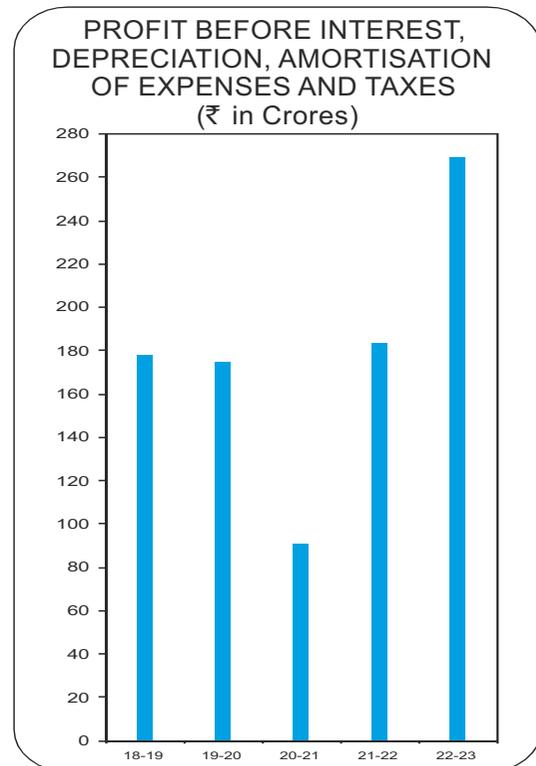
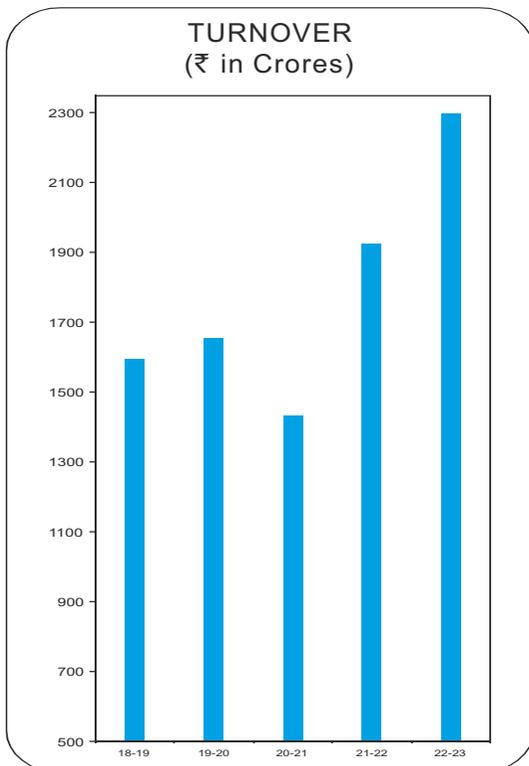
Economic Environment

Global Economy during the year 2022 was impacted by Global fight against inflation, Russia's war in Ukraine, and resurgence of COVID-19 in China. The impact of first two factors is expected to continue even in 2023. However, despite these adverse impacts, GDP was surprisingly strong in the third quarter of 2022 in many economies, including United States and developing economies. Domestic consumption and greater fiscal support have helped in improving the demand and GDP. Business investments rose to meet the demand. Similarly on the supply side, easing bottlenecks and declining transportation costs have reduced pressure on input prices and helped to rebound the economy. Energy markets have adjusted from the shock of Russia's invasion of Ukraine much faster than expected. But, in the fourth quarter of 2022, this growth in GDP has faded in most of the major economies. Economic activity in China slowed in the fourth quarter due to COVID-19 outbreaks. China's slowdown has reduced global trade growth and international commodity prices. However, US growth remains stronger in the fourth

quarter with consumers continuing to spend, unemployment near historic lows with many job opportunities. Overall, it appears that Global Economy is poised for a gradual recovery from the powerful blows of pandemic and war.

Escalation of the war in Ukraine remains still a major source of vulnerability, particularly for Europe and lower-income countries. International sanctions, aimed at pressuring Russia to end hostilities, are splitting the world economy into blocs, and reinforcing geopolitical tensions, such as those associated with the US-China trade dispute. Fragmentation could intensify with more restrictions on cross-border movements of capital, workers, international payments and could hamper multilateral cooperation on providing global public goods. The costs of such fragmentation are especially high in the short term, as replacing disrupted cross-border flows takes time.

Global headline (consumer price index) inflation appears to have peaked in the third quarter of 2022. Monetary policy tightening has started to cool demand and inflation and the central banks raised rates faster. This has resulted in declining of prices of fuel and nonfuel commodities, lowering headline inflation, particularly in the United States, Europe, and Latin America. As per International Monetary Fund (IMF), about 84 percent of countries are expected to have lower headline inflation in 2023 than 2022. Global inflation is set to fall from 8.7 percent in 2022 to 7 percent in 2023 and 4.9 percent in 2024. However, this is higher than pre-pandemic levels of average 3.5 per cent. In most of the economies, priority remains at achieving a sustained reduction in inflation towards



target levels. Financial markets are displaying high sensitivity to inflation, with equity markets rising on releases of lower inflation data with an anticipation of interest rate cuts.

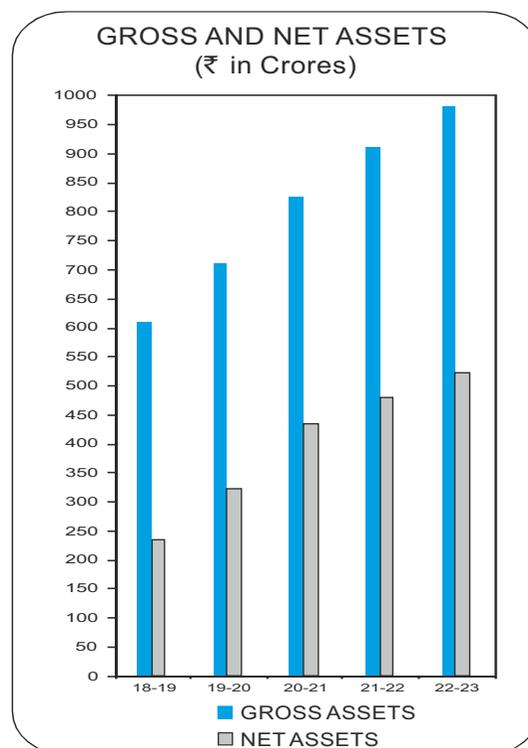
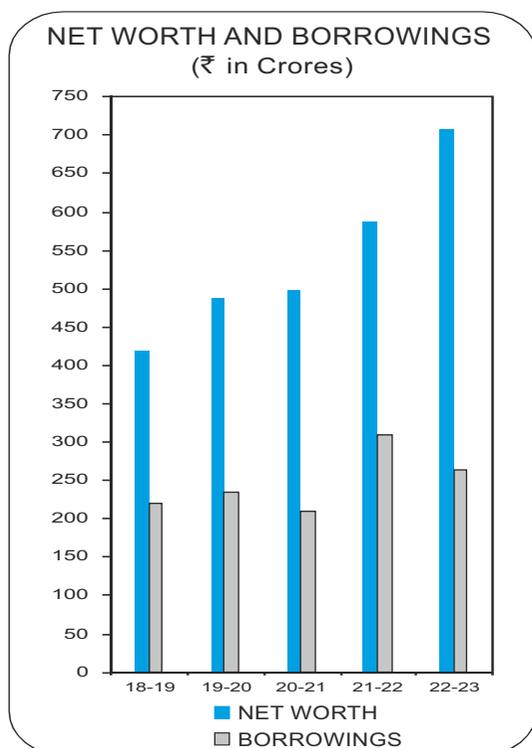
Overall, financial stability risks remain elevated as investors reassess their inflation and monetary policy outlook, although global financial conditions have eased, and Global Economy poised for a gradual recovery from the powerful blows of pandemic and war.

Economic Outlook

As per the International Monetary Fund (IMF), global growth estimated at 3.4 percent in 2022, is projected to fall to 2.8 percent in 2023 before rising slowly to 3 percent in 2024. Global growth projected for 2023 and 2024 is below the historical (2000–19) annual average of 3.8 percent. Advanced economies especially are expected to see slowdown in growth, from 2.7 percent in 2022 to 1.3 percent in 2023. This outlook reflects the tight policy stances needed to bring down inflation, fallout from the recent deterioration in financial conditions, ongoing war in Ukraine, and growing geoeconomic fragmentation. This decline in growth in 2023 is driven by advanced economies. In the United States, growth is projected to fall from 2.0 percent in 2022 to 1.4 percent in 2023 and 1.0 percent in 2024. With growth rebounding in the second half of 2024, growth in 2024 will be faster than in 2023 on a fourth quarter over fourth quarter basis. Growth is expected to pick up in China with the full reopening in 2023. The expected pickup in 2024 reflects gradual recovery from the effects of the war in Ukraine and subsiding inflation. Globally headline inflation is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices

but inflation is likely to decline more slowly. Inflation returning to its normal target levels is unlikely before 2025 in most economies. Once inflation rates are back to targets, central banks will likely reduce interest rates toward their pre-pandemic levels.

Despite the global slowdown, India's economic growth rate is stronger compared to many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. As per Asian Development Bank (ADB), India's GDP growth is expected to be 6.8% in 2022 and the growth is expected to limit to 6.4% in 2023 before rising to 6.7% in 2024. The Government of India's strong infrastructure push, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth. The central government's commitment to significantly increase capital expenditure in FY2023, despite targeting a lower fiscal deficit of 5.9% of GDP, will also spur demand helped by recovery in tourism and other contact services. The services sector will grow strongly in FY2023 and FY2024 as the impact of COVID-19 wanes. However, manufacturing growth in FY2023 is expected to be tampered down by a weak global demand, but it will likely improve in FY2024 assuming moderation in oil and food prices, and inflationary pressures subside. In tandem, monetary policy in FY2023 is expected to be tighter as core inflation persists, while becoming more accommodative in FY2024. The current account deficit is projected to decline to 2.2% of GDP in FY2023 and 1.9% in FY2024. Growth in goods exports is forecast to moderate in FY2023 before improving in 2024.



Performance

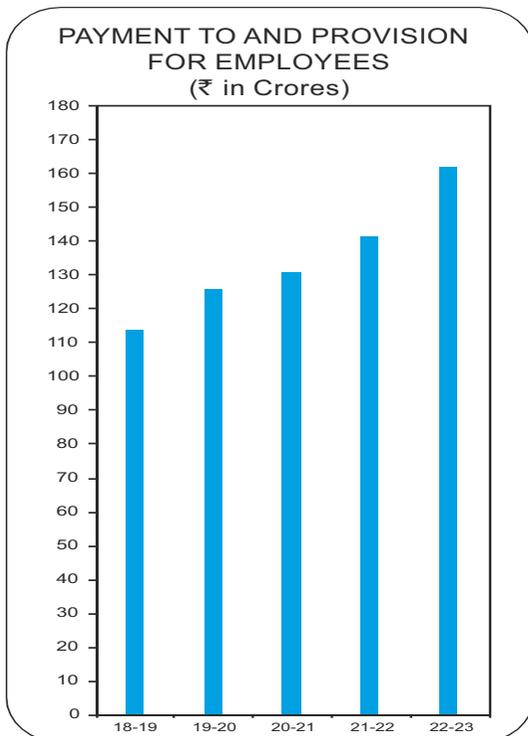
The year 2022-23 has been once again a year of records for your Company, surpassing its own best performances achieved in earlier years. The Company has achieved highest ever revenue, Profit Before and After Taxes. On stand-alone basis, the revenue of the Company increased to ₹ 2299 Crores against ₹ 1924 Crores in the previous year; an increase of 19%. The export revenue of the Company increased to ₹ 322 Crores from ₹ 312 Crores in the previous year; an increase of 3%. On standalone basis, gross production during the year was 239126 MT against 240443 MT in the previous year; a decrease of 0.5% and sales volume was 305549 MT against 313077 MT in the previous year; a decrease of 2%.

Despite significant increase in prices of Coal and Furnace oil, continuous depreciation of Rupee against USD, which has impacted prices of imported raw materials, Profit Before Tax and Other Comprehensive Income for the year was ₹ 207 Crores against ₹ 133 Crores in the previous year; an increase of 56%.

Higher selling prices improved operational efficiencies, enhanced product performance, improved technical services, stabilisation of ocean freight charges, storage of raw materials at lower prices and higher cost reduction largely contributed to the improved performance of the Company.

Credit Ratings

ICRA has reaffirmed long-term rating [ICRA] AA (pronounced ICRA Double A) with stable outlook to term loan and fund based working capital facilities and A1+ (pronounced ICRA A One plus) to both non-fund based and short-term fund based working Capital limits of the Company.



Business Strategy

The demand for Steel in India is continuously increasing and it is expected that India will be one of the few countries with good demand for steel in the medium term. In line with the increase in demand for steel, refractories demand will also increase. The Company's strategy of becoming partner with customers by improving customers' service has started giving results. The Company has increased its customer service by continuously monitoring performance of refractories by its technical experts at customers' site and adopting best safety practices by its safety officers posted at important customers' sites. This has helped in improving customer satisfaction and as a result the Company has won several awards from its customers.

New capital investments made to improve the quality in Dolomite and Basic departments and increasing capacity in Tap Hole Clay department are also giving benefits. The improved quality is helping to get repeat orders with higher selling prices. Consolidation of steel industry is also helping the Company to increase its sales by focusing on few customers who accepts superior products than lowest prices thus competing only with superior product suppliers. The benefit of multi-pronged growth strategy, increased market share of focused products, higher selling prices, increase in revenues from international business, enhanced product performance, improved technical services, higher cost reduction has reflected in the performance results.

The strategy of the Company to supply small customers through stockiest is giving results and the revenue from stockiest sales has increased by 29%. Revenue from identified Focus Products has increased by 18%. Improved technical services at customer's site and improved product performance has helped in maintaining market share of 70% in Dolomite refractories. During the year, the Company has achieved delivery compliance of 100% for all its products.

The Company's newly commenced Alumina Graphite (AG) refractories products are giving good results and the product has been well accepted by the customers. Product trials of AG refractories is in progress at several customer's plants.

Associates

TRL Krosaki Asia Pte. Ltd. Singapore and Almora Magnesite Limited are two Associates of the Company. In accordance with Section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company with all its associates have been prepared, which form part of the Annual Report. Further, the Report on the performance and financial position of each of the associate and salient features of the financial statement in the prescribed Form AOC-1 is given in notes to consolidated financial statements.

Management Discussion and Analysis

Management discussion and analysis given separately forms part of this Report "Annexure – F"

Safety, Health & Environment Management

Safe operations and implementation of Health, Safety and Environmental (HSE) initiatives remain at the core of all business activities for TRL Krosaki. While the Company continuously strives to achieve performance beyond the prescribed norms in the areas of Safety, Health and Environment, it seeks to manage its HSE outcomes through

employee motivation – leveraging both extrinsic and intrinsic motivations. The outcome of such approach has been phenomenal, and the results achieved in past three years bear the testimony to that. “Zero reportable accident”, “zero occupational disease”, “zero effluent discharge”, “reducing carbon footprint” are a few key success indicators.

Apart from being the first Refractories Company to be certified to the Integrated Management System (IMS) i.e. on ISO 9001 (Quality Management), ISO 14001 (Environment Management) and ISO 45001 (Occupational Health & Safety Management), TRL Krosaki is the first Refractories Company to get certified to the Social Accountability (SA8000) standard. These initiatives not only further strengthen the HSE systems and processes but also make the approaches and outcomes transparent and visible to all the stakeholders; thus building trust and confidence.

The HSE initiatives of the Company has been duly recognized both at the State and National Level during the year with a number of prestigious Awards and Recognitions.

Safety & Health Management

TRL Krosaki seeks to promote the health and well-being of its employees and sustain their ability to perform over the long term, which necessitates a safe workplace. The Company, therefore, constantly strives to create & maintain a “safe place to work” and all its endeavors are directed towards this. It has always been the constant endeavor of the Company to achieve its mission of achieving Zero Harm and follow the policy of Zero Tolerance in the matter of Safety.

TRL Krosaki is one among the best in the region / industry in terms of safety & health performance. During the current year, many focused initiatives were taken in the areas of safety & health. The key initiatives include year wise efforts on “Automation & Mechanization” to reduce man-machine interface, “Improvement of Workplace Ergonomics”, strengthening implementation of “Safety Standards”, strengthening the “Contractor Safety Management System”, focused “Audit of Critical Areas”, etc. Besides, employee’s involvement and motivation has been achieved through defining ownership at all levels of employees, driving a robust reward & recognition scheme, and strictly reinforcing the robust Consequent Management Guidelines. All these helped the Company to continue to maintain its superior safety performance and zero accident frequency rate during the year is a testimony to that.

In line with the Company’s objective of extending its “Safety Excellence Journey” beyond the factory premises to its Township and more importantly all Customer Sites, a number of focused initiatives were implemented at our key customer sites resulting in improved safety performance and many recognitions from the customers.

The focus on “Preventive Health Care” continues to be pursued across the Company. The key initiatives in this area include; extending the “Health Score Card System” for all officers, strict screening of new employees based on their prevailing health conditions. Initiatives taken in the area of occupational health include Pre-employment & Periodic health checkup, occupational health checkup, screening of employees engaged in high risk activities, health awareness

at the shopfloor, special health training sessions on stress & life style management, a well-defined job rotation policy to prevent long term exposure to air pollution by the employees etc.. During the year, 224 numbers of training programmes were conducted in the areas of occupational health, safety & environment for the employees & contractor workers. These initiatives have helped the Company to continuously achieve “Zero” case of Silicosis, a notified occupational disease not only during the current year but for more than past five years consecutively.

The Company’s occupational health and safety initiatives and performances have been duly recognized at International, National & State levels over the years. During the year, the Company received the Greentech International EHS Award - 2023 in EHS Leadership Category (Winner), Confederation of Indian Industries (Eastern Region) SHE Excellence Award 2021-22 (1st Runners Up) & Confederation of Indian Industries (Odisha Chapter) SHE Excellence Awards 2021-22 (Winner). The Safety Management initiatives by the Company at different Customer Sites have also earned a number of laurels / recognitions from reputed Customers, such as, Tata Steel, JSW Steel, AMN Steel, etc.

Environment Management

At TRL Krosaki, Environment Management strategy is an integral part of overall Company business and operations. The Company being the first refractories Company in India to have a dedicated Environment Management function, it boasts of its “Zero Discharge” of wash / wastewater from its factory and best ever “Air Quality” level in the work zone areas.

The Company has made great strides in its Environment Management journey and strives to move towards cleaner operations and greener environment. During this year, the Company installed additional four numbers of Dust Extraction systems of volume 35,000 m³/hr. One additional CEMS installed to monitor SPM. Two numbers of IP cameras installed to monitor chimney emissions on real time basis. Its Environment Laboratory upgraded with modern testing equipment/facility in line with the ISO 17025 (NABL) requirements.

The Company is committed not only to comply with all the applicable statutory requirements but also to continually improve its environmental performance. Accordingly, focused initiatives are taken in the areas of air pollution control, water pollution control, wastewater management and recycling, energy and resource conservation, greenbelt development, development of environment friendly products and reduction of carbon footprint and bio-diversity. The environmental performances in these focused areas are measured, compared against targets, and improved.

In water pollution control, apart from the ETP & STP inside plant premises, one state of art Sewage Water Treatment Plant has been installed at our Colony to avoid the ground water contamination and 100 % reuse of the treated water from the STP for gardening purpose. The Company continues to achieve “Zero” discharge of effluent from its plant.

The Environment Laboratory of the Company is accredited with ISO 17025:2017 (NABL) for wastewater analysis. The Environment Laboratory is equipped with modern testing

equipment like Spectro Photometer, Ion meter, Double Distillation unit, Cyanide and Ammonia Distillation units, Conductivity meter, Turbidity meter, etc. for better accuracy of testing of Environmental parameters.

Developing and maintaining a Green Belt in and around the plant has been a priority for the Company and today, the greenbelt coverage stands at around 35% of the total land area, which is more than the statutory norm.

The Company's endeavor towards protecting the environment has been recognized at International / National / State Level forums. During the year, the Company won several coveted Environment Awards such as Greentech International EHS Award - 2023 in EHS Leadership Category (Winner), ICC Environment Excellence Award-2022 (Winner), Greentech Environment Gold Award-2022 (Winner) & Kalinga Environment Excellence Award 2021 (Winner).

Sustainability

TRL Krosaki recognizes the fact that driving sustainability agenda within the Company is much more than a mere responsibility. It's an opportunity to build a more sustainable business and a key differentiator to enhance relevancy and trust with organization stakeholders. Driven strategically, a Sustainability program creates valuable impact within the organization, the community and for the planet for years to come.

Accordingly, the Company, as a part of its environment sustainability drive, continued its focus on improving performance in environment management, energy conservation, recycling, and reuse of wastes, reducing freshwater consumption etc. during the year. The Company also explored and used appropriate technology, materials, and equipment to facilitate the same.

The Company's Carbon Footprint reduction program drives improvement in efficiencies of various initiatives, viz; best ever performance was recorded during the year in the areas of specific energy consumption, recycling & reuse of used products, reduction in freshwater consumption etc. With all these initiatives complimented with greenbelt development drive, the Company could continue to reduce its overall carbon footprint year on year.

Corporate Social Responsibility (CSR) Initiatives

Fostering inclusive growth is central to TRL Krosaki's agenda of sustainable business model. The Company acknowledges the fact that, the social, economic and cultural development of the community, where it operates, is a prerequisite for peaceful coexistence and sustainable growth. Therefore, the Company strives to secure and promote the socio-economic interests of these remotely located sections of the society.

The Company's vision of societal upliftment follows a systematic approach that delivers beyond regulatory requirements. The Company's approach emphasises partnership with intended beneficiaries and local government authorities for collective selection and execution of CSR programmes. Under the guidance of the 'Corporate Social Responsibility Committee' constituted at the Board level, Company's Corporate Social Responsibility Initiatives run through initiatives on Education, Health Care, Drinking Water and Sanitation, Sustainable Livelihood, Infrastructure

Development, Environment Protection, promoting Ethnicity and Sports. These continue to be the focus areas for the Company for driving its CSR initiatives.

During the year, the Company continued to identify and successfully implement meaningful programmes in its focused areas. New initiatives, such as, promoting use of renewable energy by way of setting up Solar Powered Mini Irrigation Projects, focused health initiatives for senior citizens, programs on empowerment of adolescent girls etc. were introduced, which were much appreciated.

The CSR initiatives undertaken by TRL Krosaki has received due recognition as the Company bagged the Prestigious 'Golden Peacock CSR Award' in Large Enterprise Category at the national level for the Year 2021 during the last financial year.

The CSR Policy and initiatives on CSR taken by the Company during the year as per the Companies (Corporate Social Responsibility Policy), Rules, 2014 has been annexed to this report as 'Annexure – A'.

The Company's CSR Policy is displayed in the Company's website <https://www.trlkrosaki.com/en/about-us/corporate-governance/policies> which can be accessed by anyone at any point of time.

The Company spent ₹ 221.39 Lakhs towards its CSR initiatives during the year.

Industrial Relations

Current year is yet again a remarkable year showcasing cordial and collaborative Industrial Relations at all units and branches. The annual Bonus agreement was signed amicably between Union and Management and paid a highest ever Bonus. Regular connect with workmen at all levels through proactive efforts to listen and resolve their grievances, conducting focused trainings for their health and wellbeing and ensuring shopfloor connect has resulted in all time high morale, cooperation and support from the Union and workmen.

The HR&IR team conducted a drive and reached to all workmen to ensure that the records pertaining to Provident Fund and Pension matters are prepared properly. A dedicated team was deployed to ensure that all records were verified and updated internally as well as in EPFO office. This effort was lauded by all workmen, especially those who had retired recently or are retiring in next 3-5 years.

In addition, special programmes of financial planning for workers were conducted to help them prepare their financial planning after retirement. With continued support and collaboration with the Union, the absenteeism rates in the plant are at a negligible level. Several employees have been counselled and trained, thereby increasing the overall productivity in the shop floor. Beside these, quality of life of workmen was continuously reviewed to demonstrate the Company's comprehensive commitment towards improving Quality of Life of our workforce.

Corporate Governance

Corporate Governance practices followed by the Company are given in separate section which forms integral part of this Report "Annexure – G".

Annual Return

The copy of Annual Return (Annexure-B) is placed in Company's website : <https://www.trlkrosaki.com/en/about-us/investors/annual-returns>.

Vigil Mechanism

The Company is committed to conduct all aspects of its business affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity, and ethical behaviour with due compliance to all applicable legal requirements. Towards this, the Company follows a set of Vigil Mechanism policies which lay down the principles and standards that should govern the actions of the Company, its stake holders, and its employees. These policies also provide a formal mechanism for all the Directors, employees, and vendors to approach the Ethics Counsellor or Chairman of the Audit Committee and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of any policies. Any actual or potential violation is treated as a matter of serious concern by the Company and appropriate action is initiated.

The Vigil Mechanism consists of four policies 1. TRL Krosaki Code of Conduct 2. Whistle Blower Policy for Directors and Employees 3. Anti-Bribery and Anti-Corruption (ABAC) policy 4. Conflict of Interest policy. These policies encourage every employee to promptly report to the management any actual or possible violation of the Code or any event wherein he or she becomes aware of that, which could affect the business or reputation of the Company. These policies provide protection to vendors from victimization or unfair trade practice by the Company and provides protection to the whistle blowers from any retaliatory action. While the Whistle blower policy encourages Whistle blowers to make protected disclosures in good faith, it also forbids raising concerns with malicious intent.

The Company also has a policy of conducting online test wherein questions are asked randomly, and employees are required to score at least 80% of marks to be eligible to confirm that they have understood the policies. The number of employees passed in the online test is being reported to the Audit Committee.

Internal Control System

The Board of Directors is responsible for ensuring that Internal Financial Controls (IFC) have been laid down and implemented in the Company and that such controls are adequate and effective. The foundation of IFC lies in the code of conduct, policies and procedures adopted by the management, corporate strategies, annual business planning process, management review and the risk management framework.

The Company has an IFC framework commensurate with the size, scale, and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transaction with proper authorization, and ensuring compliance with the corporate policies. Divisional heads are responsible to ensure compliance with these policies and

procedures. The controls were tested based on the prevailing conditions and processes during the year and no reportable material weakness in the design or effectiveness was observed. The framework on internal financial controls over financial reporting has been reviewed by internal and external auditors during the year.

The Company uses various proven and trustworthy IT platforms to keep the internal control framework robust and approved information management policy governs these IT platforms. During the year, to further strengthen controls, segregation of duties (SOD) of different users of the Company was reviewed and created process-wise roles which will improve to eliminate conflicts in segregation of duties. The systems, standard operating procedures and controls are implemented by the executive leadership team and reviewed by internal audit team, whose finding and recommendations are placed before the Audit Committee.

The scope and authority of Internal Auditors is defined in Internal Audit Charter. To maintain its objectivity and independence, the Internal Auditors report to the Audit Committee. Internal Auditors develop an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company. Based on the Report of the Internal Auditors, process owners undertake necessary preventive and corrective actions in their respective areas which help in strengthening the controls further. Significant audit observations and corrective controls thereon are presented to the Audit Committee and this process ensures strengthening of various controls.

The Audit Committee reviews the reports submitted by the Internal Auditors in its meetings. Besides, the Audit Committee conducts an independent session with the external auditors and the management to discuss the adequacy and effectiveness of internal control system.

Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external agencies, including Audit of internal financial controls over financial reporting by the Statutory Auditors and the review performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirms:

- (a) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (b) that directors had selected such accounting policies and applied them consistently, and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial Year, and of the profit and loss of

the Company for that period;

- (c) that the directors had taken proper and sufficient for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts on a going concern basis;
- (e) that the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;
- (f) that the directors had laid down proper internal financial controls and that such internal financial controls are adequate and were operating effectively.

Related Party Transactions

There have been no materially significant related party transactions between the Company and Directors, Key-Managerial Personnel, holding and subsidiary Company or the relatives.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contracts or arrangements in Form AOC-2 does not form part of the Report.

Remuneration Policy

The Board on recommendation of the Nomination and Remuneration Committee has framed a Policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Meetings

The details of the Board Meetings and Meeting of Committee of Directors are given in the Corporate Governance Report.

Auditors

(a) Statutory Auditors

M/s BSR & Co. LLP, chartered accountants, were appointed as Statutory Auditors of the Company at the 63rd Annual General Meeting held on 19th September, 2022 for a period of five years, to hold office till the conclusion of 68th Annual General Meeting to be held in 2027 in terms of Section 139 & 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014.

M/s BSR & Co. LLP have audited the books of accounts of the Company for the Financial Year ended March 31, 2023 and have issued the Auditors' Report thereon. There are no qualifications or reservations or adverse remarks or disclaimers in the said Report.

(b) Secretarial Auditors

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company appointed Ashok Mishra & Associates, (Membership No. FCS 5128, C.P. No.3270), Company Secretaries as Secretarial Auditors to conduct

Secretarial Audit of the Company for the FY 2022-23. The Secretarial Audit Report is annexed herewith as "Annexure - C". There are no qualification/ observations in the said Report.

(c) Cost Auditors

As per Section 148 of the Companies Act, 2013 ('Act'), the Company is required to maintain the cost records and have the Audit of its cost records conducted by a Cost Accountant in practice with respect to some products. The Company is maintaining the cost records as per the requirement of the Act.

In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee approved the appointment of M/s Saroj K Babu & Co., Cost Accountants (Firm Regn. No. 100591) as the Cost Auditors of the Company for the financial years ending March 31, 2023 and March 31, 2024.

In accordance with the provisions of the Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution forms part of the Notice convening the AGM. The Board seeks your support in approving the proposed remuneration of ₹ 1.10 Lakhs per year plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors for the financial years ending March 31, 2023 and March 31, 2024.

Particulars of Loans, Guarantees or Investments

Particulars of Loans, Guarantees or Investments in accordance with Section 186 of the Companies Act, 2013 are given below:

Outstanding as at 31st March 2023

Particulars	Amount (₹ Crores)
Loan given	Nil
Guarantees Given	Nil
Investments Made (Refer Note 2 to Standalone Accounts)	16.22

No investment has been made during the year.

Risk Management

The Company has developed and implemented a risk management policy with an objective to develop a risk intelligent culture that supports decision making and to help improving performance for a long-term business sustainability. Although the Company is not mandatorily required to constitute the risk management committee, the Company, as a mark of good corporate governance initiative, has proactively constituted a risk management committee consisting of the Managing Director and Senior Executives of the Company.

The Company's risk management process focuses on timely identification and analysis of the risks associated with the business and operating environment and addresses the same

suitably to eliminate or mitigate the risk. Cohesion between all risks and control functions (Risk, Finance Control, Compliance, IT Security and Health & Safety) continues to be a priority to support an integrated assurance process.

To strengthen the process of identifying and mitigating both external and internal risks, the Company has engaged an external consultant. The consultant has helped to develop a robust 5 step Enterprise Risk Management (ERM) process to address the risks associated with the business. Further, the 5-step risk management process aims at developing a “Risk intelligent culture” within the Company to encourage risk informed business decision-making as well as resilience to adverse environment and to create awareness of opportunities in order to enhance the long-term stakeholder value.

During the current year, the Company, in order to further strengthen the culture of identifying risks at the lowest possible employee level, conducted several workshops to identify the risks afresh. This has helped in identifying the smallest possible risk and these risks were reviewed and due diligence were conducted on new risks. The new risks identified along with its mitigation plan was presented to the Audit Committee and accordingly risk mitigation actions are being taken.

Independent Directors Declaration

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013.

Directors

Mr. Hisatake Okumura (DIN: 05130777) and Mr. H. M. Nerurkar (DIN: 00265887) are retiring by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

Mr. Chaitanya Bhanu (DIN: 09733430) and Ms. Ai Iwasaki as Director (DIN: 09733987) who were appointed as Additional Directors by the Board of Directors with effect from 20th September, 2022 and who hold office up to the date of this Annual General Meeting and are eligible for appointment to the office of Director.

Re-appointment of the Managing Director

The Board at its meeting held on 17th March, 2023, has reappointed Mr. Priyabrata Panda as the Managing Director of the Company for the period from 4th April, 2023 to 30th April, 2024. Necessary resolutions together with the explanatory statement have been included in the Notice of the 64th Annual General Meeting as the above reappointment is subject to the approval of the shareholders.

The profile and particulars of experience, attributes and skills of the above Directors/Managing Director is disclosed in the annexure to the Notice convening the Annual General Meeting. The Board recommends appointments/reappointments of the above-mentioned Directors/Managing Director.

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. P. B. Panda, Managing Director, Mr. M. V. Rao, Executive Vice President (Finance) & CFO and Mr. Asim Kumar Meher, Company Secretary.

Employees

The information required under section 197(12) of the companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the “Annexure - D” forming part of this Report.

Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as “Annexure - E”.

Significant and Material Orders Passed by the Regulators or Courts

There have been no significant material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

Disclosures as per 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.

During the year under review, the Company conducted training sessions for its male & female employees to reinforce the awareness amongst all.

The Company has constituted an Internal Complaint Committee (ICC) in compliance with the above-mentioned Act and Rules. During the financial year 2022-23, no complaint was received by the Company.

Deposits

During the year under review, the Company has not accepted any deposits under the Companies Act, 2013.

On behalf of the Board of Directors

Date : July 27, 2023
Place : Kolkata

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

Annual Report on Corporate Social Responsibility Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

- Brief outline on CSR Policy of the Company: A brief outline of the Company's Corporate Social Responsibility (CSR) policy is given on the Company's website. As an integral part of our commitment to good corporate citizenship, TRL Krosaki believes in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around its business operations. Every CSR initiative that is chosen to be supported and implemented lies within one of the broad areas of Education, Health Service, Drinking Water & Sanitation, Sustainable Livelihood, Infrastructure Development, Environment Protection, Promotion of Ethnicity and Sports. The Company's CSR initiatives are guided by its CSR policy adopted by the Board of Directors on July 25, 2014. The CSR Policy is posted on the Company's website : <https://www.trlkrosaki.com/en/about-us/corporate-governance/policies>.

2. Composition of CSR Committee :

S. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. R. Ranganath	Chairman Independent Director	1	1
2.	Mr. P. B. Panda	Member Managing Director	1	1
3.	Mr. Chaitanya Bhanu (Wef 28th Oct, 2022)	Member Non-executive Director	1	0
	Mr. Sudhansu Pathak (upto 1st Aug, 2022)	Chairman Non-executive Director	1	1

Note: Mr. Sudhansu Pathak ceased to be a member of CSR Committee consequent upon his resignation from Board wef 1st Aug, 2022. The CSR Committee was reconstituted wef 28th Oct, 2022. Mr. Chaitanya Bhanu was inducted as a member of CSR Committee and Mr. R. Ranganath was appointed as the Chairman of the Committee wef 28th Oct, 2022.

- The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.trlkrosaki.com/en/about-us/corporate-governance/policies>
- The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. Not Applicable
- Average net profit of the Company as per section 135(5): ₹ 10,432.01 lakh
- (a) Two percent of average net profit of the Company as per section 135(5): ₹ 208.64 lakh
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
(c) Amount required to be set off for the financial year, if any: NIL
(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 208.64 lakh
- (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹ lakh)	Amount Unspent (in ₹ lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
221.39	NA	NA	NA	NA	NA

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

S. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in ₹ lakh)	Amount spent in the current FY (in ₹ lakh)	Amount transferred to unspent CSR Account for the project as per section 135(6) (in ₹ lakh)	Mode of implementation - Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District						Name	CSR Registration No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

ANNEXURE TO THE CSR ANNUAL REPORT 2022-23

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

S. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area Yes/No	Location of the project		Amount spent for the project (in ₹ lakh)	Mode of implementation - Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	Dist			Name	CSR Registration No
1	Merit cum means scholarship to poor and meritorious students, Total Secondary School Education facilities to talented SC/ST students, development of infrastructure for education and financial aid to Prerana and BEST Trust.	Education	Yes	Odisha/	Jharsuguda	24.59	Direct	Not Applicable	
2	Organising Health Awareness Programmes, "Balyashree" Programme, Filariasis immunization & National Pulse Polio programmes, Support to National AIDS Control Programme	Health Services	Yes	Odisha/	Jharsuguda	5.88	Direct	Not Applicable	
3	Supply of drinking water through tankers, Construction of facilities for access to safe drinking water, Community toilets in rural areas	Drinking Water & Sanitation	Yes	Odisha/	Jharsuguda	10.58	Direct	Not Applicable	
4	Promoting Skill Development Training to unemployed youth through the Rural Self Employment Training Institute	Sustainable Livelihood	Yes	Odisha/	Jharsuguda	19.96	Direct	Not Applicable	
5	Extending support to cultural / social events to promote culture	Promotion of Ethnicity, traditional Art & Culture	Yes	Odisha/	Jharsuguda	4.51	Direct	Not Applicable	
6	Maintaining a nursery for development of saplings, development and maintenance of block plantation areas, distribution of saplings for community plantation. Installation of Solar Irrigation Project in Kureimal Village.	Environment	Yes	Odisha/	Jharsuguda	29.15	Direct	Not Applicable	
7	Developing Rural Infrastructure for public use and enhancement of road safety for public	Rural Infrastructure Development	Yes	Odisha/	Jharsuguda	119.55	Direct	Not Applicable	
8	Supplying sports kits to sports clubs & schools, extending material support for organizing sports events in rural areas	Promotion of Sports	Yes	Odisha/	Jharsuguda	5.54	Direct	Not Applicable	
9	COVID Prevention & Management Programme, Setting up and management of CCC	Awareness and Prevention of COVID 19	Yes	Odisha/	Jharsuguda	—	Direct	Not Applicable	
Total						219.76			

(d) Amount spent in Administrative Overheads: ₹ 1.63 lakh

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 221.39 lakh

(g) Excess amount for set off, if any: Not Applicable

S. No.	Particulars	Amount (in ₹ lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	208.64
(ii)	Total amount spent for the Financial Year	208.64
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

ANNEXURE TO THE CSR ANNUAL REPORT 2022-23

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

S. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ lakh)	Amount spent on the project in the reporting Financial Year (in ₹ lakh)	Cumulative amount spent at the end of reporting Financial Year (in ₹ lakh)	Status of the project - Completed/Ongoing
NA	NA	NA	NA	NA	NA	NA	NA	NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - Not Applicable

(asset-wise details).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

12. Responsibility statement of the CSR Committee: The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Date : July 27, 2023
Place : Kolkata

Sd/-
P. B. Panda
Managing Director

Sd/-
R. Ranganath
CSR Committee Chairman

Form No. MR-3
**SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2023**

To
The Members,
TRL KROSAKI REFRACTORIES LIMITED
CIN-U26921OR1958PLC000349

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by TRL Krosaki Refractories Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under relating to Foreign Direct Investment or Overseas Direct Investment.
- (iv) Following other laws as are specifically applicable to the Company:
 - a. The Factories Act, 1948
 - b. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
 - c. Industrial Disputes Act, 1947
 - d. Contract Labour (Regulations and Abolition) Act, 1970
 - e. Employees State Insurance Act, 1948
 - f. Payment of Bonus Act, 1965
 - g. The Employees Compensation Act, 1923
 - h. The Mines Act, 1952 and the Mines Rules, 1955
 - i. Mines & Minerals (Development and Regulation) Act, 1957
 - j. The Environment Protection Act, 1986
 - k. Water (Prevention & Control of Pollution) Act, 1974
 - l. Air (Prevention & Control of Pollution) Act, 1981.

The company complies with Statutory Tax Audit requirement under section 44AB of the Income Tax Act, 1961, which is done by Tax Auditors appointed, in his Tax Audit Report, so we have not reviewed compliance of applicable Income Tax Laws to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India, under Section 118 (10) of the Companies Act, 2013 with respect to the Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) and recommendatory standards like Secretarial Standard on Dividend (SS-3) and Secretarial Standard on Report of the Board of Directors (SS-4) by the Company.

The management has represented and we have also checked that the Company being an unlisted Public Company the following Acts, Regulations, Guidelines, Agreements etc. as specified in the prescribed MR-3 Form were not applicable to the Company:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registers to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and;
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;

(iii) Listing Agreement with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice was given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of minutes.

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

Place: Bhubaneswar
Date: 29.04.2023

For Ashok Mishra & Associates
Company Secretaries

(CS Ashok Kumar Mishra)
Proprietor
FCS-5128, C.P. No-3270

UDIN-F005128B000335997

This is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Enclosure-A

Annexure to Secretarial Audit Report

To

The Members,
TRL Krosaki Refractories Limited
U26921OR1958PLC000349

Our 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.
2. We have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules, regulations, guidelines, standards and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bhubaneswar
Date: 29.04.2023

For Ashok Mishra & Associates
Company Secretaries

(CS Ashok Kumar Mishra)
Proprietor
FCS-5128, C.P. No-3270

UDIN-F005128B000335997

Annexure D

Statement pursuant to Section 197 of the Companies Act, 2013 read with Rules of The Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014

Name	Designation/ Nature of duties	Gross Remuneration (in ₹ lakh)	Net Remuneration (in ₹ lakh)	Qualifications	Age (Years)	Total Experience (Years)	Date of Commencement of Employment	Particulars of last Employment held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
P. B. Panda	Managing Director	354.18	176.00	B.Sc. (Tech.) Ceramic Tech.	65	41	17.10.1981	
M. V. Rao	EVP (Finance) & CFO	131.62	77.53	FCMA	60	34	14.08.1992	Stiles India Ltd.
H. Sehgal	EVP (Operations)	128.91	74.80	B.Tech. (Mech.)	57	34	08.03.2007	Vardhaman Textiles
S. Sengupta	EVP (Sales, Marketing & Customer Care)	121.93	75.98	B. Tech. (Ceramic)	51	30	03.08.2009	IFGL Refractories Ltd.
P. K. Naik	EVP (Procurement & Sourcing)	115.66	69.96	M Tech. (Geology)	58	31	01.08.1991	
T. P. Dash	EVP (Corporate Services)	111.55	67.26	MSc. (Chemistry), P.G. Diploma (Ecology & Env.), P.G. Diploma (Safety), P.HD. Env. Sc.	57	32	17.09.1991	J.K. Paper Mills Ltd.
R. K. Singh	Sr. V P (HR & IR)	87.75	49.99	PHD in HR Management, Executive MBA	57	27	10.05.2018	Hindustan Coca-cola Beverages Pvt. Ltd.
Krishnendu Kumar	VP (DSS-EAST-KOL & CENTRAL)	82.69	49.98	Bsc. Technology (Ceramics)	46	22	01.08.2000	
Asoke Tripathi	VP (DSS WEST)	78.68	48.71	B.Tech (Ceramic Tech.)	51	20	02.09.2002	ACC Limited
H. Nagata	EVP (Tech & TSS)	77.80	51.10	M.Tech. (Metallurgy)	64	40	01.07.2015	Krosaki Harima Corporation, Japan

Notes:

- Gross Remuneration comprises Salary, allowances, monetary value of perquisites, commissions and the Company's contribution to Provident Fund and Superannuation Fund but excludes contribution to Gratuity Fund as separate figures are not available.
- Net Remuneration is after tax and is exclusive of Company's Contribution to provident fund and superannuation fund and monetary value of non-cash perquisites.
- None of the above employees along with his spouse and dependent children hold 2% or more equity shares of the Company.
- The nature of employment in all cases is contractual. 5. None of the above employees is a relative of any director of the Company.

On behalf of the Board of Directors

sd/-

H. M. NERURKAR
Chairman
(DIN : 00265887)

Date : July 27, 2023
Place : Kolkata

Conservation of Energy, Technology Absorption

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy

(a) Energy conservation measures taken:

- i. Modification of back up lining brick design from straight to tapered brick was done, resulting in lower rotary Kiln Shell temperature due to reduced heat losses.
- ii. Increased the secondary air temperature at combined hood by introducing a man-cooler duct in the rotary cooler. This has resulted in lower fuel consumption and lower discharge temperature of dolomite sinter.
- iii. Eliminated the pet coke fines shortage problem thus lowering specific fuel consumption in Rotary Kiln.
- iv. Rotary Kiln no.2 Cooler type shell replacement and gear reversal is done to eliminate possibility of breakdown.
- v. Improved the firing efficiency in Dolomite Tunnel Kiln no.3 by replacing with new design nozzles and regulating motor RPM at burners.
- vi. Power factor was maintained at more than 0.995.
- vii. In Silica tunnel Kiln the gas pipeline and burner were modified to eliminate fire incidents in the Kiln.

(b) Impact of above measures :

- i. Lowest ever specific consumption of oil of 119 Litres/MT of sinter is achieved in Dolomite rotary Kilns in 22-23.
- ii. Lowest ever specific coal consumption of 104 Kg/MT of production is achieved at Belpahar Plant.
- iii. Lowest ever specific energy consumption of 1.86 G Cal/MT is achieved at Belpahar works.

(ii) Capital investment on energy conservation equipment

New UPS installed in Rotary Kilns at the cost of ₹ 7.15 lakhs to control ESP temperatures and emergency power.

B. Technology absorption, adaptation and innovation:

(i) Efforts, in brief, made towards technology absorption, adaptation and innovations:

- Number of new products have been introduced in the product basket with in-house development as well as with technical know-how with Krosaki Harima Corporation, Japan.
- Improved Trough Castable (High corrosion resistance) for higher capacity blast furnace.
- A series of high performance castable for pellet plant application.
- Large PCPF block for BF Trough application (back-up) with improved design.
- Improved quality Direct bonded & semi-rebonded Magnesia-Chrome bricks for non-ferrous (Ausmelt Furnace) & ferrous application.
- Magnesia-Spinel-ZrO₂ bricks for RH Degasser application.
- Longer series MgO-C bricks for LD converter application.
- High performance CDQ bricks – Complete package (Mullite-SiC, Andalusite & Chamotte).
- High performance Long Purging--plug (Slot type Jet-plug).
- Improved quality Al-90 slide plates for higher performance (Maximum 9 Heats at Tata Steel Kalinganagar).
- Improved Quality Ladle Shroud & Mono Block Stopper.
- Longer series (>1000 mm) Burnt- dolomite bricks for higher performances in AOD vessel.

TRLK-Technology Division has published 18 nos. of technical papers in IREFCON'22, ICRJ'22, Copper'22 (Chile), REFISS 4.0, and ICS'22.

TRL Krosaki is continuously working jointly with Customers (TSL-TISTRICK) & Raw material suppliers (ALMATIS, IMERYS, etc.) for performance improvement of existing products, new product development and introduction of new raw materials.

(ii) Benefits derived as a result of above efforts

Consistent and enhanced product performance and customer satisfaction.

(iii) In case of imported technology (imported during the five years reckoned from the beginning of the financial year) following information may be furnished:

Details of Technology	Year of Import	Whether technology fully absorbed	Status of Implementation
Manufacturing of AG Refractories - Krosaki Harima Corporation, Japan	2019-20	Yes	Commercialised

C. Research & Development

(i) Specific areas in which R&D work was carried out by the Company

New & improved product development, continuous improvement of product performance, redesigning of existing product, improvement for product consistency, use of recycle material & cost-effective recipe development. Major emphasis was given to the research in the field of iron making & steel making areas like Trough, Torpedo, Pellet Plant CDQ, Flow Control & CC, Steel Ladle, RH Degasser and BOF. In stainless steel & non-ferrous area also continuous research work has been carried out to improve the performance of Dolomite, DBMC & High Alumina/Monolithic Products.

(ii) Benefits delivered as a result of R&D Programmes

R&D activities have helped the company in reducing the input cost of raw materials through development of alternative cost-effective products. This has helped the company to replace competitors and remain competitive in the market.

(iii) Future plan of action

Company continues its effort on developing new and improved cost-effective, environment-friendly, and customized products through Marketing & Technical services to meet the future technological challenges and meet customers' demand. Technology will continue to work on reducing input costs.

(iv) Expenditure of R&D

(a) Capital	:	₹ 383.70 Lakhs
(b) Recurring	:	₹ 1,105.90 Lakhs
(c) Total	:	₹ 1,489.60 Lakhs
(d) Total R&D expenditure as a Percentage of total turnover	:	0.65%

D. Foreign Exchange Earnings & Outgo on Research & Development

Foreign Exchanged Earned	:	₹ 337.93 Crore
Foreign Exchange Used	:	₹ 579.11 Crore

On behalf of the Board of Directors

sd/-

H. M. NERURKAR
Chairman
(DIN : 00265887)

Date : July 27, 2023
Place : Kolkata

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Refractories are composite materials used in large volume in extreme, usually corrosive environments in equipment, such as, furnace lining, molten metal storage and tapping for high temperature materials processing and other applications in which thermo-chemical properties are of critical importance. Refractories are therefore facilitating or enabling materials and are essential to successful operations of any core industry in which high temperature applications are involved. About 70% of world refractories production is consumed by steel industry. In India steel industry consumes around 75% of refractories produced. Other significant consumers of refractories are copper, cement, lime, aluminum, glass, and chemical industries.

The steel industry is the major consumer of refractories. The growth of refractories industry is closely linked with the growth of iron and steel industry. India has become 2nd largest producer of crude steel in the world. India's estimated steel production in 2022-23 was 126 Mn. MT an increase of 6 Mn. MT from 120 Mn. MT in 2021-22. It is estimated that steel demand will continue to increase in India especially from construction, automotive and infrastructure sectors. Growth story of Indian Steel Industry is further supported by Government's thrust on infrastructure development which was announced in the Union Budget. Indian steel industry is expected to infuse fresh funds for raising capacity utilization. Steel industry in India is consolidating and the unused capacity of the industry is being utilized. It is estimated that the steel production in India will increase to 131 Mn. MT by 2023-24. As per Government of Odisha the steel production in the state only is expected to increase from the current installed capacity of 34 Mn. MT to 138 Mn. MT by 2030. This will increase the demand for refractories. Other major consuming industries like cement, copper and aluminium are also expected to grow in the next 5 years.

Performance Review

During the year, the Company recorded revenue of ₹ 2299 Crores (previous year ₹ 1924 Crores). Profit Before exceptional items and Tax stood at ₹ 207 Crores (previous year: ₹ 133 Crores); Profit Before Tax ₹ 207 Crores (previous year: ₹ 137 Crores) and Profit After Tax of ₹ 155 Crores (previous year: ₹ 103 Crores). The increase in profit before tax is primarily on account of improved realisations and higher volume of focused products.

Sl. No.	Item	2022-23 ₹ Crores	2021-22 ₹ Crores	Change (%)
1	Sale of Products and Services	2295	1921	19% ↑
2	Other Income	4	3	33% ↑
3	Total Income (1+2)	2299	1924	19% ↑
4	Manufacturing and other Expenses	2030	1741	17% ↑
5	Earnings before interest, Depreciation, Taxes	269	183	47% ↑
6	Exceptional Item	-	4	100% ↓
7	Other Comprehensive Income/(Loss)	-3	-1	200% ↑
8	EBIDTA margin	11.70%	9.50%	23% ↑
9	Depreciation	39	34	15% ↑
10	Finance Cost	23	16	44% ↑
11	Profit Before Tax	207	137	51% ↑
12	Profit After Tax	155	103	50% ↑

Raw material consumption increased from ₹ 803 Crores in 2021-22 to ₹ 1002 Crores in current year primarily on account of increase in raw material prices. Employee benefit expenses increased from ₹ 141 Crores in 2021-22 to ₹ 162 Crores in current year primarily on account of salary revisions and its consequential impact on the retirement provisions. Depreciation increased from ₹ 34 Crores in 2021-22 to ₹ 39 Crores in current year primarily on account of increase in capitalization. Finance cost increased from ₹ 16 Crores in 2021-22 to ₹ 23 Crores in the current year primarily due to increase in rates consequent to the increase in repo rates by RBI and higher utilization of working capital facility following increase in business. Stores and Spares consumption increased from ₹ 33 Crores in 2021-22 to ₹ 40 Crores in current year primarily due to increase in prices. Repairs to Building increased from ₹ 16 Crores in 2021-22 to ₹ 26 Crores in current year primarily due to increase in repairs in township. Fuel consumption increased from ₹ 130 Crores in 2021-22 to ₹ 161 Crores in current year primarily due to increase in prices of furnace oil, coal, and pet coke. Conversion and processing charges increased from ₹ 32 Crores in 2021-22 to ₹ 37 Crores in the current year due to increase in prices. Freight and Handling charges decreased from ₹ 120 Crores in 2021-22 to ₹ 112 Crores in the current year primarily due to decrease in ocean freight. Royalty increased from ₹ 8 Crores in 2021-22 to ₹ 11 Crores in current year due to higher sale of royalty bearing products. Commission expenses increased from ₹ 10 Crores in 2021-22 to ₹ 12 Crores in current year primarily due to higher business through overseas agents. Allowance for credit losses/provision for doubtful advances has decreased from ₹ 11 Crores in 2021-22 to ₹ 4 Crores in current year primarily due to decrease in expected credit losses. Travelling expenses increased from ₹ 6 Crores in 2021-22 to ₹ 17 Crores in current year primarily due to increase in travelling in connection with international business. Insurance charges increased from ₹ 3 Cr. in 2021-22 to ₹ 4 Crores in current year due to increase in policy amount.

Customer Relationship

During the year, the Company has given unique solutions to satisfy the need of customers with focus on upgradation in design of refractories lining to improve performance, improvement of the equipment availability time and demonstrating best safety practices at customer sites.

The Company continues to capture in detail the voice of customers with the aim to provide customized solutions on pain points. At Tata Steel Kalinganagar Blast Furnace, Computational Fluid Dynamics modelling was done to come out with a customized design of lining and eliminate the problem of metal-slag emulsification. Through a focused approach on performance management, the Company has created benchmark in Torpedo Ladle car performance at Steel Authority of India Limited - Rourkela Steel Plant. This is an all-time highest performance of Refractories in a Torpedo Ladle Car in India. After successful execution of supplies and installation of Pellet plant at Bravo Sponge last year, the improvement of footprint in Pellet Plant kilns was made more prominent by executing the repeat order this year from this customer. The Company-maintained performance superiority in the Steel Melting Shops of Integrated Steel Mills like Tata Steel & JSW Steel. In the Stainless-Steel Industry, record performance of Dolomite refractories was achieved across different customers like Jindal Stainless Limited, Viraj Alloys Limited, and Rimjhim Ispat Limited. The Company stabilized the performance of Alumina Graphite Refractories from its newly commissioned plant at Belpahar with successful trials at Steel Authority of India and Arcelor Mittal Nippon Steel India.

The Company has given a prime focus on equipment availability time for customers and thus supported its customers on productivity enhancement. At both Tata Steel Jamshedpur & Kalinganagar, lime kiln relining job was executed in a record time. At JSW Steel Vijayanagar, Blast Furnace Trough revamping job was completed under a stringent schedule maintaining all safety practices and protocols. The Company completed the Converter relining at Tata Steel Kalinganagar in a record time. At Tata Steel NINL, Slide Gate commissioning was completed in a very short span of time.

The Company was recognized by many integrated steel mills for its efforts towards supply, services, and safety practices at site. The most notable ones are the award on “Supplier Partner of the Year – Materials” from Tata Steel Limited, “Best Safety practices” from JSW Steel Limited and “Best Supplier of Refractories” from Jindal Stainless Limited. As an initiative to raise Safety awareness at customer sites, the Company has initiated safety audits and workshops which was well appreciated by the customers. The Company continues to give focus towards improving its presence in Micro, Small & Medium Enterprises by enhancing the retail sales network across the country. This business from Channel Sales witnessed a growth of 30% over previous fiscal.

The Company believes that digitalization and smart refractories solutions are the key to success in near future and is preparing itself by introducing automation in site services, maintaining cloud-based data management and 360 Degree Customer Relationship Management.

International Business

When the World began to recover from the impact of pandemic in this fiscal and demands in market started improving, geopolitical tension between Russia and Ukraine changed the dynamics. Europe and CIS were worst impacted amongst all, and production cut, frequent operational stoppage and deferment of project was observed. Fuel crisis and production cut across various sectors reduced overall demand of refractories. Unprecedented Forex crisis at Bangladesh and Nigeria in FY 2022-23 reduced import of refractories in these markets. However, the Ocean freight costs witnessed steady decline which was favorable for export.

Despite above mentioned challenges across the globe, the Company remained focus towards continuous growth through sustainable business development in International Business. Strategies has been set to put more thrust on Technical Support Services, build customer relationship, increase customer base through Group companies in Europe, USA and Taiwan. To overcome uncertainty of project orders, focus has been made to increase business of consumables by maximizing customer base.

International Business registered a growth of 5% in FY 2022-2023 over 2021-22 and achieved ₹ 323 Cr. in revenue. Major business growth came from Middle East, Brazil & Zambia. Through successful conversion of various trials and maintaining Share of Business at major customers the Company crossed ₹ 50 Cr. revenue from Middle East market for the first time. One of the major focused products DBMC (Direct Bonded Magnesia Chrome) bricks registered a revenue growth of 20% in 2022-23 over 2021-22 through continuous market development activities and conversion of successful trials at Europe, Africa & Far East Asia. Business share of Dolomite bricks improved at Arcelor Mittal, Brasil and the Company secured bulk orders from this market. All major Freight contracts were successfully negotiated within budgeted freight cost which helped to improve bottom line and maintain sustainable business at Overseas market.

Borrowings and Liquidity

There is no change in borrowing for working capital in the current year and remained at same level of ₹ 183 Crores inspite of increase in business and repayment of term loan primarily due to increase in internal generation. Inventory of raw materials decreased from ₹ 291 Crores on 31st March 2022 to ₹ 287 Crores on 31st March 2023 primarily due to planned decrease in Chinese raw materials. Trade Receivables increased from ₹ 299 Crores on 31st March 2022 to ₹ 337 Crores on 31st March 2023 primarily due to increase in revenue. Other current assets decreased from ₹ 29 Crores on 31st March 2022 to ₹ 26 Crores on 31st March 2023 primarily due to decrease in advances with public bodies.

The average cost of borrowing has increased from 5.41% in 2021-22 to 6.36% in the current year mainly due to increase in interest rates consequent to increase repo rates by RBI.

Keeping in view the business plan of 2023-24, current gearing level and unutilized credit limits, the Company is comfortable of managing its liquidity over the short and medium term.

Human Resources

From its very inception, the Company is focused on improving the quality of life of its employees as well as its surrounding community. The Company has been a pioneer in employee welfare schemes in the industry and has always believed that human resources are the differentiating factor responsible for its growth and success over the years.

The workforce represents diversity, inclusiveness and collaboration with individuals coming together from across the country and abroad to form a very strong and collaborative team that has fueled record growth and success for the Company. Diversity and inclusiveness are the two key factors that enable us to innovate and lead technically in the refractory industry. During the current year, the Company became the first refractory Company to be SA-8000 certified in the entire world. This signifies the commitment of the Company towards welfare of its people.

The capability building efforts includes a range of trainings, conferences, seminars, employee connect, engagement, and on-the-job learning activities aligning with business priorities and focusing on improved employee general wellbeing.

This year, the Company has taken several new initiatives, primarily for the employee wellbeing-linked training programmes. Over 200 unique training programmes spread across multiple sessions were conducted with over 3000 training man-days. This excludes regular shop floor training and orientation programmes conducted within departments. The Company also evaluated the effectiveness of these programmes. Together these programmes garnered average feedback of 8.8 and effectiveness for selected programmes remained at 7.8 on a 10-point scale. Our focus on strengthening internal capabilities in learning and development has resulted in achieving 70% training programmes being conducted by internal subject matter experts and 30% of the programmes conducted by external experts.

Amongst the programmes delivered internally technical training remained the biggest contributor, showcasing our strength in refractories training in the industry. Technical programmes include training in Refractories and Metallurgy, Iron and Steel making, Alumina Graphite Refractories, Robotics in operations, Operators Skill Upgradation programmes for Workmen and function specific programmes for various divisions. Behavioral programmes represented a wide bouquet of Leadership trainings in IIMs and other institutions of repute. Over 22 national/international conferences and seminars, inhouse programmes on Emotional Intelligence, Personal Effectiveness & Team Building, Communication skills and corporate grooming of young officers and Workmen were conducted. The Company is also a pioneer in Safety, Health and Environment practices. This year the focus of training in these areas includes Carbon Footprint Management, Workplace Ergonomics, Safety in operations, Behavior Based Safety etc. and various Healthcare programmes for our employees and family members. This year the Company has also conducted mass training and awareness programmes in SA-8000 covering all employees including contractual workforce associated with the Company.

Besides capability building and engagement activities, the significant investment made in the infrastructure of the Company has resulted in ensuring our workforce is in safe working environment inside the plant and enjoys a world class living in its self-sustained modern township at Belpahar. With a unique approach of continuously improve the quality of life of its workforce, the Company has become the most preferred workplace in the industry. Its efforts in this line have not only been recognized internally but have also been lauded by stakeholders including customers, and industry associations.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2022-23

Company's Corporate Governance Philosophy

TRL Krosaki Refractories Limited is not a Listed Company. Hence, the Corporate Governance norms are not statutorily mandatory for the Company. However, your Company is committed to follow good corporate governance practices proactively. The Company emphasizes the need for full transparency and accountability of all its transactions to protect the interests of its stakeholders. The Board of Directors ("the Board") considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company believes that good corporate governance practices generate goodwill among business partners including customers, and investors, earn respect from society, bring about a consistent sustainable growth and profitability for the Company and ensure competitive returns for the investors. The Corporate Governance Philosophy has been strengthened with the implementation of Code of Conduct applicable to the Company, its directors, and its employees.

Board of Directors

The Board is at the core of corporate governance practices of the Company and oversees how the Management serves and protects the long-term interests of all the stakeholders. The Company believes that an active, well-informed, and independent Board is necessary to ensure the highest standards of corporate governance.

SIZE AND COMPOSITION OF THE BOARD

The Company has a Non-Executive Chairman, and all other Directors except the Managing Director are Non-Executive Directors (NEDs).

None of the Directors on the Board is a Director in the Board of more than twenty Companies and also not a director in more than ten public companies (including directorship in private Company which is either holding or subsidiary Company of a public Company). Similarly, none of the Director on the Board is a member of more than 10 Board Committees (Audit Committees and Stakeholders' Relationship Committees) and Chairman of more than 5 Committees, across all the Companies in which he or she is a director.

Currently, the Board comprises ten members consisting of one Managing Director, seven Non-Executive Directors (NEDs) including a Woman Director and two Independent Directors (IDs). The Board periodically evaluates the need for a change in its composition and size. Detailed profile of our directors is available on our [website: www.trlkrosaki.com](http://www.trlkrosaki.com).

None of the NEDs serve as IDs in over seven listed companies and the Whole-time Director does not serve as ID on any listed Company.

The Company has issued formal letters of appointment to Independent Directors. The terms and conditions of appointment of Independent Directors is available on the Company's website and can be accessed at : <https://www.trlkrosaki.com/en/about-us/leadership>.

The names and categories of Directors on the Board, their attendance at Board Meetings during the year, and at the last Annual General Meeting, and the number of Directorships and Committee Memberships held by them in other Companies are given below:

Name	DIN	Whether attended AGM held on September 19, 2022	No. of Directorships in other Indian Public Companies # As on 31.03.2023		No. of Committee Positions held in other Indian Public Companies * As on 31.03.2023		
			As Chairman	As Director	As Chairman	As Member	
Non-Executive Directors							
Mr. H. M. Nerurkar (Chairman)	00265887	Yes	4	3	3	6	
Mr. Sachihiko Asaya	09043344	No	—	—	—	—	
Ms. Ai Iwasaki (wef 20th Sep, 2022)	09733987	No	—	—	—	—	
Mr. Jumpei Konishi	09152493	No	—	—	—	—	
Mr. Anirban Dasgupta	06832261	No	—	2	—	—	
Mr. Chaitanya Bhanu (wef 20th Sep, 2022)	09733430	NA	—	—	—	—	
Mr. Hisatake Okumura	05130777	Yes	—	—	—	—	

Name	DIN	Whether attended AGM held on September 19, 2022	No. of Directorships in other Indian Public Companies # As on 31.03.2023		No. of Committee Positions held in other Indian Public Companies * As on 31.03.2023	
			As Chairman	As Director	As Chairman	As Member
Independent Directors						
Mr. P. V. Bhide	03304262	Yes	—	5	—	4
Mr. R. Ranganath	06725337	No	—	1	—	—
Executive Director(s)						
Mr. P. B. Panda (Managing Director)	07048273	Yes	—	—	—	—

Excludes Directorships in Private and Foreign Companies.

* Chairmanship/ Membership of Audit Committee and Stakeholders Relationship Committee.

Board Meetings

SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS

The date of Board meetings in the ensuing year are decided in advance. Most Board meetings were held through video conference mode. The agenda and explanatory notes are sent to the Members of the Board in advance. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the quarterly results and other items in the agenda and also meets on the occasion of Annual General Meeting ("AGM") of the shareholders. Additional meetings are held, when necessary. Committees of the Board usually meet before the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval.

Six Board Meetings were held during the year 2022-23 and the gap between two consecutive meetings did not exceed one hundred and twenty days.

The details of meetings attended by Directors are given below:

Name of the Director	Category	No of meeting attended	Attendance(%)
Mr. Mr. H. M. Nerurkar (Chairman)	NED	6	100
Mr. P. B. Panda	ED	6	100
Mr. Sudhansu Pathak (upto 1st August, 2022)	NED	2	33
Mr. Jumpei Konishi	NED	6	100
Mr. Hisatake Okumura	NED	6	100
Mr. Anirban Dasgupta	NED	3	50
Ms. Shuang Zhu (upto 19th September, 2022)	NED	1	17
Mr. Sachihiko Asaya	NED	5	83
Mr. P. V. Bhide	ID	6	100
Mr. R. Ranganath	ID	5	83
Mr. Chaitanya Bhanu (wef 20th September, 2022)	NED	3	50
Ms. Ai Iwasaki (wef 20th September, 2022)	NED	3	50

ID - Independent Director, NED - Non-Executive Director, ED – Executive Director

Note: Mr. Sudhansu Pathak resigned w.e.f. 1st August, 2022 and Ms. Shuang Zhu retired at the commencement of the 63rd Annual general Meeting held on 19th September, 2022. Mr. Chaitanya Bhanu and Ms. Ai Iwasaki were appointed as Additional Directors by the Board with effective from 20th September, 2022.

INDEPENDENT DIRECTORS' MEETING

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on 16th March, 2023 through video conference mode without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors evaluated inter alia the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed various aspects relating to the quality, quantity, and timeliness of flow of information between the Company, Management and the Board.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors under Section 177 of the Companies Act, 2013. The primary

objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest level of transparency, integrity, and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors, the Statutory Auditors, the Cost Auditors, the Secretarial Auditors and reviews the processes used by each of them to safeguard the financial reporting is accurate. The Committee further reviews the process and controls including compliance with applicable laws, code of conduct, Whistle Blower Policy and related cases thereto, functioning of the committee to prevent Sexual Harassment at Workplace, policies and guidelines on Internal Controls. The Committee also reviews the adequacy of Risk Management System by laying down Risk Management Policy, reviewing Risk Governance Structure, Risk Identification and Assessment Process on a regular basis. The Committee also reviews other matters as considered appropriate or referred to it by the Board.

Five Meetings of the Audit Committee were held during the financial year 2022-23.

The composition of the Audit Committee and the details of meetings attended by the Members are given below:

Name of the Director	Category	No of meeting attended	Attendance (%)
Mr. P. V. Bhide (Chairman)	ID	5	100
Mr. R. Ranganath	ID	5	100
Mr. Sachihiko Asaya	NED	5	100

ID - Independent Director, NED - Non-Executive Director

The Audit Committee Meetings are attended by Internal Auditors and Statutory Auditors are invited to the meetings. Other senior executives of the Company attended the meetings as invitees to address concerns raised by the Committee Members. The Company Secretary acts as the Secretary of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee of Directors under Section 178 of the Companies Act, 2013.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long-term objectives of the Company.
- Co-ordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors.
- Chairman of Nomination and Remuneration Committee, Mr. Hisatake Okumura is different from Chairman of Board of Directors. Mr. H. M. Nerurkar, Mr. P. V. Bhide and Mr. R. Ranganath are the other members of the Committee.

Three meetings of the Nomination and Remuneration Committee were held during the financial year 2022-23.

The composition of the Nomination and Remuneration Committee and the details of meeting attended by the Directors are given below.

Name of the Director	Category	No of meeting attended	Attendance(%)
Mr. Hisatake Okumura (Chairman)	NED	3	100
Mr. H. M. Nerurkar	NED	3	100
Mr. P. V. Bhide	ID	3	100
Mr. R. Ranganath	ID	2	67

ID - Independent Director, NED - Non-Executive Director

REMUNERATION POLICY OF DIRECTORS, KMPs AND OTHER EMPLOYEES

The Remuneration Policy approved by the Nomination and Remuneration Committee and the Board is available on the Company's website : <https://www.trlkrosaki.com/en/about-us/corporate-governance/policies>.

DETAILS OF REMUNERATION TO DIRECTORS FOR 2022-23

(a) Non-Whole time Directors

(₹ Lakhs)

Sl. No.	Name of the Director	Commission *	Sitting Fees
1	Mr. H. M. Nerurkar	66.38	5.40
2	Mr. Sachihiko Asaya	2.87	4.00
3	Mr. Anirban Dasgupta	3.17	1.50
4	Ms. Shuang Zhu	0.29	0.50
5	Mr. Sudhansu Pathak	4.22	1.30
6	Mr. Hisatake Okumura	4.89	5.40
7	Mr. Jumpei Konishi	3.16	4.50
8	Mr. P. V. Bhide	14.00	5.40
9	Mr. R. Ranganath	12.00	4.90
10	Mr. Chaitanya Bhanu	3.16	1.50
11	Ms. Ai Iwasaki	0.86	1.50

Note:

- * Commission for the financial year 2022-23, will be paid after adoption of Financial Statements at the 64th Annual General Meeting scheduled to be held on September 12, 2023.
- Amounts indicated against Mr. Hisatake Okumura, Mr. Jumpei Konishi, Mr. Sachihiko Asaya, Ms. Shuang Zhu and Ms. Ai. Iwasaki are paid/payable to Krosaki Harima Corporation, Japan.
- Amounts indicated against Mr. Anirban Dasgupta is paid/payable to Steel Authority of India Ltd.
- Amount indicated against Mr. Chaitanya Bhanu:
 - Sitting Fee is payable to Tata Steel Ltd.
 - Commission is payable as per Tata Steel guidelines.

(b) Managing Director

(₹ lakhs)

Name	Salary	Perquisites & Allowances	Long Term incentive Plan (LTIP)	Commission @	Stock Options
Mr. P. B. Panda	111.87	60.05	61.28	170.00	—

@ Commission will be paid after adoption of financial statements for FY 2022-23 at the 64th Annual General Meeting scheduled to be held on September 12, 2023.

Service Contract, Severance Fees and Notice Period

Period of Contract of Managing Director: From 4th April, 2023 to 30th April, 2024.

The contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy.

The terms of reference of the Committee are:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on CSR activities; and
- To monitor from time to time the CSR Policy of the Company.

One meeting of the Corporate Social Responsibility (CSR) Committee was held during the financial year 2022-23.

The composition of the CSR Committee and the details of meeting attended by the Directors are given below:

Name of the Director	Category	No of meeting attended	Attendance(%)
Mr. R. Ranganath (Chairman)	ID	1	100
Mr. P. B. Panda	ED	1	100
Mr. Chaitanya Bhanu (wef 28th October, 2022)	NED	0	0
Mr. Sudhansu Pathak (Chairman- upto 1st August, 2022)	NED	1	100

ID - Independent Director, NED - Non-Executive Director, ED – Executive Director

Note: Mr. Sudhansu Pathak ceased to be a member of CSR Committee consequent upon his resignation from the Board wef 1st Aug, 2022. The CSR Committee was reconstituted wef 28th Oct, 2022. Mr. Chaitanya Bhanu was inducted as a member of CSR Committee and Mr. R. Ranganath was appointed as the Chairman of the Committee wef 28th Oct, 2022.

COMMITTEE OF BOARD

In addition to the above Committees on Corporate Governance, the Board has also constituted an additional committee known as Committee of Board (COB) and its terms of reference amongst its other functions are to periodically review:

- Business and Strategy
- Financial matters requiring special attention
- Long term financial projections and cash flow
- Capital expenditure programmes
- Organizational Structure.

COB shall also periodically review Company's business plans, profit projections, ways and means position etc.

Five meetings of the Committee of Board (COB) were held during the financial year 2022-23.

The composition of the COB and the details of meetings attended by the Directors are given below.

Name of the Director	Category	No of meeting attended	Attendance(%)
Mr. H. M. Nerurkar (Chairman)	NED	5	100
Mr. P. B. Panda	ED	5	100
Mr. H. Okumura	NED	5	100
Mr. Jumpei Konishi	NED	5	100

NED - Non-Executive Director, ED – Executive Director

GENERAL BODY MEETINGS

(a) Location and time, for last three Annual General Meetings (AGMs) and details of Special Resolution Passed:

Financial Year	Date	Time	Location	Special Resolution Passed for
2021-22	19th Sept'22	04:00 PM (IST)	Belpahar, Jharsuguda, Odisha - 768218	No Special Resolution Passed
2020-21	29th Sept'21	01:00 PM (IST)	Belpahar, Jharsuguda, Odisha - 768218	No Special Resolution Passed
2019-20	25th Sept'20	01:00 PM (IST)	Belpahar, Jharsuguda, Odisha - 768218	Re-appointment of Mr. P. B. Panda, Managing Director

(b) No Extra-Ordinary General Meeting of shareholders was held during the Year under review.

OTHER DISCLOSURES

The Board has received disclosures from key managerial personnel relating to financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interests of the Company at large.

INFORMATION TO INVESTORS

Annual General Meeting 2022

Date	12th September, 2023
Time	05:00 PM IST
Venue	Registered Office of TRL Krosaki Refractories Limited, Belpahar, Jharsuguda, Odisha 768218.
Financial Year	1st April, 2022 to 31st March, 2023

Particulars of Directors seeking appointment / re-appointment are given in the annexure to the Notice of the Annual General Meeting to be held on 12th September, 2023.

Address for correspondence Company Secretary
 TRL Krosaki Refractories Limited
 CIN-U26921OR1958PLC000349
 PO: Belpahar – 768 218
 Dist.: Jharsuguda, Odisha, INDIA
 Phone: +91 6645 258417
 E-mail: asim.meher@trlkrosaki.com

Demat Agency Details Universal Capital Securities Pvt. Ltd.
 C-101, 247 Park, 1st Floor, LBS Road,
 Gandhi Nagar, Vikhroli (West),
 Mumbai, Maharastra, 400 083
 Tel: +91 (22) 2820 7203-05/4918 6178-79

Distribution of Shareholding as on 31st March, 2023

Number of Shares Slab	Number of Shareholders	% of Shareholders	Number of Shares Held	% of Shares Held
1-100	85	44.27	4,713	0.02
101-500	37	19.27	12,480	0.06
501-1000	21	10.94	19,265	0.09
1001-5000	17	8.85	43,320	0.21
5001-10000	3	1.56	25,498	0.12
10001-100000	24	12.50	9,41,210	4.50
Above 100000	5	2.61	1,98,53,514	95.00
Total	192	100	209,00,000	100

Categories of Shareholding as on 31st March, 2023

Category of Shareholder	Number of Shares Held	Percentage of Share Capital
Foreign Holdings	162,22,864	77.62
Government Companies	22,03,150	10.54
FIs, Insurance Companies & Banks	9,62,500	4.61
Other Corporate Bodies	2,98,662	1.43
Mutual Funds	–	–
Directors & Relatives	100	–
Key Managerial Personnel & Relatives	–	–
Individual & Others	12,12,724	5.80
Total	209,00,000	100

Top Ten Shareholders of the Company as on 31st March, 2023

Sl.No.	Name of the Shareholders	No. of Shares Held	% of Holding
1	Krosaki Harima Corporation	162,22,864	77.62
2	Steel Authority of India Limited	22,03,150	10.54
3	Life Insurance Corp. of India	9,62,500	4.61
4	Rita Pavankumar	2,55,000	1.22
5	Vikas Pavan Kumar	2,10,000	1.00
6	Lalita Kayan	1,00,000	0.48
7	S. M. S. Investment Corp. Pvt. Limited	97,490	0.47
8	Devraj Singh	92,285	0.44
9	Lalitya Kumari	92,285	0.44
10	Pavankumar Sanwaria Realty Private Limited	75,000	0.36

Dematerialization of shares as on 31st March, 2023

The Company has established connectivity with the depository, i.e. National Security Depository Limited (NSDL). The International Securities Identification Number ("ISIN") allotted to the shares under the Depository System is **INE 012L01014**. A total of 2,05,80,444 equity shares of the Company representing 98.47 % of the Company's Share Capital were dematerialized as on 31st March, 2023.

Unclaimed Dividend-

- All unclaimed /unpaid dividend amounts up to financial year 2014-15, have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.
- The unclaimed dividend declared in respect of the financial year 2015-16 can be claimed by the shareholders by 25th September, 2023.

OTHER INFORMATION TO THE SHAREHOLDERS

Dividend History for the last 10 years

Financial Year	Dividend Date	Rate	Financial Year	Dividend Date	Rate
2021-22	19.09.2022	150%	2016-17	28.06.2017	63%
2020-21	29.09.2021	64%	2015-16	26.09.2016	20%
2019-20	29.09.2020	145%	2014-15	29.09.2015	10%
2018-19	25.09.2019	122%	2013-14	06.09.2014	10%
2017-18	18.09.2018	66%	2012-13	21.09.2013	10%

Nomination Facility

Shareholders who hold shares in the physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to the Company the prescribed Forms SH-13/SH-14. These forms can be downloaded from the Company's website : <https://www.trlkrosaki.com/en/about-us/investors/forms-and-other-documents>

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given directly to the Depository Participant (DP).

Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given to the Company. As per Companies Act, 2013, transfer of physical shares is banned. Accordingly, shareholders are suggested to open a demat account with a depository and dematerialize the shares for safe custody and enabling transfer of shares.

Remittance of Dividend through Electronic Mode

The Company provides the facility for remittance of dividend to shareholders through NECS (National Electronic Clearing Service) / RTGS (Real Time Gross Settlement) / NEFT (National Electronic Funds Transfer). Shareholders, who have not opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) to their respective Depository Participants (DPs) or to the ISC, where shares are held in the dematerialized form and in the certificate form, respectively.

Shareholders holding shares in the physical form may use the NECS Mandate Form for this purpose, which can be downloaded from the Company's website under the section 'Investor' section or can be furnished by the Company on request.

INDEPENDENT AUDITOR'S REPORT

To the Members of TRL Krosaki Refractories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of TRL Krosaki Refractories Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, 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 Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

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

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

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and 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 (Ind AS) 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (B) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 25 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of it’s knowledge and belief, as disclosed in the Note 4 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.
- (ii) The management has represented that, to the best of it’s knowledge and belief, as disclosed in the Note 4 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed 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 (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 10 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- (C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715
UDIN: 23060715BGQAAH6889

Place: Kolkata
Date: 11 May 2023

Annexure A to the Independent Auditor's Report on Standalone Financial Statements of TRL Krosaki Refractories Limited for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent clearance of goods has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or 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 during the year. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of the products manufactured by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete. The Company is not required to maintain the cost records under section 148(1) in respect of services rendered.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Professional Tax, Provident Fund and Income-tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, Sales tax, Value Added tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount in ₹	Period to which amount relates	Forum where dispute is pending	Remarks, if any
Income tax Act, 1961	Disallowances arising in income tax proceedings	71,35,757	2015-16	Income Tax Appellate Tribunal	
Central Excise Act, 1944	Disallowance of Cenvat Credit (deposits paid Rs. 22,50,728)	3,78,29,702	2000-01, 2003-04 to 2010-11	Central Excise and Service Tax Appellate Tribunal	
Central Excise Act, 1944	Disallowance of Cenvat Credit	82,23,000	1999-2000 and 2001-02	Hon'ble High Court of Madras	
Central Excise Act, 1944	Disallowance of Cenvat Credit (deposits paid Rs. 15,00,513)	4,00,13,670	2007-08 and 2008-09	Commissioner (Appeals)	
Customs Act, 1962	Classification of products under incorrect category (deposits paid Rs. 3,55,65,938)	3,55,65,938	2015-16 to 2020-21	Assistant Commissioner	
Customs Act, 1962	Classification of products under incorrect category (deposits paid Rs. 3,63,52,509)	3,63,52,509	2015-16 to 2017-18	Central Excise and Service Tax Appellate Tribunal	
Customs Act, 1962	Classification of products under incorrect category (deposits paid Rs. 4,55,47,418)	4,55,47,418	2011-12 to 2019-20	Commissioner (Appeals)	
Finance Act, 1994	Disallowance of credit on outward transportation (deposits paid Rs. 6,71,378)	1,79,43,302	2005-06 to 2008-09	Central Excise and Service Tax Appellate Tribunal	
Central Excise Act, 1944	Disallowance of Cenvat Credit (deposits paid Rs. 2,64,431)	70,51,496	2013- 14 to 2017-18	Commissioner (Appeals)	
Central Excise Act, 1944	Disallowance of Cenvat Credit (deposits paid Rs. 12,35,173)	3,46,24,955	2015-16 and 2016-17	Commissioner (Appeals)	
Central Excise Act, 1944	Inadmissible Cenvat Credit wrongly availed and utilised (deposits paid Rs. 4,81,500)	1,28,40,008	2016-17	Commissioner (Appeals)	
Central Sales Tax Act, 1956	Non submission of Statutory forms (deposits paid Rs. 1,20,26,957)	1,60,37,689	2006-07 to 2008-09	Sales Tax Tribunal	
Central Sales Tax Act, 1956	CST demanded on branch transfer (deposits paid Rs. 20,00,000)	1,50,92,299	1994-1995	Hon'ble High Court of Odisha	
Central Sales Tax Act, 1956	Non submission of statutory forms (deposits paid Rs. 93,08,973)	1,67,57,445	1987-89, 2009-10 to 2011-12, 2014-15 to 2017-18	Sales Tax Tribunal	
Central Sales Tax Act, 1956	Non submission of statutory forms (deposits paid Rs. 40,62,769)	40,62,769	2012-13 to 2013-14	Additional Commissioner of Sales Tax, Appeal	
Central Sales Tax Act, 1956	Non submission of statutory forms (deposits paid Rs. 36,98,736)	2,56,99,595	2009-10 to 2010-11	Commissioner	

Name of the statute	Nature of the dues	Amount in ₹	Period to which amount relates	Forum where dispute is pending	Remarks, if any
Central Sales Tax Act, 1956	Submission of defective forms (deposits paid Rs. 7,50,000)	43,20,734	2005-06	Additional Commissioner	
Central Sales Tax Act, 1956	Non submission of Statutory forms	2,00,000	1986-1989	Commissioner of Sales Tax	
Odisha Entry Tax Act, 1999	Tax demand on non-scheduled goods (deposits paid Rs. 76,503)	11,47,542	2012-13 to 2013-14	Sales Tax Tribunal	
Orissa Value Added Tax Act, 2004	Disallowance of input credit (deposits paid Rs. 21,64,470)	21,64,470	2005-06 to 2006-07	Sales Tax Tribunal	
Orissa Value Added Tax Act, 2004	Reversal of input tax credit	26,57,04,686	2007-08 to 2013-14	Hon'ble High Court of Odisha	
Gujarat Value Added Tax, 2003	Demand due to incorrect filing by supplier	5,76,32,253	2009-10	Commissioner of Sales Tax	
Orissa Value Added Tax Act, 2004	Disallowance of input credit (deposits paid Rs. 144,968)	21,74,520	2014-15	Sales Tax Tribunal	
Orissa Value Added Tax Act, 2004	Disallowance of Input tax Credit (deposits paid Rs. 2,32,718)	14,54,489	2015-16 to 2017-18	Sales Tax Tribunal	
Jharkhand Value Added Tax Act, 2005	Disallowance of input credit	10,72,640	2015-16	Joint Commissioner (Appeals)	
Central Sales Tax Act, 1956	Non submission of Statutory forms	8,84,609	2015-16	Joint Commissioner (Appeals)	
Jharkhand Value Added Tax Act, 2005	Disallowance of input credit	3,77,198	2016-17	Deputy Commissioner	
Central Sales Tax Act, 1956	Non submission of Statutory forms	7,45,838	2016-17	Deputy Commissioner	
Income tax Act, 1961	Disallowances arising in income tax proceedings	8,63,75,844	2012-13	Deputy Commissioner of Income Tax	
Income tax Act, 1961	Disallowances arising in income tax proceedings	7,58,35,086	2016-17	Deputy Commissioner of Income Tax	
Orissa Irrigation Act	Water rate dispute (including interest)	106,43,41,146	Prior to 1994	Water Resources Department, Government of Odisha	
Mines and Minerals (Development and Regulation) Act, 1957	Demand for excess production	10,57,16,048	2000 to 2010	Joint Director of Mines, Government of Odisha,	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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.

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, 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. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and 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 standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715
UDIN: 23060715BGQAAH6889

Place: Kolkata
Date: 11 May 2023

Annexure B to the Independent Auditor's report on the standalone financial statements of TRL Krosaki Refractories Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of TRL Krosaki Refractories Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

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 and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with reference to Financial Statements

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 controls 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715
UDIN: 23060715BGQAAH6889

Place: Kolkata
Date: 11 May 2023

STANDALONE BALANCE SHEET AS AT 31 MARCH 2023

(₹ lakh)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	01(a)	45,723.08	39,265.11
(b) Capital work-in-progress	01(c)	4,683.16	6,538.77
(c) Right-of-use assets	27	1,483.34	1,693.29
(d) Other Intangible assets	01(b)	387.24	391.65
(e) Financial assets			
(i) Investments	02	1,621.57	1,607.65
(ii) Loans	03	3.55	22.05
(iii) Other financial assets	04	444.84	371.00
(f) Non-current tax assets (net)		291.45	258.09
(g) Other non-current assets	05	2,516.58	2,542.93
Total Non-current assets		57,154.81	52,690.54
(2) Current assets			
(a) Inventories	06	47,026.40	44,994.34
(b) Financial assets			
(i) Trade receivables	07	33,726.10	29,901.93
(ii) Cash and cash equivalents	08	34.38	373.02
(iii) Other balances with banks	09	12.32	0.10
(iv) Loans	03	29.73	58.74
(v) Other financial assets	04	217.63	286.26
(c) Other current assets	05	2,596.91	2,937.34
(d) Assets held-for-sale	35	3.38	3.38
Total Current assets		83,646.85	78,555.11
TOTAL ASSETS		140,801.66	131,245.65
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity share capital	10	2,090.00	2,090.00
(b) Other equity		68,692.94	56,501.41
Total Equity		70,782.94	58,591.41
(2) LIABILITIES			
(i) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	2,725.31	8,028.02
(i)a) Lease liabilities	27	1,650.27	1,819.33
(b) Provisions	14	4,707.21	4,531.87
(c) Deferred tax liabilities (net)	29(b)	1,104.92	775.18
Total Non-current liabilities		10,187.71	15,154.40
(ii) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	23,583.99	22,724.16
(i)a) Lease liabilities	27	174.63	154.56
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	12(a)	536.02	379.87
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12(b)	30,619.30	29,804.86
(iii) Other financial liabilities	13	625.37	835.21
(b) Other current liabilities	15	1,948.24	1,776.59
(c) Provisions	14	1,630.97	1,039.82
(d) Current tax liabilities (net)		712.49	784.77
Total Current liabilities		59,831.01	57,499.84
TOTAL EQUITY AND LIABILITIES		140,801.66	131,245.65
Notes forming part of financial statements	(1 - 40)		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, 11 May, 2023

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, 11 May, 2023

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
ASIM K. MEHER
Company Secretary
(ACS:42427)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

	Note	April 2022 to March 2023	April 2021 to March 2022
I Revenue from operations	16	229,501.88	192,090.36
II Other income	17	<u>412.95</u>	<u>306.78</u>
III Total Income (I + II)		229,914.83	192,397.14
IV EXPENSES			
(a) Cost of materials consumed	19	100,225.89	80,318.99
(b) Purchases of stock-in-trade		31,196.97	30,982.16
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	(2,378.80)	(2,266.70)
(d) Employee benefits expense	21	16,183.74	14,123.32
(e) Finance costs	22	2,274.64	1,592.17
(f) Depreciation and amortisation expense	01 & 27	3,869.62	3,430.51
(g) Other expenses	23	<u>57,811.05</u>	<u>50,929.82</u>
Total Expenses (IV)		209,183.11	179,110.27
V Profit before exceptional item and tax (III - IV)		20,731.72	13,286.87
VI Exceptional Item	18	—	364.54
VII Profit before tax (V+VI)		20,731.72	13,651.41
VIII Tax Expense			
(a) Current tax		4,895.98	3,253.49
(b) Taxation for earlier years		(137.39)	—
(c) Deferred tax		<u>445.32</u>	<u>117.24</u>
Total tax expense	29	5,203.91	3,370.73
IX Profit for the year (VII-VIII)		15,527.81	10,280.68
X Other Comprehensive Income / (loss)			
(i) Items that will not be reclassified subsequently to profit and loss			
(a) Remeasurement loss of defined benefit plans		(330.78)	(119.73)
(b) Fair value changes of investments in equity shares		13.92	(2.33)
(ii) Income tax on items that will not be reclassified subsequently to profit and loss		<u>115.58</u>	<u>13.74</u>
Total Other comprehensive loss for the year		(201.28)	(108.32)
XI Total Comprehensive Income for the year (IX+X)		15,326.53	10,172.36
XII Earnings per equity share			
Basic and Diluted (₹)			
[Face value of ₹ 10 each] (PY: Face value of ₹ 10 each)	39	<u>74.30</u>	<u>49.19</u>
Notes forming part of financial statements	(1 - 40)		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, 11 May, 2023

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, 11 May, 2023

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
ASIM K. MEHER
Company Secretary
(ACS:42427)

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(A) EQUITY SHARE CAPITAL

(Refer Note 10)

As at 31 March 2023

(₹ lakh)

Particulars	Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity Share Capital	2,090.00	—	2,090.00

As at 31 March 2022

Particulars	Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity Share Capital	2,090.00	—	2,090.00

(B) OTHER EQUITY

(Refer Note 10)

As at 31 March 2023

(₹ lakh)

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total
	Retained Earnings	General Reserve	Security Premium Reserve	Investment Revaluation Reserve	
Balance as at 1 April 2022	34,547.89	14,233.53	7,573.05	146.94	56,501.41
Profit for the year	15,527.81	—	—	—	15,527.81
Dividend	(3,135.00)	—	—	—	(3,135.00)
Fair value loss on equity instrument	—	—	—	13.92	13.92
Remeasurement loss on defined benefit plans	(215.20)	—	—	—	(215.20)
Balance as at 31 March 2023	46,725.50	14,233.53	7,573.05	160.86	68,692.94

As at 31 March 2022

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total
	Retained Earnings	General Reserve	Security Premium Reserve	Investment Revaluation Reserve	
Balance as at 1 April 2021	25,710.80	14,233.53	7,573.05	149.27	47,666.65
Profit for the year	10,280.68	—	—	—	10,280.68
Dividend	(1,337.60)	—	—	—	(1,337.60)
Fair value loss on equity instrument	—	—	—	(2.33)	(2.33)
Remeasurement loss on defined benefit plans	(105.99)	—	—	—	(105.99)
Balance as at 31 March 2022	34,547.89	14,233.53	7,573.05	146.94	56,501.41

Retained earnings: Retained earnings are profit that the Company has earned till date, less dividend or other distributions paid to shareholders. It also includes remeasurement gain / loss of defined benefit plans.

General Reserve: Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

Securities premium: Securities premium is used to record the premium on issue of shares. Securities premium is utilised in accordance with the provisions of the Companies Act, 2013. There is no movement in securities premium during the current and previous year.

Investment revaluation reserve: The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in investment revaluation reserve.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, 11 May, 2023

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, 11 May, 2023

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
ASIM K. MEHER
Company Secretary
(ACS:42427)

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

	April 2022 - March 2023	April 2021 - March 2022
A. Cash Flow from Operating activities:		
Profit before tax	20,731.72	13,651.41
Adjustments for:		
Depreciation and amortisation expense	3,869.62	3,430.51
Write back of allowances for credit loss	440.24	318.30
Exceptional Item (profit on sale of assets held-for sale)	—	(364.54)
Dividend income	(1.55)	(0.52)
Net (gain) on sale of property, plant and equipment	(43.30)	(15.95)
Interest income	(73.42)	(25.66)
Finance costs	2,274.64	1,592.17
Unrealised (gain) on foreign exchange fluctuation	317.74	47.89
Operating profit before working capital changes	27,515.69	18,633.61
Adjustments for:		
(Increase) in non-current / current financial and other assets	(3,742.74)	(6,528.03)
(increase) in inventories	(2,032.06)	(9,334.06)
Increase in non-current / current financial and other liabilities / provisions	1,412.52	2,799.95
Cash generated from operations	23,153.41	5,571.47
Income tax paid (net of refunds)	(4,864.23)	(2,933.13)
Net Cash generated from Operating Activities A	18,289.18	2,638.34
B. Cash Flow from Investing Activities:		
Acquisitions of property, plant and equipment	(8,947.57)	(9,871.74)
Proceeds on sale of property, plant and equipment	174.58	17.37
Fixed deposits with bank	(6.40)	—
Proceeds from sale of land	—	364.88
Interest received	70.53	31.21
Dividend received	1.55	0.52
Net Cash (used) in Investing Activities B	(8,707.31)	(9,457.76)
C. Cash Flow from Financing Activities:		
Proceeds from borrowings	10,349.81	14,531.50
Repayment of borrowings	(14,814.74)	(4,681.20)
Payment of lease liabilities (including interest)	(287.01)	(258.80)
Proceeds from government grant	55.04	258.88
Interest paid	(2,088.61)	(1,451.57)
Dividend paid	(3,135.00)	(1,337.60)
Net Cash (used) / generated from Financing Activities C	(9,920.51)	7,061.21
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(338.64)	241.79
Opening Cash and Cash equivalents (Refer Note 8)	373.02	131.23
Closing Cash and Cash equivalents (Refer Note 8)	34.38	373.02

Note:

- Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
- Figures in brackets represent cash outflows.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, 11 May, 2023

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, 11 May, 2023

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
ASIM K. MEHER
Company Secretary
(ACS:42427)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 01

Description	Cost / (Deemed Cost) as at		Deductions	Cost / (Deemed Cost) as at		Depreciation for the Year		Accumulated Depreciation as at 31 March 2023	Net Carrying Value as at 31 March 2023
	1 April 2022	31 March 2023		1 April 2022	31 March 2023	Additions	Disposals/ Deductions		
1(a). Property, plant and equipment									
Freehold Land	18.67 (18.67)	18.67 (18.67)	—	—	—	—	—	—	18.67 (18.67)
Buildings and Roads*	17,127.98 (11,953.76)	19,610.13 (17,127.98)	20.69 (60.52)	2,503.64 (2,220.21)	495.64 (343.95)	20.69 (60.52)	2,978.59 (2,503.64)	16,631.54 (14,624.34)	
Plant and Machinery	30,709.08 (25,521.57)	37,165.35 (30,709.08)	526.74 (1,109.74)	8,116.37 (6,971.61)	2,491.83 (2,254.36)	403.87 (1,109.60)	10,204.33 (8,116.37)	26,981.02 (22,592.71)	
Railway Siding	134.48 (134.48)	134.48 (134.48)	—	101.15 (86.70)	14.45 (14.45)	—	115.60 (101.15)	18.88 (33.33)	
Furniture and Fixture	1,847.02 (1,530.27)	2,072.36 (1,847.02)	5.75 (1.88)	1,063.03 (869.03)	192.33 (195.87)	5.74 (1.87)	1,249.62 (1,063.03)	822.74 (783.99)	
Office Equipments	1,312.18 (984.56)	1,346.52 (1,312.18)	268.26 (8.34)	582.57 (360.63)	264.40 (229.50)	261.36 (7.56)	585.61 (582.57)	760.91 (729.61)	
Vehicles	746.88 (616.48)	856.76 (746.88)	41.25 (24.16)	264.42 (180.64)	122.76 (107.45)	39.74 (23.67)	347.44 (264.42)	509.32 (482.46)	
Total Property, plant and equipment:1(a)	51,896.29 (40,759.79)	61,204.27 (51,896.29)	862.69 (1,204.64)	12,631.18 (10,688.82)	3,581.41 (3,145.58)	731.40 (1,203.22)	15,481.19 (12,631.18)	45,723.08 (39,265.11)	
1(b). Other Intangible Assets									
Development of Mines	288.33 (288.33)	—	288.33	277.58 (266.83)	10.75 (10.75)	288.33	—	—	— (10.75)
Software	821.28 (662.50)	888.86 (821.28)	—	440.38 (365.91)	61.24 (74.47)	—	501.62 (440.38)	387.24 (380.90)	
Total Other Intangible Assets:1(b)	1,109.61 (950.83)	888.86 (1,109.61)	288.33	717.96 (632.74)	71.99 (85.22)	288.33	501.62 (717.96)	387.24 (391.65)	
Total (a+b) As at 31 March 2022	53,005.90 (41,710.62)	62,093.13 (53,005.90)	1,151.02 (1,204.64)	13,349.14 (11,321.56)	3,653.40 (3,230.80)	1,019.73 (1,203.22)	15,982.81 (13,349.14)	46,110.32 (39,656.76)	
1(c). Capital work in progress									
Buildings, Plant and Machinery, etc.	6,538.77 (10,716.64)	4,683.16 (6,538.77)	10,238.25 (12,499.92)	—	8,382.64 (8,322.05)	—	—	—	4,683.16 (6,538.77)
Total Assets (1a+1b+1c)									50,793.48 (46,195.53)

Note: (i) Figures in brackets relate to the previous year.
 (ii) Development of mines represent expenditure incurred in relation to restoration obligations as per applicable regulations and the same has been amortised over the period of lease. Both Talbasta Mines and Chuinpal mines have been completely amortised. The Company is under process of surrendering of the Talbasta mines.
 (iii) No indicator of impairment were identified during the current year, hence Property, Plant and Equipment including Capital Work in Progress were not tested for impairment.
 (iv) Property, Plant and Equipment including Capital Work in Progress has been hypothecated as security against certain bank borrowings (Refer Note 11)
 (v) ₹ 104.86 lakhs (Previous year - ₹ 440.96 lakhs) of borrowing costs has been capitalised during the year on qualifying assets under additions to Capital Work in Progress using a capitalisation rate of 7.17% (previous year - 6.95%)
 (vi) Additions to Capital Work in Progress includes finished goods issued for capital projects amounting to ₹ 419.47 lakhs (Previous year - ₹ 99.63 lakhs)
 (vii) *Buildings and Roads includes closing gross block ₹ 6,484.78 lakhs (Previous year - ₹ 5,134.01 lakhs) and net carrying value ₹ 5,872.97 lakhs (Previous year - ₹ 4,928.96 lakhs) include buildings leased out to employees for residential purposes.
 (viii) Incentives amounting to ₹ 55.04 lakhs (Previous year - ₹ 258.88 lakhs) on account of Export Promotion Capital Goods scheme is adjusted in additions to Capital Work in Progress.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1(c) — Capital work in progress aging

Particulars	As at 31 March 2023				As at 31 March 2022					
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Projects in progress	3,782.08	872.82	28.26	—	4,683.16	1,064.91	217.86	1,909.71	3,346.29	6,538.77
(ii) Projects temporarily suspended	—	—	—	—	—	—	—	—	—	—
Total Capital work in progress	3,782.08	872.82	28.26	—	4,683.16	1,064.91	217.86	1,909.71	3,346.29	6,538.77

1(c) — Capital work in progress

Details of capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

Name of projects	As at 31 March 2023				As at 31 March 2022					
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) High Temp Tunnel Kiln	—	—	—	—	—	3,082.98	—	—	—	3,082.98
(ii) Testing facilities - Technology Division	—	—	—	—	—	16.80	—	—	—	16.80
(iii) AL-80 / 90 Slide gate system	277.20	—	—	—	277.20	—	263.31	—	—	263.31
(iv) 1600T Electro Screw Press	—	—	—	—	—	11.84	—	—	—	11.84
(v) JUQC Mechanism	190.07	—	—	—	190.07	8.25	167.35	—	—	175.60
(vi) Tundish DVM heating & spray machine	—	—	—	—	—	7.18	—	—	—	7.18
(vii) IT Infrastructure	—	—	—	—	—	4.75	—	—	—	4.75
(viii) Tempering Kiln	—	—	—	—	—	1,981.71	—	—	—	1,981.71
(ix) Auto Batching for Mixer machine	253.34	—	—	—	253.34	432.47	—	—	—	432.47
(x) Premnt of JUQC Mech for CC#1SMS, TSL KPO	51.35	—	—	—	51.35	—	—	—	—	—
(xi) Rplcmnt of Old Tunnel Klin & Dryer at HA	1,997.32	—	—	—	1,997.32	—	—	—	—	—
Total	2,769.28	—	—	—	2,769.28	5,545.98	430.66	—	—	5,976.64

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	<u>No. of equity shares</u>	<u>As at 31 March, 2023</u>	<u>(₹ lakh) As at 31 March, 2022</u>
NOTE 02 : Investment in Associates			
Non-Current			
Investments in Associate Companies carried at Cost			
Investment in Equity Instrument (Unquoted)			
a) TRL Krosaki Asia Pte Limited (Face value of SG\$ 1 each, fully paid-up)	48,07,584	1,382.62	1,382.62
b) Almora Magnesite Limited (Face value of ₹ 100 each, fully paid-up)	77,990	77.99	77.99
Total investments in Associates		1,460.61	1,460.61
c) Investment designated at fair value through Other Comprehensive Income			
Investment in Equity Instrument (Quoted)			
HDFC Bank Limited (Fair Value) (Face Value of ₹ 1 each fully paid up)	10,000	160.96	147.04
d) Investment in Equity Instrument (Unquoted)			
Tata Construction and Projects Limited* (Face Value of ₹ 10 each fully paid up)	1,44,202	18.42	18.42
Less : Impairment in value of investment		(18.42)	(18.42)
*Company is in liquidation.			
Total Investment designated at fair value through Other Comprehensive Income (B)		160.96	147.04
Total Investments (A+B)		1,621.57	1,607.65
Aggregate carrying value of unquoted investments		1,460.61	1,460.61
Aggregate carrying value and market value of quoted investments are as below:			
Carrying value		160.96	147.04
Market Value		160.96	147.04
Aggregate amount of impairment in value of investment		18.42	18.42

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

03 Loans	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
(a) Loans to employees*	3.55	29.73	33.28	22.05	58.74	80.79
Total Loans	3.55	29.73	33.28	22.05	58.74	80.79

* It includes Loan to relative of KMP amounting to ₹ 0.25 lakhs (previous year ₹ 0.85 lakhs)

04 Other financial assets	As at 31 March 2023			As at 31 March 2022		
	Non current	Current	Total	Non current	Current	Total
Unsecured, considered good						
(a) Security deposits*	444.84	200.02	644.86	371.00	245.73	616.73
(b) Interest accrued on deposits	—	17.61	17.61	—	14.72	14.72
(c) Derivative assets	—	—	—	—	25.81	25.81
Total Other financial assets	444.84	217.63	662.47	371.00	286.26	657.26

* No funds have been advanced or loaned or invested (either from borrowed fund or share premium or any other sources or kind of funds) by the company to or in any other person or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise that the intermediary shall lend or invest in party identified by or on behalf of the company (ultimate beneficiaries). The company has not received any fund from any parties (funding party) with the understanding that the company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

05 Other assets	As at 31 March 2023			As at 31 March 2022		
	Non current	Current	Total	Non current	Current	Total
Unsecured, considered good unless otherwise stated						
(a) Capital advances	491.13	—	491.13	268.75	—	268.75
(b) Advance with public bodies *	2,012.34	879.36	2,891.70	2,235.18	1,787.48	4,022.66
(c) Other advances (Unsecured, considered good)**	13.11	1,717.55	1,730.66	39.00	1,149.86	1,188.86
(d) Other advances (Unsecured, credit impaired)	92.77	—	92.77	103.11	—	103.11
Other assets	2,609.35	2,596.91	5,206.26	2,646.04	2,937.34	5,583.38
Less: Allowances for doubtful advances	92.77	—	92.77	103.11	—	103.11
Total Other assets	2,516.58	2,596.91	5,113.49	2,542.93	2,937.34	5,480.27

* Advance with public bodies primarily relate to Goods and Services Tax (GST) input credit, duty credit entitlements and amounts paid under protest in respect of demands from regulatory authorities.

** Other advances include advances against supply of goods and services and advances paid to employees.

06 Inventories	As at 31 March 2023	As at 31 March 2022
(Valued at the lower of cost and net realisable value)		
(a) Raw materials [Including in transit ₹ 189.65 lakhs (PY- ₹ Nil)]	28,706.34	29,144.22
(b) Work-in-progress	2,581.71	2,144.17
(c) Finished goods [Including in transit ₹ 326.62 lakhs (PY- ₹ 196.82 lakhs)]	10,020.01	7,962.41
(d) Stock-in-trade	2,720.84	3,256.65
(e) Stores and spares	2,147.23	1,669.19
(f) Loose tools	48.64	41.70
(g) Fuel [Including in transit ₹ Nil (PY- ₹ 48.22 lakhs)]	801.63	776.00
Total Inventories	47,026.40	44,994.34

The value of inventories stated above is after adjustment of ₹ 539.27 lakhs (Previous year - ₹ 179.27 lakhs) for write-downs to net realisable value and provision for slow moving and obsolete item is ₹ 129.94 lakhs (Previous year - ₹ 337.40 lakhs).

The inventories have been hypothecated as security against certain bank borrowings (Refer Note-11)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

07 Trade receivables	As at 31 March 2023	As at 31 March 2022
(a) Unsecured, considered good-Billed	33,933.00	31,256.61
(b) Unsecured, considered good- Unbilled	2,088.57	500.55
(c) Credit Impaired	—	—
Total Trade receivables- Billed and Unbilled	36,021.57	31,757.16
Less: Allowance for credit losses	2,295.47	1,855.23
Total Trade receivables	33,726.10	29,901.93

There are no receivables which have significant increase in credit risk.

The Company's exposure to customers contributing more than 10% of the outstanding receivables as at March 31, 2023 is ₹ 12,108.28 lakhs (Previous year - ₹12,129.16 lakhs)

The trade receivables from related parties amounting to ₹ 2,801.95 lakhs (Previous year - ₹ 2,742.65 lakhs) are included in trade receivables. [Refer Note 37(b)]

There are no outstanding debts due from directors or other officers of the company or any of them either severally or jointly with any other person or debts due from firms or private companies respectively in which any director is a partner or a director or a member

Trade receivables have been hypothecated as security against certain bank borrowings (Refer Note-11)

The details of movement in allowances for credit losses are as below:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	1,855.23	1,536.93
Additions during the year	440.24	318.30
Amount utilised during the year	—	—
Balance at the end of the year	2,295.47	1,855.23

Ageing of trade receivables- billed

Particulars	As at 31 March 2023						Total
	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	20,585.60	8,916.65	3,204.80	495.30	9.45	721.20	33,933.00
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Undisputed Trade Receivables — credit impaired	—	—	—	—	—	—	—
(iv) Disputed Trade Receivables — considered good	—	—	—	—	—	—	—
(v) Disputed Trade Receivables — which have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Disputed Trade Receivables — credit impaired	—	—	—	—	—	—	—
Total Trade receivables billed	20,585.60	8,916.65	3,204.80	495.30	9.45	721.20	33,933.00
Less: Allowance for Doubtful Trade Receivable Billed							2,295.47
							31,637.53
Trade Receivable Unbilled							2,088.57
Total Trade receivables							33,726.10

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

Particulars	As at 31 March 2022						Total
	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	19,595.98	8,796.78	1,827.53	211.21	138.50	686.61	31,256.61
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Undisputed Trade Receivables — credit impaired	—	—	—	—	—	—	—
(iv) Disputed Trade Receivables — considered good	—	—	—	—	—	—	—
(v) Disputed Trade Receivables — which have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Disputed Trade Receivables — credit impaired	—	—	—	—	—	—	—
Total Trade receivables billed	19,595.98	8,796.78	1,827.53	211.21	138.50	686.61	31,256.61
Less: Allowance for doubtful trade receivable -Billed							1,855.23
							29,401.38
Trade Receivable Unbilled							500.55
							29,901.93

08 Cash and Cash Equivalents

	As at 31 March 2023	As at 31 March 2022
(a) Balances with banks - Current account	30.59	371.31
(b) Cheques on hand	1.44	—
(c) Cash on hand	2.35	1.71
Total Cash and cash equivalents	34.38	373.02

09 Other balances with bank

	As at 31 March 2023	As at 31 March 2022
(a) Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date	6.40	—
(b) Unclaimed dividend*	5.92	0.10
Total Other balances with bank	12.32	0.10

* Not available for use of the Company.

10 Equity Share Capital

	As at 31 March 2023	As at 31 March 2022
Authorised :		
2,50,00,000 Equity Shares of ₹ 10 each	2,500.00	2,500.00
(Previous year: 2,50,00,000 Equity Shares of ₹ 10 each)	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up:		
2,09,00,000 Equity Shares of ₹ 10 each	2,090.00	2,090.00
(Previous year: 2,09,00,000 Equity Shares of ₹ 10 each)	2,090.00	2,090.00

a) Rights, preference and restrictions attached to equity shares

- i) The Company has only one class of shares referred to as equity shares having par value of ₹ 10 each. Holder of equity shares is entitled to one vote per share and carry a right to dividend.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

10 Equity Share Capital (Cont...)

b) Reconciliation of Share Capital	As at 31 March 2023 Number	As at 31 March 2023	As at 31 March 2022 Number	As at 31 March 2022
Opening Balance	2,09,00,000	2,090.00	2,09,00,000	2,090.00
Closing Balance	2,09,00,000	2,090.00	2,09,00,000	2,090.00
c) Shares held by holding company				
	As at 31 March 2023 Number	As at 31 March 2023	As at 31 March 2022 Number	As at 31 March 2022
Krosaki Harima Corporation - Japan				
Opening Balance	1,62,22,864	1,622.29	1,62,22,864	1,622.29
Closing Balance	1,62,22,864	1,622.29	1,62,22,864	1,622.29

d) Disclosure of Shareholding of Promoter
Disclosure of Shareholding of Promoter is as follows

Name of the Share holders	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of total shares	Number of shares	% of total shares
Krosaki Harima Corporation -Japan				
Opening Balance	1,62,22,864	77.62	1,62,22,864	77.62
Closing Balance	1,62,22,864	77.62	1,62,22,864	77.62

e) Details of shareholders holding more than 5% shares in the Company is as below:

Name of the Share holders	As at 31 March 2023		As at 31 March 2022	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Krosaki Harima Corporation -Japan (Holding company)				
Steel Authority of India Limited	1,62,22,864	77.62	1,62,22,864	77.62
	22,03,150	10.54	22,03,150	10.54

f) Other Equity

	As at 31 March 2023	As at 31 March 2022
1) Retained earnings		
Balance at the beginning of the year	34,547.89	25,710.80
Profit for the year	15,527.81	10,280.68
Dividend	(3,135.00)	(1,337.60)
Remeasurement loss on defined benefit plans	(215.20)	(105.99)
Balance at the end of the year	46,725.50	34,547.89
2) General Reserve	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	14,233.53	14,233.53
Balance at the end of the year	14,233.53	14,233.53
3) Securities premium	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	7,573.05	7,573.05
Balance at the end of the year	7,573.05	7,573.05
4) Investment revaluation reserve	As at 31 March 2023	As at 31 March 2022
The details of movement in investment revaluation reserve are as below:		
Balance at the beginning of the year	146.94	149.27
Other comprehensive income / (loss) recognised during the year	13.92	(2.33)
Balance at the end of the year	160.86	146.94

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10 Equity Share Capital (Cont...)

(₹ lakh)

5) Dividends

The following dividends were declared and paid by the Company during the year

	As at 31 March 2023	As at 31 March 2022
₹ 15.00 per equity shares (Previous year - ₹ 6.40 per share)	3,135.00	1,337.60
	3,135.00	1,337.60

After the reporting dates the following dividends were proposed by the board of directors subject to the approval by the shareholders at the annual general meeting.

	As at 31 March 2023	As at 31 March 2022
₹ 22.50 per equity shares (Previous year: ₹15.00 per share)	4,702.50	3,135.00
	4,702.50	3,135.00

6) Remeasurement on defined benefit plans

Remeasurement gain/ (loss) on defined benefit plans includes actuarial gain / (loss) arising on defined benefit plans of Company (net of taxes).

11 Borrowings

	As at 31 March 2023			As at 31 March 2022		
	Non-Current	Current	Total	Non-Current	Current	Total
A. Secured Borrowings						
(a) Term Loan*						
From Bank	2,725.31	5,302.80	8,028.11	8,028.02	4,419.09	12,447.11
(b) Loan from Banks**						
(i) Working Capital Demand Loans	—	14,900.00	14,900.00	—	8,400.00	8,400.00
(ii) Cash Credit	—	2,739.62	2,739.62	—	890.26	890.26
(iii) Packing Credits	—	641.11	641.11	—	4,014.81	4,014.81
Total Secured Borrowings	2,725.31	23,583.53	26,308.84	8,028.02	17,724.16	25,752.18
B. Unsecured Borrowings						
(a) Loan from banks						
(i) Working Capital Demand Loans	—	—	—	—	4,500.00	4,500.00
(ii) Packing Credits	—	—	—	—	500.00	500.00
(b) Cash Credit (repayable on demand)	—	0.46	0.46	—	—	—
Total Unsecured Borrowings	—	0.46	0.46	—	5,000.00	5,000.00
Total Borrowings	2,725.31	23,583.99	26,309.30	8,028.02	22,724.16	30,752.18

* Term Loan from State Bank of India

Secured by first charge over the proposed Property, plant and equipment of the Company for which term loan is taken and first pari-passu charge on existing Property, plant and equipment including factory land and building.

Terms of repayment

Name of Lender	Interest Rate	Repayment Schedule
State Bank of India	6 Month MCLR	FY-2023-2024 4 no of quarterly installments of ₹1,325.70 lakhs each. FY-2024-2025 4 no of quarterly installments i) 1st Installment- ₹ 736.50 lakhs (ii) 2nd and 3rd installments- ₹ 662.85 lakhs each (iv) 4th installment- ₹ 663.11 lakhs

** Current Borrowings

Secured by hypothecation of stock of raw materials, stores and spares, work-in-process, finished goods, receivables and other current assets, both present and future, by way of pari-passu first charge and second charge over property, plant and equipment.

Packing credits are repayable within maximum tenure of 180 days

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

12. Trade Payables

As at 31 March 2023

As at 31 March 2022

(a) **Total outstanding dues of micro enterprises and small enterprises**

Creditors for supplies of micro and small enterprises	536.02	379.87
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The amounts due to Micro and Small Enterprises, as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)", have been determined to the extent that such parties have been identified on the basis of information available with the Company. The details are tabulated below:

1. The principal amount remaining unpaid to supplier as at the end of the year	-	-
2. The interest due thereon remaining unpaid to suppliers as at the end of the year	-	-
3. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
6. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(b) **Total outstanding dues of creditors other than micro enterprises and small enterprises**

(i) Creditors for supplies / services other than micro and small enterprises	28,505.59	26,222.81
(ii) Creditors for accrued wages and salaries	1,529.41	1,227.87
(iii) Acceptances	584.30	2,354.18

Total dues of creditors other than micro enterprises and small enterprises	30,619.30	29,804.86
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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

Ageing of trade payables

Particulars	As at 31 March 2023					Total
	Not due	Outstanding for following periods from due date of payment				
		6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME*	536.02	—	—	—	—	536.02
(ii) Others	21,946.62	3,196.20	14.09	2.16	89.78	25,248.85
(iii) Disputed dues — MSME *	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total trade payables	22,482.64	3,196.20	14.09	2.16	89.78	25,784.87
Trade payables - Unbilled						3841.04
Creditors for accrued wages and salaries						1,529.41
Total trade payables						31,155.32

*MSME as per Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2022					Total
	Not due	Outstanding for following periods from due date of payment				
		6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME*	358.39	16.05	1.00	4.38	0.06	379.88
(ii) Others	25,331.24	3,087.43	—	91.50	66.81	28,576.98
(iii) Disputed dues — MSME *	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total Trade payables	25,689.63	3,103.48	1.00	95.88	66.87	28,956.86
Trade payables - Unbilled						—
Creditors for accrued wages and salaries						1,227.87
Total Trade payables						30,184.73

*MSME as per Micro, Small and Medium Enterprises Development Act, 2006

13. Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
(a) Interest accrued but not due on borrowings	149.49	95.22
(b) Unpaid dividends	5.92	0.10
(c) Derivative liabilities	17.58	—
(d) Creditors for capital goods	452.38	739.89
Total Other financial liabilities	625.37	835.21

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

14. Provisions	As at 31 March 2023			As at 31 March 2022		
	Non current	Current	Total	Non current	Current	Total
(a) Provision for employee benefits*	2,715.73	1,540.56	4,256.29	2,710.62	950.87	3,661.49
(b) Provision for retirement benefits	1,877.22	89.53	1,966.75	1,740.36	86.70	1,827.06
(c) Provision for employee separation compensation	0.69	0.88	1.57	1.60	2.25	3.85
(d) Other provisions**	113.57	—	113.57	79.29	—	79.29
Total Provisions	4,707.21	1,630.97	6,338.18	4,531.87	1,039.82	5,571.69

* Provision for employee benefits includes provision for compensated absence, bonus and employee incentives.

** Other provisions include provisions for water cess.

The details of movement in other provisions is as below:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	79.29	63.23
Add : Provision recognised during the year	34.28	27.00
Less : Amount utilised during the year	—	10.94
Balance at the end of the year	113.57	79.29

15. Other current liabilities	As at 31 March 2023	As at 31 March 2022
(a) Advances received from customers	702.42	888.35
(b) Employee recoveries and employer contributions	317.12	155.36
(c) Statutory dues *	928.70	732.88
Total Other current liabilities	1,948.24	1,776.59

*Statutory dues primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

16. Revenue from Operations	April 2022 to March 2023	April 2021 to March 2022
(a) Sale of products	201,854.75	171,052.22
(b) Income from sale of services	24,373.98	18,457.34
(c) Other operating revenue*	3,273.15	2,580.80
Total Revenue from operations	229,501.88	192,090.36

* Includes export incentives of ₹ 837.37 lakhs (Previous year ₹ 901.44 lakhs) on account of Duty Draw Back and Merchandise Export from India Scheme.

17. Other income	April 2022 to March 2023	April 2021 to March 2022
(a) Dividend income	1.55	0.52
(b) Income from medical services	142.26	77.81
(c) Income from house license fees	152.42	186.84
(d) Net gain on sale of property, plant and equipment	43.30	15.95
(e) Interest income	73.42	25.66
Total Other income	412.95	306.78

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

18. Exceptional item	April 2022 to March 2023	April 2021 to March 2022
Sale of assets held-for-sale	—	647.62
Less: Cost of assets held-for-sale	—	274.52
Less: Cost incurred for sale of assets held-for-sale	—	8.56
Total Exceptional Item	—	364.54
In the previous year 42.02 acres of land situated at Vizag was sold with a profit of ₹ 364.54 lakhs.		
19. Cost of materials consumed	April 2022 to March 2023	April 2021 to March 2022
Opening stock	29,144.22	21,891.83
Add: Purchases	99,788.01	87,571.38
	<u>128,932.23</u>	<u>109,463.21</u>
Less: Closing stock	28,706.34	29,144.22
Cost of materials consumed	100,225.89	80,318.99
20. Changes in inventories of finished goods, stock-in-trade and work-in-progress	April 2022 to March 2023	April 2021 to March 2022
Inventories at the end of the year		
Finished goods	10,020.01	7,962.41
Stock-in-trade	2,720.84	3,256.65
Work-in-progress	2,581.71	2,144.17
Total Inventories at the end of the period	15,322.56	13,363.23
Inventories at the beginning of the period		
Finished goods	7,962.41	7,386.35
Stock-in-trade	3,256.65	1,584.63
Work-in-progress	2,144.17	2,225.18
Total Inventories at the beginning of the period	13,363.23	11,196.16
Changes in stock of finished goods, stock-in-trade and work-in-progress	1,959.33	2,167.07
Add: Finished goods issued for capital projects reclassified to Capital work-in-progress	419.47	99.63
Total Changes in stock of finished goods, stock-in-trade and work-in-progress	2,378.80	2,266.70
21. Employee benefits expenses	April 2022 to March 2023	April 2021 to March 2022
(a) Salaries, wages and bonus	13,869.43	12,173.50
(b) Employee separation compensation	0.31	—
(c) Contribution to provident and other funds	1,495.96	1,297.06
(d) Staff welfare expenses	818.04	652.76
Total Employee benefits expense	16,183.74	14,123.32
22. Finance costs	April 2022 to March 2023	April 2021 to March 2022
(a) Interest expense on:		
(1) Bank borrowings and others	2,225.75	1,873.83
(2) Interest on lease liabilities	131.76	137.12
(b) Other borrowing costs	21.99	22.18
Less: Interest capitalised	104.86	440.96
Total Finance costs	2,274.64	1,592.17

**NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

(₹ lakh)

23 Other Expenses	April 2022 to March 2023	April 2021 to March 2022
(a) Stores and spares consumed	4,011.39	3,319.23
(b) Repairs to buildings	2,552.80	1,637.19
(c) Repairs to machinery	3,306.86	2,972.27
(d) Contractors charges for refractories management	3,759.22	3,594.20
(e) Fuel consumed	16,117.09	13,010.36
(f) Purchase of power	2,935.45	2,799.54
(g) Conversion and processing charges	3,716.27	3,174.72
(h) Freight and handling charges	11,246.22	12,033.70
(i) Rent (refer note-27)	127.81	454.03
(j) Royalty	1,138.54	830.68
(k) Rates and taxes	338.09	261.38
(l) Insurance charges	412.45	270.71
(m) Commission expenses	1,212.41	1,041.25
(n) Allowance for credit losses (refer note-7)	440.24	318.30
(o) Net loss on foreign currency transactions	639.57	435.68
(p) Legal and other professional costs	2,051.97	1,677.62
(q) Travelling expenses	1,652.74	633.32
(r) Others (Refer note below)	2,151.93	2,465.64
Total Other expenses	57,811.05	50,929.82

Note:

Other includes:

(i) Payment to Auditors :		
a) Services as Auditors (including for audit in terms of Section 44AB of the Income Tax Act, 1961 ₹ 3.00 lakhs [(Previous Year ₹ 3.00 lakhs)])	32.50	32.50
b) Fees for other services	0.50	0.50
c) Out-of pocket expenses	1.16	0.35
	34.16	33.35
(ii) Cost audit fees [Including expenses ₹ Nil (Previous year: ₹ 0.03 lakhs)]	1.10	1.25
(iii) Corporate social responsibility (CSR) expenditure		
Details of corporate social responsibility (CSR) expenditure		
(a) Amount required to be spent by the Company during the year	208.64	206.78
(b) Amount of expenditure incurred:		
(i) Construction/acquisition of any asset	—	—
(ii) On purposes other than (i) above -Nature of CSR Activity		
(i) Sports	5.54	1.26
(ii) Ethnicity	4.51	1.95
(iii) Drinking Water & Sanitation	10.58	5.40
(iv) Sustainable Livelihood	19.96	12.65
(v) Health Care	5.88	18.82
(vi) Environment	29.15	22.81
(vii) Education	24.59	31.03
(viii) Infrastructure	119.55	115.77
(ix) Admin Expenses	1.64	1.03
Total CSR expenses	221.40	210.72
(c) Shortfall at the end of the year	—	—
(d) Total of previous year shortfall	—	—
(e) Reason for Shortfall	NA	NA
(f) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	—	—

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note 24 ACCOUNTING POLICIES

1) Company Information

TRL Krosaki Refractories Limited ("the Company") is a public limited company incorporated in India with its registered office situated at Belpahar, Jharsuguda District, Odisha, India.

The Company is primarily engaged in the business of manufacturing of wide range of refractories like Basic, Dolomite, High Alumina, Monolithic, Silica, Flow Control, Tap Hole Clay, Alumina Graphite and providing refractories engineering and management services.

The financial statements as at 31 March 2023 present the financial position of the Company.

The functional and presentation currency of the Company is Indian Rupee (₹), which is the currency of the primary economic environment in which the Company operates.

As at 31 March 2023, Krosaki Harima Corporation owns 77.62% of the equity shares of the Company and has the ability to influence the Company's operations. Nippon Steel Corporation is having significant influence over the Krosaki Harima Corporation.

The financial statements for the year ended 31 March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 11 May, 2023.

2) Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

b) Basis of Preparation

The financial statements have been prepared under the historical cost convention, with an exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

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.

c) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgments in application of the accounting policies and estimates and assumptions which affects the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

Significant judgements and estimates relate to the following:

- i. carrying values of assets and liabilities including useful lives of tangible and intangible assets;
- ii. provision for employee benefits and other provisions; and
- iii. commitments and contingencies and measurement of fair values.
- iv. valuation of deferred tax assets / liabilities

d) Impact of the Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

e) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss, as incurred. When a replacement occurs, the carrying amount of the replaced part is de-recognised.

Property, plant and equipment are stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment if any. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as a part of cost of the qualifying asset.

The gain or loss arising on disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying value of such item and is recognised in the statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as "Capital Work-in-Progress".

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

f) Intangible assets

Cost incurred for development of mines and software are recognized in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the company and its cost can be measured reliably. These are initially measured at purchase cost and then amortised on a straight line basis over their estimated useful lives. All other costs on development of mines and software are expensed in the statement of profit and loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

g) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided under the straight-line method, based on the estimated useful life, as determined by technical evaluation of the useful life of the assets, in terms of Schedule II to the Companies Act, 2013.

Assets individually costing up to ₹ 25,000 are fully depreciated in the year of acquisition.

Freehold Land is not depreciated.

The charge of depreciation or amortization commences from the date the assets are available for their intended use. Depreciation on assets under construction commences only when the assets are ready for their intended use. No further charge is provided in respect of assets that are fully written down but are still in use.

The estimated useful lives of assets and residual values are reviewed periodically and, adjusted if appropriate at the end of reporting period.

As the estimated useful life of some of the assets is significantly different from the useful life given in the Schedule II to Companies Act, 2013, the useful life of the assets has been assessed based on the number of years for which the assets have already been put to use and the estimated minimum balance period for which the assets can be used in the Company. The residual values are not more than 5% of the original cost of the asset.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

SI No	Class of Assets	Estimated Useful Life (in years) as per Comapny's policy	Useful Life (in years) as per Schedule II of Companies Act, 2013
I	Buildings and Roads		
	Roads	10	10
	Factory Buildings and Reservoir	30	30
	Other Buildings (RCC Structure)	60	60
II	Plant and Machinery		
	Grinder	8 to 15*	8
	Mixture, Press Drying Chambers, Shuttle Kiln	10 to 15*	8
	Gas Producer, Kiln and Shaft Kiln	25	25
	Kiln Car	10*	8
	Workshop Equipment	10 to 15*	8
	Research and development equipment	10	10
	Gunning Machine, Mixture Machine and other equipment used at Customer site.	5 to 8*	8
	Other Equipment	5 to 15*	8
III	Railway Siding	15	15
IV	Furniture and Fixture and Office Equipment		
	Furniture fittings, office equipment, computer, cinema and audio visual equipment	5*	3-10
	Hospital canteen equipment, electric fittings	10*	8
V	Vehicles		
	Motor car, Jeep, motor cycle	5*	8
	Motor Lorry and mobile equipment	8	8
VI	Intangible Assets		
	Software	10*	Not exceeding 10 yrs
	Development of mines	10 years or lease period whichever is less	Not exceeding 10 yrs

*For these class of assets, based on internal assessment and technical evaluation carried out by the technical expert, the Company believes that the useful lives as given above best represents the period over which the Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013.

h) Impairment

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible asset to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Recoverable amount is the higher of fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognized in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

An impairment loss recognized in prior accounting periods is reviewed at each balance sheet date to assess whether there is any indication that the impairment loss recognized may no longer exist or may be decreased.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

i) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return of payment.

The Company as lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period 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 equal lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the weighted average incremental borrowing rate of the company. 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.

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

The Company as lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

j) Investment in associates

Investments in associates are carried at cost or deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required, immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

k) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

i. Financial assets

Cash and bank balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, cheques in hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than 3 months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Other balances with bank - which includes balances and deposits with banks having maturity of more than three months but less than 12 months and are restricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

These financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

The Company in respect of certain equity instruments (other than in associates) which are not held for trading, has made an irrevocable election to present subsequent changes in the fair value of such equity instruments in other comprehensive income.

Impairment of financial assets

The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets (apart from trade receivables that do not constitute of financing transaction) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Loss allowance for financial asset measured at amortised cost is deducted from gross carrying amount of asset.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a borrowing for the proceeds received.

ii. Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

l) Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to release the asset and settle the liability simultaneously.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Derivative financial instruments and hedge accounting

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange fluctuations. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included in the financial statements of for highly probable forecast transactions / firm contractual commitments. The derivatives contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The fair values for forward currency contracts are marked to market at the end of each reporting period. The Company adopts hedge accounting for forward foreign exchange contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged transaction and the nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied, the Company treats the hedge relationship in relation to foreign currency exposure as fair value hedges of recognised assets and liabilities. Changes in fair value of the hedged assets and liabilities, attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of the symmetrical changes in the fair value of the derivatives.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

m) Employee benefits

The Company's retirement benefit obligations are subject to a number of judgements including discount rates, inflation and salary growth. Significant judgement is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party's actuarial advice.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Defined contribution plans

Payments to defined contribution plans such as Company's Provident Fund, Super Annuation Fund, Employee Pension Scheme, Employee State Insurance Scheme and Her Majesty's Revenue and Customs, UK (HMRC) are charged as an expense as they fall due. Payments made to the above schemes are dealt with as payments to defined contribution schemes, as the Company has no further defined benefit obligation beyond the monthly contribution except for the contribution to Provident Fund Trust which require that if the Board of the Trustee are unable to pay interest at the rate declared by the Government for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company, making the interest shortfall a defined benefit obligation.

Defined benefit plans

Post Retirement Gratuity

For post-retirement gratuity scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

Past service cost is recognised as an expense, when the plan amendment or curtailment occurs, or when any related restructuring cost or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation, as reduced by the fair value of plan assets.

Post-Retirement Medical Benefit

The company has a policy to give medical benefit to the retired employees at its own hospital at Belpahar not exceeding the amount of expense defined in its medical policy. The obligation of this service is measured and recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

Pension to Directors

Pension payable to directors after their retirement as per the contractual agreement are recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the net defined benefit liability / (asset) are

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

Other Long-term benefits

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the compensated absence is recognised immediately in statement of profit and loss.

Employee Separation Scheme

Compensation to employees who have opted for retirement under the Friendly Departure Scheme of the Company is charged off in the year in which the employee is relieved from the services of the Company.

n) Inventories

i. Raw materials, Stores and Spares, Loose Tools and Fuel

Raw materials, stores and spares, loose tools and fuel are valued at weighted average cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Raw materials, stores and spares, loose tools and fuel held for use in the production of finished products are not written down below cost except in cases where material prices have declined, or the cost of the finished products has exceeded its net realisable value.

ii. Finished goods

These are valued at lower of cost and net realisable value. Costs are calculated at full absorption cost basis which includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of inventories is generally ascertained on weighted average basis.

iii. Work in Progress

These are valued at cost. Costs are calculated at full absorption cost basis which includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of work in progress is generally ascertained on weighted average basis.

iv. Stock-in-trade

These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

Provisions are made for slow moving and obsolete items based on historical experience of utilization on a product category basis and ageing policy as defined by the Company.

o) Cash Flow Statement

Cash Flows are reported using indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

p) Non-Current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value.

The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are not depreciated or amortised.

q) Provisions (other than employee benefits) and contingent liabilities

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

- i. by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- ii. as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

Contingent Liabilities are disclosed 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 a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle an obligation or a reliable estimate of the amount cannot be made.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Company does not recognise a Contingent Liability but discloses its existence in the Financial Statements.

r) Income taxes

Tax expenses comprises current and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

s) Revenue recognition

The Company manufactures and sells a range of refractories and provides installation and maintenance services

Sale of products

Revenue from sale of products is recognized when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific locations as the case may be, the risk of loss has been transferred, and either the customer has accepted the products in accordance with the sales contracts, or the Company has objective evidence that all criteria for acceptance have been satisfied.

- Revenue from material supply is recognised on transfer of control over the product.
- Revenues from service contracts is recognised on completion of performance obligation.

Revenue is measured based on the transaction price, which is the consideration, adjusted for cash discounts, if any, as specified in the contract with the customer. Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue also excludes taxes collected from customers.

Interest Income

Interest income is accrued on a time proportion basis by reference to the principle outstanding and the effective interest rate applicable.

Dividend Income

Dividend income from investments is recognised when the right to receive payment has been established.

Rental Income

Rental income is recognised on a straight line basis over the term of the relevant arrangements.

Commission Income

Commission income is recognised when the services have been rendered.

Export incentives

Export incentives under the Duty Drawback Scheme are recognized on the basis of credits given in the bank or on receipt of duty credit scrips.

t) Government Grants

Government grants like export promotion capital goods (EPCG) related to expenditure on property, plant and equipment are deducted from the cost of the property, plant and equipment in calculating the carrying amount of the asset.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

u) Foreign currency transactions and translation

The financial statements of the Company are presented in Indian Rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period.

Exchange differences arising on translation or settlement of long-term foreign currency monetary items is accounted in the statement of profit and loss for the period.

v) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

w) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment 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. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

x) Earnings per share

Basic earnings per equity share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

(₹ lakh)

25 Contingent Liabilities

Contingent liabilities in respect of –	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debts in respect of –		
– Income tax matters	779.03	843.66
– Sales tax / value added tax / entry tax matters	794.17	834.80
– Excise duty and service tax matters	961.88	943.62
– other matters (Refer Below)	1,081.23	1,081.23

In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings.

In the ordinary course of business, the Company faces claims and assertions by various parties. The following is a description of claims and assertions where a potential loss is possible but not probable. There are claims which the Company does not believe to be of material nature, other than those described below:

Income Tax:

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These are mainly for transfer pricing issues and disallowance of expenses claimed by the Company as deductions. Most of these disputes and/or dis-allowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. As at March 31, 2023, there are matters and/or disputes pending in appeal amounting to ₹ 779.03 Lakhs (Previous Year - ₹ 843.65 Lakhs).

Sales tax /value added tax/ entry tax/ Excise duty matters

The Company has demands that are being contested by the Company in different years amounting to ₹ 1,756.05 Lakhs (Previous Year - ₹ 1,778.42 Lakhs). These are mainly for non submission of concessional forms.

Other matters

01. Demand by Mining Officer:

The Dy. Director Mines, Sambalpur circle, had raised a demand of ₹ 539.72 lakhs on 26.08.2019 for excess production of Quartzite in Chuinpalli mines and the Mining Officer, Cuttack circle has raised a demand for ₹ 517.44 lakhs on 15.09.2020 for excess production of fireclay in Talbasta mines, during the period from 2000 to 2010 under section 21(5) of MMDR Act, 1957, based on the common cause judgment dated 2nd August, 2017 of Hon'ble Supreme Court of India. The Company challenged the said demands of Mining Department, Govt. of Odisha through a two different Writ petitions against two notices before the Hon'ble High Court of Orissa, Cuttack. The Company is of the view that, the demand under Section 21(5) of the MMDR Act is not applicable because the impugned demand is based on the judgement of Hon'ble Supreme Court of India in the case of Common Cause vrs. Union of India reported in (2017) 9 SCC 499. The decision referred in the Supreme Court Order was intended to deal with mining leases of Iron Ore and Manganese Ore in the districts of Keonjhar, Sundergarh and Mayurbhanj and has no application to the facts of the case. Moreover, the mining officer has not conducted any enquiry on illegal mining of the Company. On 11 January, 2021 the Hon'ble High Court of Odisha has disposed of the Writ Petition filed for Talbasta Mines for an amount of ₹ 517.44 lakhs and again the Hon'ble High Court of Orissa on 06.07.2022 disposed of the Writ Petition pertaining to Chhuinpalli Mines for an amount of ₹ 539.72 lakhs with a direction to challenge the impugned demand notice as per Rule 46(1) of the Orissa Minor Mineral Concession Rules, 2016 and take all grounds before the appellate authority. Accordingly, Company has filed the appeals before Joint Director of Mines, Government of Odisha, Bhubaneswar under Rule 46(1) of Odisha Minor Mineral Concession Rules, 2016 and both the appeal matter are pending for hearing. Based on the legal opinion obtained by the Company in the previous year and as per the management assessment, the Company is of the view that it has a strong case to contest on merit and there will not be any material outflow of resources by the Company.

02. Other Claims

Other civil cases for which the Company may contingently be liable aggregate to ₹ 24.07 lakhs (Previous Year - ₹ 24.07 lakhs).

Water Rate Dispute

The Company has been drawing water from Lilhari Nullha, a natural water stream. Up to 1994, as per the Orissa Irrigation Act, the water rate was payable for drawing water from irrigation work. Natural water streams like Lilhari Nullha were not covered in the definition of irrigation work, as given in Section 4(9) of the Act. Definition of 'government water source' was inserted in Section 4(6-a) of the Act in 1994, which covers natural water sources like Lilhari Nullha, and the Company has been paying water rate since then. However, the Government of Odisha demanded an amount of ₹ 57.77 Lakhs towards water rate and penalty for the period prior to 1994 which has been stayed by the Hon'ble High Court of Odisha. Water Resources Department, Government of Odisha, has been charging monthly compounded interest @ 2% on the disputed amount and the total interest charged up to 31 March 2023 is ₹ 13,472.98 Lakhs. The total disputed demand, together with interest as on 31 March 2023 is ₹ 13,530.75 Lakhs. Hon'ble High Court of Odisha has stayed charging of monthly compound interest of 2% and passed an order that compound interest @ 2% will not be allowed to charge until further orders. During the previous year, the Hon'ble High Court of Odisha has directed the Government of Odisha and the Company to negotiate and settle the dispute inline with the settlements made by the Government of Odisha with other companies. Water agreement for drawing the water was expired on 28.02.2022 and the Company has renewed the agreement for a period of 3 years upto 28.02.2025 by depositing an amount of

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

₹ 25 lakhs under protest. Hon'ble High Court of Odisha vide its order dated 28th June, 2022 has directed Government of Odisha to take necessary direction positively on or before 01.11.2022 and if any party aggrieved with the decision of Government of Odisha then the party can file a fresh writ petition by taking all the grounds. Till that date the interim stay will be continued. Further, the Government of Odisha has published a One Time Settlement Scheme (OTS) on 06.02.2023 for all the private and Government Industries for settlement of water dues/ Taxes. Accordingly, the Company has filed its OTS application along with all the particulars before the Nodal office of Department of Water Resources appointed by Government for settlement of the water dispute. Based on the legal opinion obtained by the Company in the previous year and as per the management assessment, the Company is of the view that it has a strong case to contest on merit and there will not be any material outflow of resources by the Company.

26 Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances paid ₹ 4,813.67 Lakhs (Previous Year - ₹ 2,743.53 Lakhs). Estimated amount of export obligations to be fulfilled in respect of assets imported under Export Promotion Capital Goods Scheme (EPCG) - ₹ 6,034.88 Lakhs (Previous year - ₹ 5,739.31 Lakhs).

27 Company as a Lessee

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2023.

Particulars	(₹ lakh)	
	As at 31 March 2023	As at 31 March 2022
Opening gross block	2,238.92	2,205.19
Additions / modifications	6.27	33.73
Deletion	—	—
Closing gross block at the end of the year	2,245.19	2,238.92
Opening accumulated depreciation	545.63	345.92
Additions	216.22	199.71
Deletion	—	—
Closing accumulated depreciation at the end of the year	761.85	545.63
Closing balance as of March 31, 2023	1,483.34	1,693.29

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2023

Particulars	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	174.63	154.56
Non-current lease liabilities	1,650.27	1,819.33
Total	1,824.90	1,973.89

The following is the movement in lease liabilities during the year ended March 31, 2023.

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	1,973.89	2,061.83
Additions / modifications	6.27	33.73
Finance cost accrued during the year	131.75	137.13
Deletion	—	—
Payment of lease liabilities	287.01	258.80
Balance at the end of the year	1,824.90	1,973.89

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	295.52	285.17
One to five years	1,223.79	1,267.80
More than five years	1,069.05	1,314.83
Total	2,588.36	2,867.80

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

The Company incurred ₹ 127.81 Lakhs (previous year ₹ 454.03 Lakhs) towards expenses relating to short term leases and leases of low value assets.

The total cash outflow for leases is ₹ 414.82 Lakhs (previous year ₹ 712.83 Lakhs) including cash outflow for short term and leases of low value assets.

Company as a Lessor

Company has leased out buildings to its employees and has also provided leased accommodation to its employees for residential purposes. There is no such long term contracts with employees for the above leasing. The total rental income with respect to above leasing activities amounts to ₹ 152.42 Lakhs (previous year ₹ 186.84 Lakhs) included in note 17(c).

28 Employee Benefits

The relevant details with respect to employee benefits are given here below:

(1) Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognized in relation to the schemes represents the value of contributions payable during the period by Company at the rates specified by the rules of those plans.

a) Provident Fund and Employees Pension Fund

In accordance with the prevailing Indian law, eligible employees of the Company are entitled to receive benefits in respect of Provident Fund, a defined contribution plan, in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. As per the provisions of the Provident Fund and Miscellaneous Provisions Act, 1952 contribution to Provident Fund is made to an irrevocable trust set up by the Company and contribution to pension fund is deposited with the Regional Provident Fund Commissioner. The rules of the Company's provident fund administered by a trust, require that if the Board of the Trustee are unable to pay interest at the rate declared by the Government for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company, making the interest shortfall a defined benefit obligation. In the current year, the Company has contributed ₹ 154.44 lakhs (previous year ₹ Nil) to the PF Trust on account of loss in investment made by it and the same has been shown under employee benefit expenses.

b) Superannuation Fund

The Company has a superannuation plan. Employees who are members of the superannuation plan are entitled to benefits depending on the contribution made by Company and rate of interest declared by the superannuation trust. A separate irrevocable trust is maintained for employees covered and entitled for this benefit. The Company contributes 15% of basic salary, of the eligible employees' to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

c) Other funds

The Company contributes to the Employees State Insurance scheme as per the provisions of Employees State Insurance Act, 1948 and to Her Majesty's Revenue and Customs, UK as per provisions laid down by the UK Government for the social security and welfare of the employees based out of UK.

d) Expenses recognized in respect of above

The Company has recognized, in the Statement of Profit and Loss account for the year ended 31 March 2023, an amount of ₹ 1185.92 Lakhs (Previous Year: ₹ 978.09 Lakhs) being expenses under the defined contribution plans like Provident Fund, Superannuation fund, Employee pension scheme, Employee State Insurance Scheme and Her Majesty's Revenue and Customs (UK). This is included under "Contribution to Provident and other funds". [Refer note no 21(b)].

(2) Defined Benefit Plans

The Company operates post retirement defined benefit plans as follows:

a) Funded

(i) Post Retirement Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides lump-sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

b) Unfunded:

(i) Post Retirement Medical Benefits

The Company has a Post-Retirement Medical Benefit Scheme (PRMB), under which the retired employees and their spouses are eligible for free medical benefits in the Company's hospital during their lifetime upto a ceiling fixed by the Company. The liability for the same is recognized annually on the basis of actuarial valuation.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

(ii) **Pension to Directors**

The Company has Ex-MD Pension Scheme, under which the retired managing director or spouse gets a monthly pension. The liability for the same is recognized annually on the basis of actuarial valuation. The Company is exposed to the increase in the pension amount in each 3 years.

c) i) Details of the Post Retirement Gratuity plan are as follows:		(₹ lakh)	
		April 2022 to March 2023	April 2021 to March 2022
I. Change in present value of defined benefit obligation during the year			
1.	Present Value of defined benefit obligation as at the beginning of the year	4,030.30	3,840.87
2.	Current Service Cost	276.65	275.35
3.	Interest Cost on the defined benefit obligation	255.42	228.47
4.	Actuarial (gains)/ losses - Experience	81.59	(52.31)
5.	Actuarial (gains)/ losses - Financial Assumptions	106.26	(2.27)
6.	Benefits paid from plan assets	(357.47)	(259.81)
7.	Closing Present Value of defined benefit obligation	4,392.75	4,030.30
II. Change in fair value of plan assets during the year			
1.	Fair Value of assets at the beginning of the year	3,655.24	3,204.66
2.	Interest Income on Plan Assets	254.41	210.39
3.	Employer contributions	500.00	500.00
4.	Return on plan assets greater than discount rate	(271.39)	—
5.	Benefits paid	(357.47)	(259.81)
6.	Fair Value of Plan assets at the end of current year	3,780.79	3,655.24
III. Net liability recognized in the balance sheet			
1.	Fair value of plan assets	3,780.79	3,655.23
2.	Present value of obligation	4,392.75	4,030.30
3.	Amount recognized in the balance sheet	611.96	375.07
IV. Expense recognized in the statement of profit and loss for the year			
1.	Current service cost	276.65	275.35
2.	Net interest on net defined benefit liability	1.01	18.08
3.	Total expenses included in employee benefits expense	277.66	293.43
V. Recognized in other comprehensive income for the year			
1.	Actuarial (gains)/ losses due to defined benefit obligation experience	81.59	(52.31)
2.	Actuarial (gain) / loss due to defined benefit obligation financial assumption changes	106.26	(2.27)
3.	Return on plan assets lesserr than discount rate	271.39	—
4.	Actuarial (gain) / loss recognized in other comprehensive income	459.24	(54.58)
VI. Maturity profile of defined benefit obligation			
1.	Within the next 12 months (next annual reporting period)	653.95	427.47
2.	Between 2 and 5 years	1,647.82	1,408.96
3.	Between 6 and 10 years	2,521.51	2,310.88
4.	The weighted average duration of the defined benefit obligation at the end of the reporting period is 9 years (31 March 2022: 8 years)		
VII. Quantitative sensitivity analysis for significant assumption is as below			
1. Increase/ (decrease) on present value of defined benefits obligation at the end of the year			
(i)	One percentage point increase in discount rate	(351.34)	(314.55)
(ii)	One percentage point decrease in discount rate	410.15	366.85
(i)	One percentage point increase in rate of salary increase	399.16	358.00
(ii)	One percentage point decrease in rate of salary increase	(349.15)	(313.37)
2. Sensitivity Analysis Method			
Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.			
3. Expected Employer Contribution for the period ending 31 March 2024 is ₹ 610 Lakhs			

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

(₹ lakh)

VIII. Investment Details

The full amount has been invested in the Cash Accumulation Scheme of Life Insurance Corporation of India.

IX. Assumptions

	April 2022 to March 2023	April 2021 to March 2022
a. Discount rate (per annum)	7.20%	6.50%
b. Rate of escalation in salary (per annum)	9.00%	8.00%

ii) Details of non-funded post retirement defined benefit obligations are as follows:

Description	April 2022 to March 2023		April 2021 to March 2022	
	Medical	Ex-MD Pension	Medical	Ex-MD Pension
I. Reconciliation of opening and closing balances of obligation				
1. Present Value of defined benefit obligation as at the beginning of the year	935.64	516.36	816.14	443.45
2. Current Service Cost	14.38	—	12.98	—
3. Interest Cost on the defined benefit obligation	59.47	32.37	47.97	25.53
4. Actuarial (gains)/ losses - Experience / demographic	(22.40)	(24.43)	149.19	35.62
5. Actuarial losses- Financial Assumptions	(55.35)	(26.28)	(58.40)	47.90
6. Benefits paid directly by the Company	(38.42)	(36.53)	(32.24)	(36.14)
7. Closing Present Value of defined benefit obligation	893.32	461.49	935.64	516.36
II. Expense recognized in the statement of profit and loss for the year				
1. Current service cost	14.38	—	12.98	—
2. Net interest on net defined benefit liability	59.47	32.37	47.97	25.53
3. Total expenses included in employee benefits expense	73.85	32.37	60.95	25.53
III. Recognized in other comprehensive income for the year				
1. Actuarial (gain)/ loss due to defined benefit obligation experience	(22.40)	(24.43)	149.19	35.62
2. Actuarial loss due to defined benefit obligation financial assumption changes	(55.35)	(26.28)	(58.40)	47.90
3. Actuarial (gains)/ losses recognized in other comprehensive income	(77.75)	(50.71)	90.79	83.52
IV. Assumptions				
a. Discount rate (per annum) at the beginning of the year	6.50%	6.50%	6.00%	6.00%
b. Discount rate (per annum) at the end of the year	7.20%	7.20%	6.50%	6.50%
c. Rate of pension increase	—	9.00%	—	8.00%
c. Medical costs inflation rate	4.00%	—	4.00%	—
d. Average Medical Cost (₹/ person)	2,007	—	1,930	—
V. Quantitative sensitivity analysis for significant assumption is as below				
Increase/ (decrease) on present value of defined benefits obligation at the end of the year				
(i) One percentage point increase in discount rate	(89.73)	(33.70)	(100.38)	(40.72)
(ii) One percentage point decrease in discount rate	109.24	38.30	123.40	46.64
(i) One percentage point increase in medical inflation rate	107.65	—	120.99	—
(ii) One percentage point decrease in medical inflation rate	(89.73)	—	(99.99)	—
(i) One percentage point increase in pension rate	—	34.68	—	42.13
(ii) One percentage point decrease in pension rate	—	(31.14)	—	(37.56)
VI. Maturity profile of defined benefit obligation (on undiscounted basis)				
1. Within the next 12 months (next annual reporting period)	57.03	35.53	53.78	35.63
2. Between 2 and 5 years	247.65	158.10	244.06	156.57
3. Between 6 and 10 years	353.38	222.21	348.55	222.11
VII. Weighted Average Duration of defined benefit obligation	11 years	8 years	12 years	9 years

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

(₹ lakh)

d) Risk exposure

Through its defined benefit plans, the Company is exposed to discount rate risk, salary growth risk, inflation risk, pension increment risk and demographic risks of mortality and attrition rates.

29 Income Taxes

- a. A reconciliation of the tax expense to the amount computed by applying the statutory income tax rate to the profit before taxes is summarized below:

Particulars	April 2022 to March 2023	April 2021 to March 2022
Profit before tax	20,731.72	13,651.41
Less: Expenses recognized in other comprehensive income	330.78	119.73
Adjusted Profit before tax (A)	20,400.94	13,531.68
Tax rate (B)	25.168%	25.168%
Tax expense (A*B)	5,134.51	3,405.65
Add: Tax effect of expenses that are not deductible for tax purposes: CSR Expenses	55.72	53.04
Add: Taxation for earlier years	(137.39)	—
Less: Tax effect of Income exempt from tax: Dividend Income	0.39	0.13
Less: Tax effect on exceptional item	—	(91.72)
Less: Other differences	35.10	(10.10)
Income tax expense charged to the Statement of Profit and Loss	5,088.33	3,356.99
Tax expense recognized in profit and loss	5,203.91	3,370.73
Income tax expenses recognized in Other Comprehensive Income	(115.58)	(13.74)
Income tax expense charged to the Statement of Profit and Loss	5,088.33	3,356.99

- b. The tax effect of significant temporary differences that resulted in deferred tax liability are as follows:

Particulars	Balance sheet		Statement of profit and loss		Other comprehensive income	
	As at 31 March 2023	As at 31 March 2022	April 2022 to March 2023	April 2021 to March 2022	April 2022 to March 2023	April 2021 to March 2022
Deductible temporary difference						
(i) Expense/ provision allowed on payment basis	843.53	689.63	38.32	(38.53)	115.58	13.74
(ii) Unpaid Royalty	172.24	134.84	37.40	57.29	—	—
(iii) Friendly departure scheme	2.94	5.60	(2.66)	(3.69)	—	—
(iv) Others	292.35	391.06	(98.71)	147.27	—	—
Total (A)	1,311.06	1,221.13	(25.65)	162.34	115.58	13.74
Taxable temporary difference						
Property, Plant and Equipment	2,415.98	1,996.31	419.67	279.58	—	—
Total (B)	2,415.98	1,996.31	419.67	279.58	—	—
Deferred Tax liability (B-A)	1,104.92	775.18	445.32	117.24	(115.58)	(13.74)

Net impact in Statement of Profit and Loss / Other Comprehensive Income *

* The total income tax expenses recognised in the Statement of Profit and Loss under Other Comprehensive income is inclusive of deferred tax release of ₹ 115.58 Lakhs (Previous year - ₹ 13.74 Lakhs)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

(₹ lakh)

c. Reconciliation of deferred tax liability

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance as at 1 April	775.18	671.68
Add: Deferred tax charge during the year	329.74	103.50
Closing balance as at 31 March	1,104.92	775.18

30 Reconciliation of Liabilities from Financing activities as stated in the Statement of Cash Flows are as follows :

Particulars	Balance as at 1 April 2022	Cash Flows	Non-Cash Changes	Balance as at 31 March 2023
Borrowings	30,752.18	(4,464.92)	22.04	26,309.30
Lease liabilities	1,973.89	(287.01)	138.02	1,824.90
Total Liabilities from financing activities	32,726.07	(4,751.93)	160.06	28,134.20

Particulars	Balance as at 1 April 2021	Cash Flows	Non-Cash Changes	Balance as at 31 March 2022
Borrowings	20,924.60	9,850.30	(22.72)	30,752.18
Lease liabilities	2,061.83	(258.80)	170.86	1,973.89
Total Liabilities from financing activities	22,986.43	9,591.50	148.14	32,726.07

31 Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 24 (2)(k) to the financial statements.

(a) Financial Instruments by Category

The following table presents carrying amount and fair value of each category of financial asset and liabilities.

As at 31 March 2023

Particulars	Amortised cost	Fair value through other comprehensive income	Derivative instruments	Total Carrying Value	Total Fair Value
Financial assets					
Trade receivables	33,726.10	—	—	33,726.10	33,726.10
Investments	1,460.61	160.96	—	1,621.57	1,621.57
Cash and cash equivalents & Other balances with banks	46.70	—	—	46.70	46.70
Loans	33.28	—	—	33.28	33.28
Other financial assets	662.47	—	—	662.47	662.47
Total	35,929.16	160.96	—	36,090.12	36,090.12
Financial liabilities					
Borrowings	26,309.30	—	—	26,309.30	26,309.30
Trade payables	31,155.32	—	—	31,155.32	31,155.32
Lease liabilities	1,824.90	—	—	1,824.90	1,824.90
Other financial liabilities	607.79	—	17.58	625.37	625.37
Total	59,897.31	—	17.58	59,914.89	59,914.89

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

(₹ lakh)					
As at 31 March 2022					
Particulars	Amortised cost	Fair value through other comprehensive income	Derivative instruments	Total Carrying Value	Total Fair Value
Financial assets					
Trade receivables	29,901.93	—	—	29,901.93	29,901.93
Investments	1,460.61	147.04	—	1,607.65	1,607.65
Cash and cash equivalents & Other balances with banks	373.12	—	—	373.12	373.12
Loans	80.79	—	—	80.79	80.79
Other financial assets	631.45	—	25.81	657.26	657.26
Total	32,447.90	147.04	25.81	32,620.75	32,620.75
Financial liabilities					
Borrowings	30,752.18	—	—	30,752.18	30,752.18
Trade payables	30,184.73	—	—	30,184.73	30,184.73
Lease liabilities	1,973.89	—	—	1,973.89	1,973.89
Other financial liabilities	835.21	—	—	835.21	835.21
Total	63,746.01	—	—	63,746.01	63,746.01

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below-

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

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

(₹ lakh)

Particulars	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
As at 31 March 2023				
Financial assets				
Investment - Equity share (HDFC Bank)	160.96	160.96	—	—
Financial liabilities				
Derivative liabilities - forward cover	17.58	—	17.58	—
As at 31 March 2022				
Financial assets				
Investment - Equity share (HDFC Bank)	147.04	147.04	—	—
Derivative assets - forward cover	25.81	—	25.81	—

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

(c) Financial Risk Management Policies And Objectives:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables, loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowings.

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variables interest rates. Any movement in the reference rates could have an impact on the Company's cash flow as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalents to manage its liquidity risk.

The non-derivative financial liabilities of the Company are all payable within 12 months. (Refer Note 12 and 13)

The following table shows a maturity analysis of the anticipated cash flows including future interest obligations for derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

(₹ lakh)

Particulars	Carrying Value	Contractual Cash flow	Less than one year	Between one to five years	More than five years
Non derivative financial liabilities					
Borrowings including interest obligations	26,309.30 <i>30,752.18</i>	28,094.62 <i>33,031.51</i>	25,234.20 <i>24,464.68</i>	2,860.42 <i>8,566.83</i>	— —
Trade payables	31,155.32 <i>30,184.73</i>	31,155.32 <i>30,184.73</i>	31,155.32 <i>30,184.73</i>	— —	— —
Lease liabilities	1,824.90 <i>1,973.89</i>	2,588.36 <i>2,867.80</i>	295.52 <i>285.17</i>	1,223.79 <i>1,267.80</i>	1,069.05 <i>1,314.83</i>
Other financial liabilities	607.79 <i>835.21</i>	607.79 <i>835.21</i>	607.79 <i>835.21</i>	— —	— —
Derivative financial liabilities	17.58 —	17.58 —	17.58 —	— —	— —

Note- Figures in italics relates to previous year.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Financial assets are provided for when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for provision as per provisioning policy of the Company. Where loans or receivables have been provided, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. Refer note 7 for movement for "Allowances for credit losses".

(d) Foreign Currency exposure as at 31 March 2023 (₹ lakh)

Particulars	USD	EUR	JPY	GBP	Others	Total
Financial Assets						
Trade Receivables	2,883.81	1,612.01	—	1,095.29	—	5,591.11
Bank balance in Current account	—	—	—	1.07	—	1.07
Other Assets	22.27	13.01	—	0.05	0.57	35.90
Financial Liabilities						
Trade Payables	(4,781.47)	(214.21)	(572.48)	(1.84)	(387.68)	(5,957.68)
Loan in Foreign Currency	—	(519.86)	—	(121.25)	—	(641.11)
Advance from Customers	(342.13)	(0.22)	—	(140.79)	—	(483.14)
Net Exposure to Foreign Currency Risk	(2,217.52)	890.73	(572.48)	832.53	(387.11)	(1,453.85)

Foreign Currency exposure as at 31 March 2022

Particulars	USD	EUR	JPY	GBP	Others	Total
Financial Assets						
Trade Receivables	2,772.46	2,121.29	—	1,447.87	—	6,341.62
Bank balance in Current account	—	—	—	4.47	—	4.47
Other Assets	8.95	17.29	—	3.48	0.54	30.26
Financial Liabilities						
Trade Payables	(7,657.64)	(570.74)	(524.91)	(4.90)	(110.84)	(8,869.03)
Loan in Foreign Currency	(2,916.27)	(678.64)	—	(419.89)	—	(4,014.80)
Advance from Customers	(405.45)	—	—	—	—	(405.45)
Net Exposure to Foreign Currency Risk	(8,197.95)	889.20	(524.91)	1,031.03	(110.30)	(6,912.93)

(e) Sensitivity Analysis

1% increase or decrease in foreign currency exchange rates will have the following impact on profit before tax

Particulars	April 2022 to March 2023		April 2021 to March 2022	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	(22.18)	22.18	(81.98)	81.98
EUR	8.91	(8.91)	8.89	(8.89)
JPY	(5.72)	5.72	(5.25)	5.25
GBP	8.33	(8.33)	10.31	(10.31)
Others	(3.87)	3.87	(1.10)	1.10
Increase / (decrease) in profit	(14.53)	14.53	(69.13)	69.13

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

(f) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation.

The exposure of the Company's floating debt interest obligation and its sensitive analysis are as follows: (₹ lakh)

	<u>April 2022 to March 2023</u>	<u>April 2021 to March 2022</u>
Company's debt obligation (Floating rates)	26,309.30	30,752.18

Sensitivity analysis assuming the amount of the liability outstanding at the year end was outstanding for the whole year:

If interest rate had been 25 basis point higher/ lower and all other variables held constant, the company's profit before tax for the ended 31 March 2023 would decrease/ increase by ₹ 65.77 Lakhs (Previous year - ₹ 76.88 Lakhs). This is mainly attributable to the company's exposure to interest rates on its floating rate borrowings.

(g) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31 March 2023 is ₹ 160.96 Lakhs (Previous year - ₹ 147.04 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

32 Capital management

The Company's capital management is intended to safeguard its ability to continue as a going concern so that to create value for shareholders and benefits for other stakeholders by facilitating the achievement of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances and other financial assets.

The table below summarises the capital, net debt and net debt equity ratio of the Company. (₹ lakh)

	<u>As at 31 March 2023</u>	<u>As at 31 March 2022</u>
Total borrowings	26,309.30	30,752.18
Less: cash and cash equivalents, other bank balances and other financial assets (refer note 4,8 & 9)	703.25	1,030.38
Net Debt	25,606.05	29,721.80
Equity	70,782.93	58,591.41
Total Capital (Equity + Net Debt)	96,388.98	88,313.21
Net Debt to Equity Ratio	0.36	0.51

(₹ lakh)

33 Note on Revenue disaggregation

	<u>India</u>	<u>Out side India</u>	<u>Total</u>
Sale of products	169,948.68	31,906.07	201,854.75
	<i>140,141.42</i>	<i>30,910.80</i>	<i>171,052.22</i>
Income from sale of services	24,368.33	5.65	24,373.98
	<i>18,457.34</i>	<i>-</i>	<i>18,457.34</i>
Other operating revenue	2,989.77	283.38	3,273.15
	<i>2,257.00</i>	<i>323.80</i>	<i>2,580.80</i>
Total revenue from operations	197,306.78	32,195.10	229,501.88
	<i>160,855.76</i>	<i>31,234.60</i>	<i>192,090.36</i>

Note - Figures in italics relates to previous year.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

	April 2022 to March 2023	April 2021 to March 2022
Revenue Reconciliation		
Total Revenue	230,464.75	192,836.97
Less: variable consideration (Cash Discount)	962.87	746.61
Total revenue from operations	229,501.88	192,090.36

(₹ lakh)

The Company's performance obligations are satisfied on delivery of product or service to the customer. Delivery of product completes when the products have been shipped or delivered to the specific location, of the customer, as the case may be. Delivery of service completes on receipt of confirmation from customer.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year and hence, there are no significant financing component included in such contracts.

34 Contract Liability

The Company has recognised Revenue from Sale of products and Income from sale of Services amounting to ₹ 672.21 Lakhs during the year ended 31 March 2023 against the advance received from customer which was outstanding as on 31 March 2022. (Previous year: ₹197.86 Lakhs against advance received from customer which was outstanding as on 31 March 2021).

35 Assets held-for-sale

The Company is having 4.95 acres of land at Salem amounting ₹ 3.38 lakhs which the Company is committed to the sell by end of FY 2023-24.

36 Fire incident at Dolomite Plant in the FY 2021-22

In the financial year 2021-22, fire was broken out in the dolomite plant and a loss of ₹ 189.40 lakhs on account of loss in the raw materials, finished goods and work-in-progress was charged in the accounts. Further, there was a loss of ₹ 824.94 lakhs in the value of the property, plant, and equipment and others whose gross block was ₹ 828.14 lakhs, accumulated depreciation ₹ 805.52 lakhs and the net block was ₹ 22.62 lakhs upto 31st March 2022 which was charged in the FY 2021-22. The Company has lodged its claim with the insurance company including replaceable value of property, plant, and equipment and the claim is expected to be settled by the insurance company by the end of FY 2023-24.

37 Related Party Disclosures

a) List of related parties of TRL Krosaki Refractories Limited

SI No	Name	Country of Incorporation	% of Equity Interest	
			As at 31 March 2023	As at 31 March 2022
i)	Parent Entity (Holding company)			
	Krosaki Harima Corporation	Japan	77.62	77.62
ii)	Associate Companies			
	TRL Krosaki Asia Pte Limited	Singapore	37	37
	Almora Magnesite Limited	India	39	39
iii)	Entity having significant influence over holding Company (Ultimate Holding Company)			
	Nippon Steel Corporation	Japan		
iv)	Subsidiary of Nippon Steel Corporation			
	Nippon Steel India Pvt Ltd	India		
	Nippon Steel Engineering India Pvt. Ltd.	India		
	Sanyo Special Steel Co. Ltd	Japan		

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

- v) Fellow Subsidiaries**
- | | |
|---|------------|
| TRL Krosaki China Limited | China |
| Krosaki Harima (Shanghai) Enterprise Management Co, Ltd | China |
| Krosaki Harima Europe B.V. | Netherland |
| Krosaki USA Inc. (KUI) | USA |
| Krosaki AMR Refractories S.A.U. | Spain |
- vi) Associate of Krosaki Harima Corporation**
- | | |
|--|-------|
| IFGL Refractories Limited (IFGL) (upto 30th June 2022) | India |
|--|-------|
- vii) Joint Venture of Subsidiary of Nippon Steel Corporation**
- | | |
|---|-------|
| Arcelor Mittal Nippon Steel India Limited | India |
| Mahindra Sanyo Special Steel Pvt Ltd. | India |
- viii) Key Managerial Personnel**
- (I) Directors**
- Mr. H. M. Nerurkar (Chairman)
 - Mr. P. B. Panda (Managing Director)
 - Mr. P. V. Bhide
 - Mr. R. Ranganath Rao
 - Mr. Hisatake Okumura
 - Mr. Asaya Sachihiko
 - Mr. Anirban Dasgupta
 - Mr. Jumpei Konishi
 - Mr. Chaitanya Bhanu (wef 20th Sep, 2022)
 - Ms. Ai Iwasaki (wef 20th Sep, 2022)
 - Mr. Sudhansu Pathak (upto 1st Aug, 2022)
 - Ms. Shuang Zhu (upto 19th Sep, 2022)
- (ii) Other than Directors**
- Mr. M. V. Rao (Ex. Vice President (Finance) & CFO)
 - Mr. Asim Kumar Meher (Company Secretary)
- ix) Relative of Key Managerial Personnel**
- Mr. Dinabandhu Panda
- x) Employees' Benefit Plans**
- TRL Krosaki Refractories Limited Provident Fund
 - TRL Krosaki Refractories Limited Superannuation Fund
 - TRL Krosaki Refractories Limited Gratuity Fund

Note:

- (1) The list contains those related parties with whom the Company has transactions during the current or previous year.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

b) Transactions with Related Parties

(₹ lakh)

Particulars	Holding Company	Subsidiaries & Associates of the Holding company	Subsidiaries of ultimate Holding company and its joint ventures	Associates of the Company	Key Managerial Personnel and relative
Purchase of Raw Materials and goods	2,218.34 2,562.48	5,150.23 8,379.68	— —	301.14 257.11	— —
Sales and Services	833.51 981.99	3,614.96 3,461.67	6,241.25 5,279.95	12.39 89.47	— —
Receiving of Services	126.93 —	— 12.48	— —	— —	— —
Interest Expenses	— —	— —	— 20.34	— —	— —
Reimbursement of Expenses & liabilities	329.35 —	15.59 —	— —	— —	— —
Royalty	1,138.54 830.68	— —	— —	— —	— —
Dividend paid	2,433.43 1,038.26	— —	— —	— —	0.02 0.01
Outstanding Balance -Debtors	124.68 203.68	2,181.32 1,735.43	526.54 803.54	12.39 —	— —
Loans and advances recovered	— —	— —	— —	— —	0.60 0.60
Outstanding Loan Balance	— —	— —	— —	— —	0.25 0.85
Creditors	1,079.89 1,437.50	342.39 421.06	— —	19.49 18.95	— —
Loans and Advances Received	— —	— 0.02	— 23.38	— —	— —
Short term employee benefits	— —	— —	— —	— —	484.78 373.97
Post employment benefits (Refer Note b below)	— —	— —	— —	— —	37.18 34.78
Commission	— —	— —	— —	— —	85.00 45.96
Sitting Fees (Refer Note e below)	— —	— —	— —	— —	35.90 37.20

Transactions presented above are inclusive of goods and services tax (GST).

Terms and conditions of transactions with related parties

- All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis and for the year ended 31 March 2023 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous year: nil). 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.
- As the liabilities for defined benefit plans are provided on actuarial basis for the Company as whole, the amounts pertaining to key managerial personnel and relatives are not included.
- During the year, the Company has contributed ₹ 1,476.44 Lakhs (Previous year: ₹ 1,267.52 Lakhs) to the post employment benefit plans to the Trusts managed by the Company.
- Sitting fees of all nominated directors has been paid to respective nominee companies except for Mr. Sudhansu Pathak ₹ 1.30 lakhs (Previous year ₹ 2.60 lakhs) and Mr. Chaitanya Bhanu ₹ 1.50 lakhs (Previous year-Nil)
- Figures in italics represent comparative figures of the previous year.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

38 Financial Ratios

Sl. No.	Particulars	Unit	Current Year	Previous Year	Variance
(a)	Current Ratio Current Ratio = Current Assets / Current Liabilities. Current assets exclude assets held for sale.	times	1.40	1.37	2%
(b)	Debt-Equity Ratio Debt – Equity Ratio = Total Borrowings / Shareholder's Equity Total borrowings include both long term and short term borrowings excluding lease liability. Share holders' equity = Total equity + deferred tax liability.	times	0.37	0.52	-29%
(c)	Debt Service Coverage Ratio Debt Service Coverage Ratio = Earnings available for debt service / Debt Service Earnings available for debt Service = Profit for the year + exceptional items + depreciation and amortisation expense + interest on fixed and other loans (including interest capitalised) + interest on lease liability. Debt service = Interest + lease payments + repayments of principal of long term loan	times	3.14	2.68	17%
(d)	Return on Equity Ratio Return on Equity Ratio = Net Profit after taxes / Average Shareholder's Equity Net profit after tax = Profit for the year - exceptional items. Share holder's equity = Total equity + deferred tax liability. Average shareholders' equity = (opening share holder's equity + closing share holder's equity)/2	%	23.66	18.06	31%
(e)	Inventory turnover ratio Inventory Turnover ratio = Sales / Average Inventory Sales includes sale of products and Income from sale of services. Average inventory = (Opening inventory + closing inventory)/2	times	4.92	4.72	4%
(f)	Trade Receivables turnover ratio Trade receivables turnover ratio = Revenue from operations / Average trade receivables Average trade receivables = (opening trade receivables + closing trade receivables / 2)	times	7.21	7.18	0.47%
(g)	Trade payables turnover ratio Trade payables turnover ratio = Net Credit Purchases / Average Trade Payables Net credit purchases = Total purchases - capital purchases - advance purchases Trade payables exclude creditors for accrued wages and salaries. Average trade payables = (opening trade payables + closing trade payables / 2)	times	6.59	6.39	3%
(h)	Net capital turnover ratio Net capital turnover ratio = Revenue from operations / Working Capital Working capital = current assets (excluding assets held for sale) - current liabilities.	times	9.64	9.14	5%
(i)	Net profit ratio Net Profit Ratio = Net Profit / Total Income Net profit for the year excludes exceptional items	%	6.75%	5.15%	31%
(j)	Return on Capital employed Return on Capital employed = Earnings before interest and taxes / Capital Employed Earnings before interest and tax expenses = profit before exceptional items and tax + interest expenses Capital Employed = Total equity + total borrowing + deferred tax liabilities	%	23.27%	16.41%	42%
(k)	Return on investment Return on investment = Income generated from invested funds	%	0.96%	-0.11%	-975%

Explanation for change in the ratios by more than 25% as compared to the preceding year

- (b) **Debt-Equity Ratio** : Decreased due to decrease in borrowings on account of repayment of term loans and increase in internal generation.
- (d) **Return on Equity Ratio** : Increased due to increase in profit.
- (i) **Net profit ratio**: Increased due to increase in revenue and decrease in other indirect cost.
- (j) **Return on Capital employed**: Increased due to increase in revenue and profit during the year.
- (k) **Return on investment**: Increased due to dividend income and fair value gain on equity instruments held.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount Rupees in lakhs, except otherwise stated)

39 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of shares outstanding during the year. The basic and diluted earnings per share has been calculated below

	April 2022 to March 2023	April 2021 to March 2022
		(₹ lakh)
a) Profit after Tax	15,527.81	10,280.68
b) Profit attributable to Equity Share Holders	15,527.81	10,280.68
c) Weighted average number of Equity Shares outstanding during the year	209.00	209.00
d) Nominal Value per share (₹)	10	10
e) Basic / diluted Earning per Equity Share (₹)	74.30	49.19

40 In terms of Indian Accounting Standard (Ind AS) 108 on 'Operating Segment' notified in the Companies Act, 2013, segment information has been presented in the Consolidated Financial Statements, prepared pursuant to Indian Accounting Standard (Ind AS) 110 on 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 28 on 'Investments in Associates and Joint Ventures' notified in the Act, included in the Annual Report for the year.

As per our report of even date attached

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, May 11, 2023

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, May 11, 2023

sd/-
ASIM K MEHER
Company Secretary
(ACS : 42427)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRL KROSAKI REFRACTORIES LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of TRL Krosaki Refractories Limited (hereinafter referred to as the "Company") and its associates, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associates as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

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

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Company, as aforesaid.

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

The respective Board of Directors of the Company and of its associates are responsible for overseeing the financial reporting process of each company.

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

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

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

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

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter(s)

The consolidated financial statements include the Company's share of net profit (and other comprehensive income) of Rs. 335.36 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of two associates, whose financial information have not been audited by us or by other auditor. This unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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. A. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Company. Refer Note 26 to the consolidated financial statements.
 - b. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
 - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.
 - d. (i) The management of the Company has represented that, to the best of its knowledge and belief, as disclosed in the Note 05 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.
 - (ii) The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 05 to the consolidated financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed 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 (i) and (ii) above, contain any material misstatement.
 - e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
As stated in Note 11 to the consolidated financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
 - f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No.060715
ICAI UDIN: 23060715BGQAAI9439

Place: Kolkata
Date: 11 May, 2023

Annexure A to the Independent Auditor’s Report on the Consolidated Financial Statements of TRL Krosaki Refractories Limited for the year ended 31 March 2023

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

In our opinion and according to the information and explanations given to us, the Companies (Auditor’s Report) Order, 2020 of the Company did not include any unfavourable answers or qualifications or adverse remarks.

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor’s report.

Name of the entities	CIN	Subsidiary/ JV/ Associate
Almora Magnetise Limited	U26941UR197PLC003453	Associate

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715
ICAI UDIN: 23060715BGQAAI9439

Place: Kolkata
Date: 11 May, 2023

Annexure B to the Independent Auditor’s Report on the consolidated financial statements of TRL Krosaki Refractories Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of TRL Krosaki Refractories Limited (hereinafter referred to as “the Company”) as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company and such company incorporated in India under the Act which is its associate company, as of that date.

In our opinion, the Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 controls 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.

Other Matter

The internal financial controls with reference to financial information insofar as it relates to one associate company, which is a company incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditor. In our opinion and according to the information and explanations given to us by the Management, such unaudited associate company is not material to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

sd/-

Seema Mohnot
Partner
Membership No.060715
ICAI UDIN: 23060715BGQAAI9439

Place: Kolkata
Date: 11 May, 2023

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

(₹ lakh)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	01(a)	45,723.08	39,265.11
(b) Capital work-in-progress	01(c)	4,683.16	6,538.77
(c) Right-of-use assets	29	1,483.34	1,693.29
(d) Other Intangible assets	01(b)	387.24	391.65
(e) Equity accounted investments	02	3,433.40	3,098.04
(f) Financial assets			
(i) Investments	03	160.96	147.04
(ii) Loans	04	3.55	22.05
(iii) Other financial assets	05	444.84	371.00
(g) Non-current tax assets (net)		291.45	258.09
(h) Other non-current assets	06	2,516.58	2,542.93
Total Non-current assets		59,127.60	54,327.97
(2) Current assets			
(a) Inventories	07	47,026.40	44,994.34
(b) Financial assets			
(i) Trade receivables	08	33,726.10	29,901.93
(ii) Cash and cash equivalents	09	34.38	373.02
(iii) Other balances with bank	10	12.32	0.10
(iv) Loans	04	29.73	58.74
(v) Other financial assets	05	217.63	286.26
(c) Other current assets	06	2,596.91	2,937.34
(d) Assets held for sale	37	3.38	3.38
Total Current assets		83,646.85	78,555.11
TOTAL ASSETS		142,774.45	132,883.08
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity share capital	11	2,090.00	2,090.00
(b) Other equity		70,834.18	58,343.67
Total Equity		72,924.18	60,433.67
(2) LIABILITIES			
(i) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	2,725.31	8,028.02
(ia) Lease liabilities	29	1,650.27	1,819.33
(b) Provisions	15	4,707.21	4,531.87
(c) Deferred tax liabilities (net)	31(b)	936.47	570.35
Total Non-current liabilities		10,019.26	14,949.57
(ii) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	23,583.99	22,724.16
(ia) Lease liabilities	29	174.63	154.56
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	13(a)	536.02	379.87
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13(b)	30,619.30	29,804.86
(iii) Other financial liabilities	14	625.37	835.21
(b) Other current liabilities	16	1,948.24	1,776.59
(c) Provisions	15	1,630.97	1,039.82
(d) Current tax liabilities (net)		712.49	784.77
Total Current liabilities		59,831.01	57,499.84
TOTAL EQUITY AND LIABILITIES		142,774.45	132,883.08
Notes forming part of financial statements	(1-41)		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, 11 May, 2023

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, 11 May, 2023

sd/-
ASIM K MEHER
Company Secretary
(ACS : 42427)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

	Note	April 2022 to March 2023	April 2021 to March 2022
I			
Revenue from operations	17	229,501.88	192,090.36
II			
Other income	18	412.95	306.78
III Total Income (I+II)		229,914.83	192,397.14
IV EXPENSES			
(a) Cost of materials consumed	20	100,225.89	80,318.99
(b) Purchases of stock-in-trade		31,196.97	30,982.16
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	(2,378.80)	(2,266.70)
(d) Employee benefits expense	22	16,183.74	14,123.32
(e) Finance costs	23	2,274.64	1,592.17
(f) Depreciation and amortisation expense	01 & 29	3,869.62	3,430.51
(g) Other expenses	24	57,811.05	50,929.82
Total Expenses (IV)		209,183.11	179,110.27
V Share of profit of equity accounted investees		335.36	61.19
VI Profit before exceptional item and tax (III - IV+V)		21,067.08	13,348.06
VII Exceptional Item	19	—	364.54
VIII Profit before tax (VI+VII)		21,067.08	13,712.60
IX Tax Expense			
(a) Current tax		4,895.98	3,253.49
(b) Taxation for earlier years		(137.39)	—
(c) Deferred tax		481.70	85.13
Total tax expense	31	5,240.29	3,338.62
X Profit for the year (VIII-IX)		15,826.79	10,373.98
XI Other Comprehensive Income / (loss)			
(i) Items that will not be reclassified subsequently to profit and loss			
(a) Remeasurement loss of defined benefit plans		(330.78)	(119.73)
(b) Fair value changes of investments in equity shares		13.92	(2.33)
(ii) Income tax on items that will not be reclassified subsequently to profit and loss		115.58	13.74
Total Other comprehensive loss for the year (net of income tax)		(201.28)	(108.32)
XII Total Comprehensive Income for the year (X+XI)		15,625.51	10,265.66
XIII Earnings per equity share			
Basic and Diluted (₹)			
[Face value of ₹ 10 each] (PY: Face value of ₹ 10 each)	41	75.73	49.64
Notes forming part of financial statements	(1-41)		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, 11 May, 2023

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, 11 May, 2023

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
ASIM K MEHER
Company Secretary
(ACS : 42427)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(A) EQUITY SHARE CAPITAL

(Refer Note 11)

As at 31 March 2023

(₹ lakh)

Particulars	Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity Share Capital	2,090.00	—	2,090.00

As at 31 March 2022

Particulars	Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity Share Capital	2,090.00	—	2,090.00

(B) OTHER EQUITY

(Refer Note 11)

As at 31 March 2023

(₹ lakh)

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total
	Retained Earnings	General Reserve	Security Premium Reserve	Investment Revaluation Reserve	
Balance as at 1 April 2022	35,284.39	14,249.94	7,573.05	1,236.29	58,343.67
Profit for the year	15,826.79	—	—	—	15,826.79
Dividend	(3,135.00)	—	—	—	(3,135.00)
Fair value loss on equity instrument	—	—	—	13.92	13.92
Remeasurement loss on defined benefit plans	(215.20)	—	—	—	(215.20)
Balance as at 31 March 2023	47,760.98	14,249.94	7,573.05	1,250.21	70,834.18

As at 31 March 2022

Particulars	Reserve & Surplus			Items of Other Comprehensive Income	Total
	Retained Earnings	General Reserve	Security Premium Reserve	Investment Revaluation Reserve	
Balance as at 1 April 2021	26,354.00	14,249.94	7,573.05	1,238.62	49,415.61
Profit for the year	10,373.98	—	—	—	10,373.98
Dividend	(1,337.60)	—	—	—	(1,337.60)
Fair value loss on equity instrument	—	—	—	(2.33)	(2.33)
Remeasurement loss on defined benefit plans	(105.99)	—	—	—	(105.99)
Balance as at 31 March 2022	35,284.39	14,249.94	7,573.05	1,236.29	58,343.67

Retained earnings : Retained earnings are profit that the Company has earned till date, less dividend or other distributions paid to shareholders. It also includes remeasurement gain / loss of defined benefit plans.

General Reserve : Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. There is no movement in general reserve during the current and previous year.

Securities premium : Securities premium is used to record the premium on issue of shares. Securities premium is utilised in accordance with the provisions of the Companies Act, 2013. There is no movement in securities premium during the current and previous year.

Investment revaluation reserve : The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in investment revaluation reserve.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, 11 May, 2023

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, 11 May, 2023

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
ASIM K MEHER
Company Secretary
(ACS : 42427)

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

	April 2022 - March 2023	April 2021 - March 2022
A. Cash Flow from Operating activities:		
Profit before tax	21,067.08	13,712.60
Adjustments for:		
Share of (profit) of equity accounted investees	(335.36)	(61.19)
Depreciation and amortisation expense	3,869.62	3,430.51
Write back of allowances for credit loss	440.24	318.30
Exceptional Item (Profit on sale of assets held-for sale)	—	(364.54)
Dividend income	(1.55)	(0.52)
Net (gain) on sale of property, plant and equipment	(43.30)	(15.95)
Interest income	(73.42)	(25.66)
Finance costs	2,274.64	1,592.17
Unrealised (gain) on foreign exchange fluctuation	317.74	47.89
Operating profit before working capital changes	27,515.69	18,633.61
Adjustments for:		
(Increase) in non-current / current financial and other assets	(3,742.74)	(6,528.03)
(increase) in inventories	(2,032.06)	(9,334.06)
Increase in non-current / current financial and other liabilities / provisions	1,412.52	2,799.95
Cash generated from operations	23,153.41	5,571.47
Income tax paid (net of refunds)	(4,864.23)	(2,933.13)
Net Cash generated from Operating Activities	18,289.18	2,638.34
B. Cash Flow from Investing Activities:		
Acquisitions of property, plant and equipment	(8,947.57)	(9,871.74)
Proceeds on sale of property, plant and equipment	174.58	17.37
Fixed deposits with bank	(6.40)	—
Proceeds from sale of land	—	364.88
Interest received	70.53	31.21
Dividend received	1.55	0.52
Net Cash used in Investing Activities	(8,707.31)	(9,457.76)
C. Cash Flow from Financing Activities:		
Proceeds from borrowings	10,349.81	14,531.50
Repayment of borrowings	(14,814.74)	(4,681.20)
Payment of lease liabilities (including interest)	(287.01)	(258.80)
Proceeds from government grant	55.04	258.88
Interest paid	(2,088.61)	(1,451.57)
Dividend paid	(3,135.00)	(1,337.60)
Net Cash (used) / generated from Financing Activities	(9,920.51)	7,061.21
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(338.64)	241.79
Opening Cash and Cash equivalents (Refer Note 9)	373.02	131.23
Closing Cash and Cash equivalents (Refer Note 9)	34.38	373.02

Note:

- i) Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
- ii) Figures in brackets represent cash outflows.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, 11 May, 2023

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, 11 May, 2023

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
ASIM K MEHER
Company Secretary
(ACS : 42427)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTE 01

(₹ lakh)

Description	Cost / (Deemed Cost) as at 1 April 2022	Additions	Deductions	Cost / Deemed Cost as at 31 March 2023	Accumulated Depreciation as at 1 April 2022	Depreciation for the Year		Accumulated Depreciation as at 31 March 2023	Net Carrying Value as at 31 March 2023
						Additions	Disposals/ Deductions		
1(a). Property, plant and equipment									
Freehold Land	18.67 (18.67)	—	—	18.67 (18.67)	—	—	—	—	18.67 (18.67)
Buildings and Roads*	17,127.98 (11,953.76)	2,502.84 (5,234.74)	20.69 (60.52)	19,610.13 (17,127.98)	2,503.64 (2,220.21)	495.64 (343.95)	20.69 (60.52)	2,978.59 (2,503.64)	16,631.54 (14,624.34)
Plant and Machinery	30,709.08 (25,521.57)	6,983.01 (6,297.25)	526.74 (1,109.74)	37,165.35 (30,709.08)	8,116.37 (6,971.61)	2,491.83 (2,254.36)	403.87 (1,109.60)	10,204.33 (8,116.37)	26,961.02 (22,592.71)
Railway Siding	134.48 (134.48)	—	—	134.48 (134.48)	101.15 (86.70)	14.45 (14.45)	—	115.60 (101.15)	18.88 (33.33)
Furniture and Fixture	1,847.02 (1,530.27)	231.09 (318.63)	5.75 (1.88)	2,072.36 (1,847.02)	1,063.03 (869.03)	192.33 (195.87)	5.74 (1.87)	1,249.62 (1,063.03)	822.74 (783.99)
Office Equipments	1,312.18 (984.56)	302.60 (335.96)	268.26 (8.34)	1,346.52 (1,312.18)	582.57 (360.63)	264.40 (229.50)	261.36 (7.56)	585.61 (582.57)	760.91 (729.61)
Vehicles	746.88 (616.48)	151.13 (154.56)	41.25 (24.16)	856.76 (746.88)	264.42 (180.64)	122.76 (107.45)	39.74 (23.67)	347.44 (264.42)	509.32 (482.46)
Total Property, plant and equipment:1(a)	51,896.29 (40,759.79)	10,170.67 (12,341.14)	862.69 (1,204.64)	61,204.27 (51,896.29)	12,631.18 (10,688.82)	3,581.41 (3,145.58)	731.40 (1,203.22)	15,481.19 (12,631.18)	45,723.08 (39,265.11)
1(b). Intangible Assets									
Development of Mines	288.33 (288.33)	—	288.33	— (288.33)	277.58 (266.83)	10.75 (10.75)	288.33	— (277.58)	— (10.75)
Software	821.28 (662.50)	67.58 (158.78)	—	888.86 (821.28)	440.38 (365.91)	61.24 (74.47)	—	501.62 (440.38)	387.24 (380.90)
Total Other Intangible Assets:1(b)	1,109.61 (950.83)	67.58 (158.78)	288.33	888.86 (1,109.61)	717.96 (632.74)	71.99 (85.22)	288.33	501.62 (717.96)	387.24 (391.65)
Total (a+b)	53,005.90 (41,710.62)	10,238.25 (12,499.92)	1,151.02 (1,204.64)	62,093.13 (53,005.90)	13,349.14 (11,321.56)	3,653.40 (3,230.80)	1,019.73 (1,203.22)	15,982.81 (13,349.14)	46,110.32 (39,656.76)
1(c). Capital work in progress									
Buildings, Plant and Machinery, etc.: 1(c)	6,538.77 (10,716.64)	8,382.64 (8,322.05)	10,238.25 (12,499.92)	4,683.16 (6,538.77)	—	—	—	—	4,683.16 (6,538.77)
Total Assets (1a+1b+1c)									50,793.48 (46,195.53)

Note: (i) Figures in brackets relate to the previous year.
 (ii) Development of mines represent expenditure incurred in relation to restoration obligations as per applicable regulations and the same has been amortised over the period of lease. Both Talbasta Mines and Chumipal mines have been completely amortised. The Company is under process of surrendering of the Talbasta mines.
 (iii) No indicator of impairment were identified during the current year, hence Property, Plant and Equipment including Capital Work in Progress were not tested for impairment.
 (iv) Property, Plant and Equipment including Capital Work in Progress have been hypothecated as security against certain bank borrowings (Refer Note 12)
 (v) ₹ 04.86 lakhs (Previous year- ₹ 440.96 lakhs) of borrowing costs has been capitalised during the year on qualifying assets under additions to Capital Work in Progress using a capitalisation rate of 7.17% (previous year -6.95%)
 (vi) Additions to Capital Work in Progress includes finished goods issued for capital projects amounting to ₹ 419.47 lakhs (Previous year- ₹ 99.63 lakhs)
 (vii) Buildings and Roads includes closing gross block ₹ 6,484.78 lakhs (Previous year- ₹ 5,134.01 lakhs) and net carrying value ₹ 5,872.97 lakhs (Previous year- ₹ 4,928.96 lakhs) include buildings leased out to employees for residential purposes.
 (viii) Incentives amounting to ₹ 55.04 lakhs (Previous year- ₹ 258.88 lakhs) on account of Export Promotion Capital Goods scheme is adjusted in addition to Capital Work in Progress.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1(c) — Capital work in progress aging

(₹ lakh)

Particulars	As at 31 March 2023				As at 31 March 2022					
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Projects in progress	3,782.08	872.82	28.26	—	4,683.16	1,064.91	217.86	1,909.71	3,346.29	6,538.77
(ii) Projects temporarily suspended	—	—	—	—	—	—	—	—	—	—
Total Capital work in progress	3,782.08	872.82	28.26	—	4,683.16	1,064.91	217.86	1,909.71	3,346.29	6,538.77

1(c) — Capital work in progress

Details of capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

(₹ lakh)

Name of projects	As at 31 March 2023				As at 31 March 2022					
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) High Temp Tunnel Kiln	—	—	—	—	—	3,082.98	—	—	—	3,082.98
(ii) Testing facilities - Technology Division	—	—	—	—	—	16.80	—	—	—	16.80
(iii) AL-80 / 90 Slide gate system	277.20	—	—	—	277.20	—	263.31	—	—	263.31
(iv) 1600T Electro Screw Press	—	—	—	—	—	11.84	—	—	—	11.84
(v) JUQC Mechanism	190.07	—	—	—	190.07	8.25	167.35	—	—	175.60
(vi) Tundish DVM heating & spray machine	—	—	—	—	—	7.18	—	—	—	7.18
(vii) IT Infrastructure	—	—	—	—	—	4.75	—	—	—	4.75
(ix) Tempering Kiln	—	—	—	—	—	1,981.71	—	—	—	1,981.71
(x) Auto Batching for Mixer machine	253.34	—	—	—	253.34	432.47	—	—	—	432.47
(xi) Promnt of JUQC Mech for CC#1SMS, TSL KPO	51.35	—	—	—	51.35	—	—	—	—	—
(xii) Rplcmnt of Old Tunnel Kiln & Dryer at HA	1,997.32	—	—	—	1,997.32	—	—	—	—	—
Total	2,769.28	—	—	—	2,769.28	5,545.98	430.66	—	—	5,976.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

	No. of equity shares	As at 31 March 2023	As at 31 March 2022
NOTE: 02 Investments accounted for using the equity method			
Non-Current			
Investments in Associate Companies			
a) TRL Krosaki Asia Pte Limited (Face value of SG\$ 1 each, fully paid-up)	48,07,584	2,471.97	2,471.97
Add: Accumulated Profit		657.45	378.73
Carrying amount of Investment		3,129.42	2,850.70
b) Almora Magnesite Limited	77,990	77.99	77.99
Original cost of investment (Face value of ₹ 100 each, fully paid-up)			
Add: Accumulated Profit		225.99	169.35
Carrying amount of Investment		303.98	247.34
Total Equity accounted investments		3,433.40	3,098.04
Aggregate carrying value of unquoted investments		3,433.40	3,098.04

NOTE: 03 Investments

Non-Current

a) Investment designated at fair value through Other Comprehensive Income			
Investment in Equity Instrument (Quoted)			
HDFC Bank Limited (Fair Value) (Face Value of ₹ 1 each fully paid up)	10,000	160.96	147.04
b) Investment in Equity Instrument (Unquoted)			
Tata Construction and Projects Limited*	1,44,202	18.42	18.42
(Face Value of ₹ 10 each fully paid up)			
Less: impairment in value of investment		(18.42)	(18.42)
*Company is in liquidation			
Total Investments		160.96	147.04
Aggregate carrying value and market value of quoted investments are as below:			
Carrying value		160.96	147.04
Market Value		160.96	147.04
Aggregate amount of impairment in value of investment		18.42	18.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

04 Loans

	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
(a) Loans to employees*	3.55	29.73	33.28	22.05	58.74	80.79
Total Loans	3.55	29.73	33.28	22.05	58.74	80.79

*It includes Loan to relative of KMP amounting to ₹ 0.25 lakhs (previous year ₹ 0.85 lakhs)

05 Other financial assets

	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
(a) Security deposits*	444.84	200.02	644.86	371.00	245.73	616.73
(b) Interest accrued on deposits	—	17.61	17.61	—	14.72	14.72
(c) Derivative assets	—	—	—	—	25.81	25.81
Total Other financial assets	444.84	217.63	662.47	371.00	286.26	657.26

* No funds have been advanced or loaned or invested (either from borrowed fund or share premium or any other sources or kind of funds) by the company to or in any other person or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise that the intermediary shall lend or invest in party identified by or on behalf of the company (ultimate beneficiaries). The company has not received any fund from any parties (funding party) with the understanding that the company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

06 Other assets

	As at 31 March 2023			As at 31 March 2022		
	Non current	Current	Total	Non current	Current	Total
Unsecured, considered good unless otherwise stated						
(a) Capital advances	491.13	—	491.13	268.75	—	268.75
(b) Advance with public bodies *	2,012.34	879.36	2,891.70	2,235.18	1,787.48	4,022.66
(c) Other advances (Unsecured, considered good)**	13.11	1,717.55	1,730.66	39.00	1,149.86	1,188.86
(d) Other advances (Unsecured, credit impaired)	92.77	—	92.77	103.11	—	103.11
Other assets	2,609.35	2,596.91	5,206.26	2,646.04	2,937.34	5,583.38
Less: Allowances for doubtful advances	92.77	—	92.77	103.11	—	103.11
Total Other assets	2,516.58	2,596.91	5,113.49	2,542.93	2,937.34	5,480.27

* * Advance with public bodies primarily relate to Goods and Services Tax (GST) input credit, duty credit entitlements and amounts paid under protest in respect of demands from regulatory authorities.

** Other advances include advances against supply of goods and services and advances paid to employees.

07 Inventories

	As at 31 March 2023	As at 31 March 2022
(a) Raw materials [Including in transit ₹ 189.65 lakhs (PY- ₹ Nil)]	28,706.34	29,144.22
(b) Work-in-progress	2,581.71	2,144.17
(c) Finished goods [Including in transit ₹ 326.62 lakhs (PY- ₹ 196.82 lakhs)]	10,020.01	7,962.41
(d) Stock-in-trade	2,720.84	3,256.65
(e) Stores and spares	2,147.23	1,669.19
(f) Loose tools	48.64	41.70
(g) Fuel [Including in transit ₹ Nil (PY- ₹ 48.22 lakhs)]	801.63	776.00
Total Inventories	47,026.40	44,994.34

The value of inventories stated above is after adjustment of ₹ 539.27 lakhs (Previous year - ₹ 179.27 lakhs) for write-downs to net realisable value and provision for slow moving and obsolete item is ₹ 129.94 lakhs (Previous year - ₹ 337.40 lakhs).

The inventories have been hypothecated as security against certain bank borrowings (Refer Note-12)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

08 Trade receivables	As at 31 March 2023	As at 31 March 2022
Unsecured		
(a) Unsecured, considered good-Billed	33,933.00	31,256.61
(b) Unsecured, considered good- Unbilled	2,088.57	500.55
(c) Credit Impaired	—	—
Total Trade receivables- Billed and Unbilled	36,021.57	31,757.16
Less: Allowance for credit losses	2,295.47	1,855.23
Total Trade receivables- Billed and Unbilled	33,726.10	29,901.93

There are no receivables which have significant increase in credit risk.

The Company's exposure to customers contributing more than 10% of the outstanding receivables as at March 31, 2023 is ₹ 12,108.28 lakhs (Previous year - ₹ 12,129.16 lakhs)

The trade receivables from related parties amounting to ₹ 2,801.95 lakhs (Previous year - ₹ 2,742.65 lakhs) are included in trade receivables. [Refer Note 39(b)]

There are no outstanding debts due from directors or other officers of the company or any of them either severally or jointly with any other person or debts due from firms or private companies respectively in which any director is a partner or a director or a member

Trade receivables have been hypothecated as security against certain bank borrowings (Refer Note-12)

The details of movement in allowances for credit losses are as below:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	1,855.23	1,536.93
Additions during the year	440.24	318.30
Amount utilised during the year	—	—
Balance at the end of the year	2,295.47	1,855.23

Ageing of trade receivables- billed

Particulars	As at 31 March 2023						Total
	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	20,585.60	8,916.65	3,204.80	495.30	9.45	721.20	33,933.00
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Undisputed Trade Receivables — credit impaired	—	—	—	—	—	—	—
(iv) Disputed Trade Receivables — considered good	—	—	—	—	—	—	—
(v) Disputed Trade Receivables — which have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Disputed Trade Receivables — credit impaired	—	—	—	—	—	—	—
Total Trade receivables billed	20,585.60	8,916.65	3,204.80	495.30	9.45	721.20	33,933.00
Less: Allowance for Doubtful Trade Receivable Billed							2,295.47
							31,637.53
Trade Receivable Unbilled							2,088.57
							33,726.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

As at 31 March 2022							
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	19,595.98	8,796.78	1,827.53	211.21	138.50	686.61	31,256.61
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total Trade receivables billed	19,595.98	8,796.78	1,827.53	211.21	138.50	686.61	31,256.61
Less: Allowance for doubtful trade receivable -Billed							1,855.23
							29,401.38
Trade Receivable Unbilled							500.55
							29,901.93

09 Cash and cash equivalents

	<u>As at 31 March 2023</u>	<u>As at 31 March 2022</u>
(a) Balances with banks	30.59	371.31
(b) Cheques on hand	1.44	—
(c) Cash on hand	2.35	1.71
Total Cash and cash equivalents	34.38	373.02

10 Other balances with bank

	<u>As at 31 March 2023</u>	<u>As at 31 March 2022</u>
(a) Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date	6.40	—
(b) Unclaimed dividend*	5.92	0.10
Total Other balances with banks	12.32	0.10

* Not available for use of the Company.

11 Equity Share Capital

	<u>As at 31 March 2023</u>	<u>As at 31 March 2022</u>
Authorised :		
2,50,00,000 Equity Shares of ₹10 each (Previous year: 2,50,00,000 Equity Shares of ₹ 10 each)	2,500.00	2,500.00
	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up:		
2,09,00,000 Equity Shares of ₹ 10 each (Previous year: 2,09,00,000 Equity Shares of ₹ 10 each)	2,090.00	2,090.00
Total Equity Share Capital	2,090.00	2,090.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

11 Equity Share Capital (Cont.)

a) Rights, preference and restrictions attached to equity shares

- i) The Company has only one class of shares referred to as equity shares having par value of ₹ 10 each. Holder of equity shares is entitled to one vote per share and carry right to dividend.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of Share Capital

	As at 31 March 2023 Number	As at 31 March 2023	As at 31 March 2022 Number	As at 31 March 2022
Opening Balance	2,09,00,000	2,090.00	2,09,00,000	2,090.00
Closing Balance	2,09,00,000	2,090.00	2,09,00,000	2,090.00

c) Shares held by holding company

	As at 31 March 2023 Number	As at 31 March 2023	As at 31 March 2022 Number	As at 31 March 2022
Krosaki Harima Corporation - Japan				
Opening Balance	1,62,22,864	1,622.29	1,62,22,864	1,622.29
Closing Balance	1,62,22,864	16,22,28,640	1,62,22,864	16,22,28,640

d) Disclosure of Shareholding of Promoter

Disclosure of Shareholding of Promoter is as follows

Name of the Share holders	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of total shares	Number of shares	% of total shares
Krosaki Harima Corporation -Japan				
Opening Balance	1,62,22,864	77.62	1,62,22,864	77.62
Closing Balance	1,62,22,864	77.62	1,62,22,864	77.62

e) Details of shareholders holding more than 5% shares in the Company is as below:

Name of the Share holders	As at 31 March 2023		As at 31 March 2022	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Krosaki Harima Corporation- Japan (Holding company)				
	1,62,22,864	77.62	1,62,22,864	77.62
Steel Authority of India Limited				
	22,03,150	10.54	22,03,150	10.54

f) Other Equity

	As at 31 March 2023	As at 31 March 2022
1) Retained earnings		
Balance at the beginning of the year	35,284.39	26,354.00
Profit for the year	15,826.79	10,373.98
Dividend	(3,135.00)	(1,337.60)
Remeasurement loss on defined benefit plans	(215.20)	(105.99)
Balance at the end of the year	47,760.98	35,284.39
2) General Reserve		
Balance at the beginning of the year	14,249.94	14,249.94
Balance at the end of the year	14,249.94	14,249.94
3) Securities premium :		
Balance at the beginning of the year	7,573.05	7,573.05
Balance at the end of the year	7,573.05	7,573.05

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

11 Equity Share Capital (Contnd.)	<u>As at 31 March 2023</u>	<u>As at 31 March 2022</u>
4) Investment revaluation reserve:		
The details of movement in investment revaluation reserve are as below:		
Balance at the beginning of the year	1,236.29	1,238.62
Other comprehensive income / (loss) recognised during the year	13.92	(2.33)
Balance at the end of the year	1,250.21	1,236.29
5) Dividends		
The following dividends were declared and paid by the Company during the year		
₹ 15.00 per equity shares (Previous year - ₹ 6.40 per share)	3,135.00	1,337.60
	3,135.00	1,337.60
After the reporting dates the following dividends were proposed by the board of directors subject to the approval by the shareholders at the annual general meeting.		
₹ 22.50 per equity shares (Previous year: ₹ 15.00 per share)	4,702.50	3,135.00
	4,702.50	3,135.00
6) Remeasurement on defined benefit plans		
Remeasurement gain/ (loss) on defined benefit plans includes actuarial gain / (loss) arising on defined benefit plans of Company (net of taxes).		

12 Borrowings

	As at 31 March 2023			As at 31 March 2022		
	Non-Current	Current	Total	Non-Current	Current	Total
A. Secured Borrowings						
(a) Term Loan*						
From Bank	2,725.31	5,302.80	8,028.11	8,028.02	4,419.09	12,447.11
(b) Loan from Banks**						
(i) Working Capital Demand Loans	—	14,900.00	14,900.00	—	8,400.00	8,400.00
(ii) Cash Credit	—	2,739.62	2,739.62	—	890.26	890.26
(iii) Packing Credits	—	641.11	641.11	—	4,014.81	4,014.81
Total Secured Borrowings	2,725.31	23,583.53	26,308.84	8,028.02	17,724.16	25,752.18
B. Unsecured Borrowings						
(a) Loan from banks						
(i) Working Capital Demand Loans	—	—	—	—	4,500.00	4,500.00
(ii) Packing Credits	—	—	—	—	500.00	500.00
(b) Cash Credit (repayable on demand)	—	0.46	0.46	—	—	—
Total Unsecured Borrowings	—	0.46	0.46	—	5,000.00	5,000.00
Total Borrowings	2,725.31	23,583.99	26,309.30	8,028.02	22,724.16	30,752.18

* Term Loan from State Bank of India

Secured by first charge over the proposed Property, plant and equipment of the Company for which term loan is taken and first pari-passu charge on existing Property, plant and equipment including factory land and building.

Terms of repayment

Name of Lender	Interest Rate	Repayment Schedule	
State Bank of India	6 Month MCLR	FY-2023-2024	4 no of quarterly installments of ₹ 1,325.70 lakhs each.
		FY-2024-2025	4 no of quarterly installments i) 1st Installment- ₹ 736.50 lakhs (ii) 2nd and 3rd installments- ₹ 662.85 lakhs each (iv) 4th installment- ₹ 663.11 lakhs

** Current Borrowings

Secured by hypothecation of stock of raw materials, stores and spares, work-in-process, finished goods, receivables and other current assets, both present and future, by way of pari-passu first charge and second charge over property, plant and equipment.

Packing credits are repayable within maximum tenure of 180 days.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

13. Trade Payables

	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding dues of micro enterprises and small enterprises		
Creditors for supplies of micro and small enterprises	536.02	379.87
<p>The amounts due to Micro and Small Enterprises, as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)", have been determined to the extent that such parties have been identified on the basis of information available with the Company. The details are tabulated below:</p>		
1. The principal amount remaining unpaid to supplier as at the end of the year	—	—
2. The interest due thereon remaining unpaid to suppliers as at the end of the year	—	—
3. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	—	—
4. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	—	—
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	—	—
6. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	—	—
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Creditors for supplies / services other than micro and small enterprises	28,505.59	26,222.81
(ii) Creditors for accrued wages and salaries	1,529.41	1,227.87
(iii) Acceptances	584.30	2,354.18
Total dues of creditors other than micro enterprises and small enterprises	30,619.30	29,804.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

Ageing of trade payables

Particulars	As at 31 March 2023					Total
	Not due	Outstanding for following periods from due date of payment				
		6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME*	536.02	—	—	—	—	536.02
(ii) Others	21,946.62	3,196.20	14.09	2.16	89.78	25,248.85
(iii) Disputed dues — MSME *	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total trade payables	22,482.64	3,196.20	14.09	2.16	89.78	25,784.87
Trade payables - Unbilled						3,841.04
Creditors for accrued wages and salaries						1,529.41
Total trade payables						31,155.32

*Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2022					Total
	Not due	Outstanding for following periods from due date of payment				
		6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME*	358.39	16.05	1.00	4.38	0.06	379.88
(ii) Others	25,331.24	3,087.43	—	91.50	66.81	28,576.98
(iii) Disputed dues — MSME *	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—
Total Trade payables	25,689.63	3,103.48	1.00	95.88	66.87	28,956.86
Trade payables - Unbilled						—
Creditors for accrued wages and salaries						1,227.87
Total trade payables						30,184.73

*MSME as per Micro, Small and Medium Enterprises Development Act, 2006

14. Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
(a) Interest accrued but not due on borrowings	149.49	95.22
(b) Unpaid dividend	5.92	0.10
(c) Derivative liabilities	17.58	—
(d) Creditors for capital goods	452.38	739.89
Total Other financial liabilities	625.37	835.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

15. Provisions	As at 31 March 2023			As at 31 March 2022		
	Non current	Current	Total	Non current	Current	Total
(a) Provision for employee benefits*	2,715.73	1,540.56	4,256.29	2,710.62	950.87	3,661.49
(b) Provision for retirement benefits	1,877.22	89.53	1,966.75	1,740.36	86.70	1,827.06
(c) Provision for employee separation compensation	0.69	0.88	1.57	1.60	2.25	3.85
(d) Other provisions **	113.57	—	113.57	79.29	—	79.29
Total Provisions	4,707.21	1,630.97	6,338.18	4,531.87	1,039.82	5,571.69

* Provision for employee benefits includes provision for compensated absence, bonus and employee incentives.

** Other provisions include provisions for water cess.

The details of movement in other provisions is as below:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	79.29	63.23
Add : Provision recognised during the year	34.28	27.00
Less : Amount utilised during the year	—	10.94
Balance at the end of the year	113.57	79.29

16. Other current liabilities	As at 31 March 2023	As at 31 March 2022
(a) Advances received from customers	702.42	888.35
(b) Employee recoveries and employer contributions	317.12	155.36
(c) Statutory dues *	928.70	732.88
Total Other liabilities	1,948.24	1,776.59

*Statutory dues primarily include payables in respect of Goods and Services Tax (GST) and tax deducted at source (TDS).

17. Revenue from Operations	April 2022 to March 2023	April 2021 to March 2022
(a) Sale of products	201,854.75	171,052.22
(b) Income from sale of services	24,373.98	18,457.34
(c) Other operating revenue	3,273.15	2,580.80
Total Revenue from operations	229,501.88	192,090.36

* Includes export incentives of ₹ 837.37 lakhs (Previous year ₹ 901.44 lakhs) on account of Duty Draw Back and Merchandise Export from India Scheme.

18. Other income	April 2022 to March 2023	April 2021 to March 2022
(a) Dividend income	1.55	0.52
(b) Income from medical services	142.26	77.81
(c) Income from house license fees	152.42	186.84
(d) Net gain on sale of property, plant and equipment	43.30	15.95
(e) Interest income	73.42	25.66
Total Other income	412.95	306.78

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

19. Exceptional item	April 2022 to March 2023	April 2021 to March 2022
Sale of assets held-for-sale	—	647.62
Less: Cost of assets held-for-sale	—	274.52
Less: Cost incurred for sale of assets held-for-sale	—	8.56
Total Exceptional Item	—	364.54
In the previous year 42.02 acres of land situated at Vizag was sold with a profit of ₹ 364.54 lakhs.		
20. Cost of materials consumed	April 2022 to March 2023	April 2021 to March 2022
Opening stock	29,144.22	21,891.83
Add: Purchases	99,788.01	87,571.38
	128,932.23	109,463.21
Less: Closing stock	28,706.34	29,144.22
Total cost of materials consumed	100,225.89	80,318.99
21. Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Inventories at the end of the year		
Finished goods	10,020.01	7,962.41
Stock-in-trade	2,720.84	3,256.65
Work-in-progress	2,581.71	2,144.17
Total Inventories at the end of the period	15,322.56	13,363.23
Inventories at the beginning of the period		
Finished goods	7,962.41	7,386.35
Stock-in-trade	3,256.65	1,584.63
Work-in-progress	2,144.17	2,225.18
Total Inventories at the beginning of the period	13,363.23	11,196.16
Changes in stock of finished goods, stock-in-trade and work-in-progress	1,959.33	2,167.07
Add: Finished goods issued for capital projects reclassified to Capital work-in-progress	419.47	99.63
Total Changes in stock of finished goods, stock-in-trade and work-in-progress	2,378.80	2,266.70
22. Employee benefits expenses		
(a) Salaries, wages and bonus	13,869.43	12,173.50
(b) Employee separation compensation	0.31	—
(c) Contribution to provident and other funds	1,495.96	1,297.06
(d) Staff welfare expenses	818.04	652.76
Total Employee benefits expenses	16,183.74	14,123.32
23. Finance costs		
(a) Interest expense		
(1) Bank borrowings and others	2,225.75	1,873.83
(2) Interest on lease liabilities	131.76	137.12
(b) Other borrowing costs	21.99	22.18
Less: Interest capitalised	104.86	440.96
Total Finance costs	2,274.64	1,592.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ lakh)

24 Other Expenses

	April 2022 to March 2023	April 2021 to March 2022
(a) Stores and spares consumed	4,011.39	3,319.23
(b) Repairs to buildings	2,552.80	1,637.19
(c) Repairs to machinery	3,306.86	2,972.27
(d) Contractors charges for refractories management	3,759.22	3,594.20
(e) Fuel consumed	16,117.09	13,010.36
(f) Purchase of power	2,935.45	2,799.54
(g) Conversion and processing charges	3,716.27	3,174.72
(h) Freight and handling charges	11,246.22	12,033.70
(i) Rent (refer note-29)	127.81	454.03
(j) Royalty	1,138.54	830.68
(k) Rates and taxes	338.09	261.38
(l) Insurance charges	412.45	270.71
(m) Commission expenses	1,212.41	1,041.25
(n) Allowance for credit losses (refer note-8)	440.24	318.30
(o) Net loss on foreign currency transactions	639.57	435.68
(p) Legal and other professional costs	2,051.97	1,677.62
(q) Travelling expenses	1,652.74	633.32
(r) Others (Refer note below)	2,151.93	2,465.64
Total Other expenses	57,811.05	50,929.82

Note:

Other includes:

(i) Payment to Auditors :		
a) Services as Auditors (including for audit in terms of Section 44AB of the Income Tax Act, 1961 ₹ 3.00 lakhs [(Previous Year ₹ 3.00 lakhs)])	32.50	32.50
b) Fees for other services	0.50	0.50
c) Out-of pocket expenses	1.16	0.35
	34.16	33.35
(ii) Cost audit fees [Including expenses ₹ Nil (Previous year: ₹ 0.03 lakhs)]	1.10	1.25
(iii) Corporate social responsibility (CSR) expenditure		
Details of corporate social responsibility (CSR) expenditure		
(a) Amount required to be spent by the Company during the year	208.64	206.78
(b) Amount of expenditure incurred:		
(i) Construction/acquisition of any asset	—	—
(ii) On purposes other than (i) above -Nature of CSR Activity		
(i) Sports	5.54	1.26
(ii) Ethnicity	4.51	1.95
(iii) Drinking Water & Sanitation	10.58	5.40
(iv) Sustainable Livelihood	19.96	12.65
(v) Health Care	5.88	18.82
(vi) Environment	29.15	22.81
(vii) Education	24.59	31.03
(viii) Infrastructure	119.55	115.77
(ix) Admin Expenses	1.64	1.03
Total CSR expenses	221.40	210.72
(c) Shortfall at the end of the year	—	—
(d) Total of previous year shortfall	—	—
(e) Reason for Shortfall	NA	NA
(f) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	—	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Note 25: ACCOUNTING POLICIES

1) Company Information

TRL Krosaki Refractories Limited ("the Company") is a public limited company incorporated in India with its registered office situated at Belpahar, Jharsuguda District, Odisha, India.

The Company is primarily engaged in the business of manufacturing of wide range of refractories like Basic, Dolomite, High Alumina, Monolithic, Silica, Flow Control, Tap Hole Clay, Alumina Graphite and providing refractories engineering and management services.

The financial statements as at 31 March 2023 present the financial position of the Company.

The functional and presentation currency of the Company is Indian Rupee (₹), which is the currency of the primary economic environment in which the Company operates.

As at 31 March 2023, Krosaki Harima Corporation owns 77.62% of the equity shares of the Company and has the ability to influence the Company's operations. Nippon Steel Corporation is having significant influence over the Krosaki Harima Corporation.

The list of Associates, which are included in the consolidation and the Company's holding therein are as under:

Particulars	Ownership in %		Country of Incorporation
	As at March 31, 2023	As at March 31, 2022	
Almora Magnesite Limited	38.995%	38.995%	India
TRL Krosaki Asia Pte. Ltd.	37%	37%	Singapore

The financial statements for the year ended 31 March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 11 May, 2023

2) Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

b) Basis of Preparation

The financial statements have been prepared under the historical cost convention, with an exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

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.

c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the Company's share of profits / losses of associates that are consolidated using the equity method of consolidation. Unrealised gains from the transaction with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

d) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgments in application of the accounting policies and estimates and assumptions which affects the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

Significant judgements and estimates relate to the following-

- carrying values of assets and liabilities include useful lives of tangible and intangible assets;
- provision for employee benefits and other provisions; and
- commitments and contingencies and measurement of fair values.
- Valuation of deferred tax assets / liabilities

e) Impact of the Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

f) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss, as incurred. When a replacement occurs, the carrying amount of the replaced part is de-recognised.

Property, plant and equipment are stated at cost or at deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as a part of cost of the qualifying asset.

The gain or loss arising on disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying value of such item and is recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital Work-in-Progress".

g) Intangible assets

Cost incurred for Development of mines and software are recognized in the Balance Sheet as intangible assets when it is probable that associated future economic benefits would flow to the company and its cost can be measured reliably. These are initially measured at purchase cost and then amortised on a straight - line basis over their estimated useful lives. All other costs on development of mines and software are expensed in the Statement of Profit and Loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

h) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided under the straight- line method, based on the estimated useful life, as determined by technical evaluation of the useful life of the assets, in terms of Schedule II to the Companies Act, 2013.

Assets individually costing up to ₹ 25,000 are fully depreciated in the year of acquisition.

Freehold Land is not depreciated.

The charge of depreciation or amortization commences from the date the assets are available for their intended use.

Depreciation on assets under construction commences only when the assets are ready for their intended use. No further charge is provided in respect of assets that are fully written down but are still in use.

The estimated useful lives of assets and residual values are reviewed periodically and, adjusted if appropriate at the end of reporting period.

As the estimated useful life of some of the assets is significantly different from the useful life given in the Schedule II to Companies Act, 2013, the useful life of the assets has been assessed based on the number of years for which the assets have already been put to use and the estimated minimum balance period for which the assets can be used in the Company. The residual values are not more than 5% of the original cost of the asset.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

SI No	Class of Assets	Estimated Useful Life (in years) as per Comapny's policy	Useful Life (in years) as per Schedule II of Companies Act, 2013
I	Buildings and Roads		
	Roads	10	10
	Factory Buildings and Reservoir	30	30
	Other Buildings (RCC Structure)	60	60
II	Plant and Machinery		
	Grinder	8 to 15*	8
	Mixture, Press Drying Chambers, Shuttle Kiln	10 to 15*	8
	Gas Producer, Kiln and Shaft Kiln	25	25
	Kiln Car	10*	8
	Workshop Equipment	10 to 15*	8
	Research and development equipment	10	10
	Gunning Machine, Mixture Machine and other equipment used at Customer site.	5 to 8*	8
Other Equipment	5 to 15*	8	
III	Railway Siding	15	15
IV	Furniture and Fixture and Office Equipment		
	Furniture fittings, office equipment, computer, cinema and audio visual equipment	5*	3-10
	Hospital canteen equipment, electric fittings	10*	8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

SI No	Class of Assets	Estimated Useful Life (in years) as per Comapny's policy	Useful Life (in years) as per Schedule II of Companies Act, 2013
V	Vehicles		
	Motor car, Jeep, motor cycle Motor Lorry and mobile equipment	5* 8	8 8
VI	Intangible Assets		
	Software Development of mines	10* 10 years or lease period whichever is less	Not exceeding 10 yrs Not exceeding 10 yrs

*For these class of assets, based on internal assessment and technical evaluation carried out by the technical expert, the Company believes that the useful lives as given above best represents the period over which the Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013.

i) Impairment

At each Balance Sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible asset to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognized in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

An impairment loss recognized in prior accounting periods is reviewed at each balance sheet date to assess whether there is any indication that the impairment loss recognized may no longer exist or may be decreased.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

j) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return of payment.

The Company as lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period 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 equal lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the weighted average incremental borrowing rate of the company. 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.

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

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

The Company as lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

k) Equity accounted investments

The Company's interest in equity accounted investments comprises interest in associates.

An associate is an entity in which Company has significant influence but not control over the financial and operating policies.

Interest in associates are accounted for using the equity method. They are initially recognised at cost / deemed costs. Subsequent to initially recognition the consolidated financial statements include the Company's share of profit or loss and OCI of equity accounted investments until the date on which significant influences ceases. When dividend is declared and received it is adjusted in the carrying amount of investments.

Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required, immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

l) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

I. Financial assets

Cash and bank balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, cheques in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than 3 months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Other balances with bank- which includes balances and deposits with banks having maturity of more than three months but less than 12 months and are restricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

These financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

The Company in respect of certain equity instruments (Other than in associates) which are not held for trading, has made an irrevocable election to present subsequent changes in the fair value of such equity instruments in other comprehensive income.

Impairment of financial assets

The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets (apart from trade receivables that do not constitute of financing transaction) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Loss allowance for financial asset measured at amortised cost is deducted from gross carrying amount of asset.

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

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognize a borrowing for the proceeds received.

ii. Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit & loss.

Offsetting

Financial assets and financial liabilities are off set and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to release the asset and settle the liability simultaneously.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments and hedge accounting

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange fluctuations. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included in the financial statements of for highly probable forecast transactions / firm contractual commitments. The derivatives contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The fair values for forward currency contracts are marked to market at the end of each reporting period. The Company adopts hedge accounting for forward foreign exchange contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged transaction and the nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied, the Company treats the hedge relationship in relation to foreign currency exposure as fair value hedges of recognised assets and liabilities. Changes in fair value of the hedged assets and liabilities, attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of the symmetrical changes in the fair value of the derivatives.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

m) Employee benefits

The Company's retirement benefit obligations are subject to a number of judgements including discount rates, inflation and salary growth. Significant judgement is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's Balance Sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party's actuarial advice.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Defined contribution plans

Payments to defined contribution plans such as Company's Provident Fund, Super Annuation Fund, Employee Pension Scheme, Employee State Insurance Scheme and Her Majesty's Revenue and Customs, UK (HMRC) are charged as an expense as they fall due. Payments made to the above schemes are dealt with as payments to defined contribution schemes, as the Company has no further defined benefit obligation beyond the monthly contribution except for the contribution to Provident Fund Trust which require that if the Board of the Trustee are unable to pay interest at the rate declared by the Government for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company, making the interest shortfall a defined benefit obligation.

Defined benefit plans

Post Retirement Gratuity

For post-retirement gratuity schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end Balance Sheet date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

Past service cost is recognised as an expense, when the plan amendment or curtailment occurs, or when any related restructuring cost or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined-benefit obligation, as reduced by the fair value of plan assets.

Post-Retirement Medical Benefit

The company has a policy to give medical benefit to the retired employees at its own hospital at Belpahar not exceeding the amount of expense defined in its medical policy. The obligation of this service is measured and recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

Pension to Directors

Pension payable to directors after their retirement as per the contractual agreement are recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost and net interest on the net defined benefit liability / (asset) is recognised as an expense within employment costs.

Other Long-term benefits

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date. Re-measurement gains and losses of the compensated absence is recognised immediately in Statement of Profit and Loss.

Employee Separation Scheme

Compensation to employees who have opted for retirement under the Friendly Departure Scheme of the Company is charged off in the year in which the employee is relieved from the services of the Company.

n) Inventories

i. Raw materials, Stores and Spares, Loose Tools and Fuel

Raw materials, stores and spares, loose tools and fuel are valued at weighted average cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Raw materials, stores and spares, loose tools and fuel held for use in the production of finished products are not written down below cost except in cases where material prices have declined or the cost of the finished products has exceeded its net realisable value.

ii. **Finished goods:** These are valued at lower of cost and net realisable value. Costs are calculated at full absorption cost basis which includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of inventories is generally ascertained on weighted average basis.

iii. **Work in Progress:** These are valued at cost. Costs are calculated at full absorption cost basis which includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of work in progress is generally ascertained on weighted average basis.

iv. **Stock-in-trade:** These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

Provisions are made for slow moving and obsolete items based on historical experience of utilization on a product category basis and ageing policy as defined by the Company.

o) Cash Flow Statement

Cash Flows are reported using indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

p) Non-Current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value.

The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are not depreciated or amortised.

q) Provisions (other than employee benefits) and contingent liabilities

Provisions are recognised in the Balance Sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

- i. by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- ii. as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

Contingent Liabilities are disclosed 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 a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle an obligation or a reliable estimate of the amount cannot be made.

The Company does not recognise a Contingent Liability but discloses its existence in the Financial Statements.

r) Income taxes

Tax expenses comprises current and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

s) Revenue recognition

The Company manufactures and sells a range of refractories and provides installation and maintenance services

Sale of products

Revenue from sale of products is recognized when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific locations as the case may be, the risk of loss has been transferred, and either the customer has accepted the products in accordance with the sales contracts, or the Company has objective evidence that all criteria for acceptance have been satisfied.

- Revenue from material supply is recognised on transfer of control over the product.
- Revenues from service contracts is recognised on completion of performance obligation.

Revenue is measured based on the transaction price, which is the consideration, adjusted for cash discounts, if any, as specified in the contract with the customer. Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue also excludes taxes collected from customers.

Interest Income

Interest income is accrued on a time proportion basis by reference to the principle outstanding and the effective interest rate applicable.

Dividend Income

Dividend income from investments is recognised when the right to receive payment has been established.

Rental Income

Rental income is recognised on a straight line basis over the term of the relevant arrangements.

Commission Income

Commission income is recognised when the services have been rendered.

Export incentives

Export incentives under the Duty Drawback Scheme are recognized on the basis of credits given in the bank or on receipt of duty credit scrips.

t) Government Grants

Government grants like export promotion capital goods (EPCG) related to expenditure on property, plant and equipment are deducted from the cost of the property, plant and equipment in calculating the carrying amount of the asset.

u) Foreign currency transactions and translation

The financial statements of the Company are presented in Indian Rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period.

Exchange differences arising on translation or settlement of long-term foreign currency monetary items is accounted in the statement of profit and loss for the period.

v) Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

w) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment 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. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

x) **Earnings per share**

Basic earnings per equity share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(₹ lakh)

26 Contingent Liabilities

Contingent liabilities in respect of -	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debts in respect of -		
— Income tax matters	779.03	843.66
— Sales tax / value added tax / entry tax matters	794.17	834.80
— Excise duty matters	961.88	943.62
— Other matters	1,081.23	1,081.23

In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings.

In the ordinary course of business, the Company faces claims and assertions by various parties. The following is a description of claims and assertions where a potential loss is possible but not probable. There are claims which the Company does not believe to be of material nature, other than those described below:

Income Tax:

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These are mainly for transfer pricing issues and disallowance of expenses claimed by the Company as deductions. Most of these disputes and/or dis-allowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. As at March 31 2023, there are matters and/or disputes pending in appeal amounting to ₹ 779.03 Lakhs (Previous Year - ₹ 843.66 Lakhs).

Sales tax /value added tax/ entry tax/ Excise duty and Service tax matters

The Company has demands that are being contested by the Company in different years amounting to ₹ 1,756.05 Lakhs (Previous Year - ₹ 1,778.42 Lakhs). These are mainly for non submission of concessional forms.

Other matters

01.Demand by Mining Officer:

The Dy. Director Mines, Sambalpur circle, had raised a demand of ₹ 539.72 lakhs on 26.08.2019 for excess production of Quartzite in Chuinpalli mines and the Mining Officer, Cuttack circle has raised a demand for ₹ 517.44 lakhs on 15.09.2020 for excess production of fireclay in Talbasta mines, during the period from 2000 to 2010 under section 21(5) of MMDR Act, 1957, based on the common cause judgment dated 2nd August, 2017 of Hon'ble Supreme Court of India. The Company challenged the said demands of Mining Department, Govt. of Odisha through a two different Writ petitions against two notices before the Hon'ble High Court of Orissa, Cuttack. The Company is of the view that, the demand under Section 21(5) of the MMDR Act is not applicable because the impugned demand is based on the judgement of Hon'ble Supreme Court of India in the case of Common Cause vrs. Union of India reported in (2017) 9 SCC 499. The decision referred in the Supreme Court Order was intended to deal with mining leases of Iron Ore and Manganese Ore in the districts of Keonjhar, Sundergarh and Mayurbhanj and has no application to the facts of the case. Moreover, the mining officer has not conducted any enquiry on illegal mining of the Company. On 11 January, 2021 the Hon'ble High Court of Odisha has disposed of the Writ Petition filed for Talbasta Mines for an amount of ₹ 517.44 lakhs and again the Hon'ble High Court of Orissa on 06.07.2022 disposed of the Writ Petition pertaining to Chhuinpali Mines for an amount of ₹ 539.72 lakhs with a direction to challenge the impugned demand notice as per Rule 46(1) of the Orissa Minor Mineral Concession Rules, 2016 and take all grounds before the appellate authority. Accordingly, Company has filed the appeals before Joint Director of Mines, Government of Odisha, Bhubaneswar under Rule 46(1) of Odisha Minor Mineral Concession Rules, 2016 and both the appeal matter are pending for hearing. Based on the legal opinion obtained by the Company in the previous year and as per the management assessment, the Company is of the view that it has a strong case to contest on merit and there will not be any material outflow of resources by the Company.

02.Other Claims

Other civil cases for which the Company may contingently be liable aggregate to ₹ 24.07 lakhs (Previous Year - ₹ 24.07 lakhs).

Water Rate Dispute

The Company has been drawing water from Lilhari Nullha, a natural water stream. Up to 1994, as per the Orissa Irrigation Act, the water rate was payable for drawing water from irrigation work. Natural water streams like Lilhari Nullha were not covered in the definition of irrigation work, as given in Section 4(9) of the Act. Definition of 'government water source' was inserted in Section 4(6-a) of the Act in 1994, which covers natural water sources like Lilhari Nullha, and the Company has been paying water rate since then. However, the Government of Odisha demanded an amount of ₹ 57.77 Lakhs towards water rate and penalty for the period prior to 1994 which has been stayed by the Hon'ble High Court of Odisha. Water Resources Department, Government of Odisha, has been charging monthly compounded interest @ 2% on the disputed amount and the total interest charged up to 31 March 2023 is ₹13,472.98 Lakhs. The total disputed demand, together with interest as on 31 March 2023 is ₹ 13,530.75 Lakhs. Hon'ble High Court of Odisha has stayed charging of monthly compound interest of 2% and passed an order that compound interest @ 2% will not be allowed to charge until further orders. During the previous year, the Hon'ble High Court of Odisha has directed the Government of Odisha and the Company to negotiate and settle the dispute inline with the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

settlements made by the Government of Odisha with other companies. Water agreement for drawing the water was expired on 28.02.2022 and the Company has renewed the agreement for a period of 3 years upto 28.02.2025 by depositing an amount of ₹ 25 lakhs under protest. Hon'ble High Court of Odisha vide its order dated 28th June, 2022 has directed Government of Odisha to take necessary direction positively on or before 01.11.2022 and if any party aggrieved with the decision of Government of Odisha then the party can file a fresh writ petition by taking all the grounds. Till that date the interim stay will be continued. Further, the Government of Odisha has published a One Time Settlement Scheme (OTS) on 06.02.2023 for all the private and Government Industries for settlement of water dues/ Taxes. Accordingly, the Company has filed its OTS application along with all the particulars before the Nodal office of Department of Water Resources appointed by Government for settlement of the water dispute. Based on the legal opinion obtained by the Company in the previous year and as per the management assessment, the Company is of the view that it has a strong case to contest on merit and there will not be any material outflow of resources by the Company.

27 Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances paid ₹ 4,813.67 Lakhs (Previous Year - ₹ 2,743.53 Lakhs). Estimated amount of export obligations to be fulfilled in respect of assets imported under Export Promotion Capital Goods Scheme (EPCG) – ₹ 6,034.88 Lakhs (Previous year - ₹ 5,739.31 Lakhs).

28 The Company is engaged in the business of manufacturing, trading and sale of a range of refractories and is having its manufacturing facilities located in India. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly manufacture and sale of refractories is the only operating segment. There is only one customer (Previous Year: One) contributing more than 10% of total revenues of the company amounting to ₹ 31,573.49 lakhs (Previous Year: ₹ 29,003.55 lakhs). The Company is domiciled in India, however also sells its products outside India. Revenue from geographic segments based on location of customer is (a) Domestic ₹ 1,97,306.79 lakhs (Previous Year: ₹ 1,60,855.76 lakhs) and (b) Rest of the world: ₹ 32,195.09 lakhs (Previous Year: ₹ 31,234.60 lakhs). Non-current assets from geographic segments based on location of customer is (a) Domestic ₹ 58,963.11 lakhs (Previous Year: ₹ 54,158.88 lakhs) and (b) Rest of the world Nil : (Previous Year: Nil).

29 Company as a Lessee

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2023.

(Buildings)

Particulars	(₹ lakh)	
	As at 31 March 2023	As at 31 March 2022
Opening gross block	2,238.92	2,205.19
Additions / modifications	6.27	33.73
Deletion	—	—
Closing gross block at the end of the year	2,245.19	2,238.92
Opening accumulated depreciation	545.63	345.92
Additions	216.22	199.71
Deletion	—	—
Closing accumulated depreciation at the end of the year	761.85	545.63
Closing balance as of March 31, 2023	1,483.34	1,693.29

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2023

Particulars	(₹ lakh)	
	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	174.63	154.56
Non-current lease liabilities	1,650.27	1,819.33
Total	1,824.90	1,973.89

The following is the movement in lease liabilities during the year ended March 31, 2023.

Particulars	(₹ lakh)	
	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	1,973.89	2,061.83
Additions / modifications	6.27	33.73
Finance cost accrued during the year	131.75	137.13
Deletion	—	—
Payment of lease liabilities	287.01	258.80
Balance at the end of the year	1,824.90	1,973.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	(₹ lakh)	
	As at 31 March 2023	As at 31 March 2022
Less than one year	295.52	285.17
One to five years	1,223.79	1,267.80
More than five years	1,069.05	1,314.83
Total	2,588.36	2,867.80

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company incurred ₹ 127.81 Lakhs (previous year ₹ 454.03 Lakhs) towards expenses relating to short term leases and leases of low value assets.

The total cash outflow for leases is ₹ 414.82 Lakhs (previous year ₹ 712.83 Lakhs) including cash outflow for short term and leases of low value assets.

Company as a Lessor

Company has leased out buildings to its employees and has also provided leased accommodation to its employees for residential purposes. There is no such long term contracts with employees for the above leasing. The total rental income with respect to above leasing activities amounts to ₹ 152.42 Lakhs (previous year ₹ 186.84 Lakhs) included in note 18(c).

30 Employee Benefits

The relevant details with respect to employee benefits are given here below:

(1) Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognized in relation to the schemes represents the value of contributions payable during the period by Company at the rates specified by the rules of those plans.

a) Provident Fund and Employees Pension Fund

In accordance with the prevailing Indian law, eligible employees of the Company are entitled to receive benefits in respect of Provident Fund, a defined contribution plan, in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. As per the provisions of the Provident Fund and Miscellaneous Provisions Act, 1952 contribution to Provident Fund is made to an irrevocable trust set up by the Company and contribution to pension fund is deposited with the Regional Provident Fund Commissioner. The rules of the Company's provident fund administered by a trust, require that if the Board of the Trustee are unable to pay interest at the rate declared by the Government for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company, making the interest shortfall a defined benefit obligation. In the current year, the Company has contributed ₹ 154.44 lakhs (previous year ₹ Nil) to the PF Trust on account of loss in investment made by it and the same has been shown under employee benefit expenses.

b) Superannuation Fund

The Company has a superannuation plan. Employees who are members of the superannuation plan are entitled to benefits depending on the contribution made by Company and rate of interest declared by the superannuation trust. A separate irrevocable trust is maintained for employees covered and entitled for this benefit. The Company contributes 15% of basic salary, of the eligible employees' to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

c) Other funds

The Company contributes to the Employees State Insurance scheme as per the provisions of Employees State Insurance Act, 1948 and to Her Majesty's Revenue and Customs, UK as per provisions laid down by the UK Government for the social security and welfare of the employees based out of UK.

d) Expenses recognized in respect of above

The Company has recognized, in the Statement of Profit and Loss account for the year ended 31 March 2023, an amount of ₹ 1,185.92 Lakhs (Previous Year: ₹ 978.09 Lakhs) being expenses under the defined contribution plans like Provident Fund, Superannuation fund, Employee pension scheme, Employee State Insurance Scheme and Her Majesty's Revenue and Customs (UK). This is included under "Contribution to Provident and other funds". [Refer note no 22 (b)]

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(2) Defined Benefit Plans

The Company operates post retirement defined benefit plans as follows:

a) Funded

(i) Post Retirement Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides lump-sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation

b) Unfunded:

(i) Post Retirement Medical Benefits

The Company has a Post-Retirement Medical Benefit Scheme (PRMB), under which the retired employees and their spouses are eligible for free medical benefits in the Company's hospital during their lifetime upto a ceiling fixed by the Company. The liability for the same is recognized annually on the basis of actuarial valuation.

(ii) Pension to Directors

The Company has Ex-MD Pension Scheme, under which the retired managing director or spouse gets a monthly pension. The liability for the same is recognized annually on the basis of actuarial valuation. The Company is exposed to the increase in the pension amount in each 3 years.

c) i) Details of the Post Retirement Gratuity plan are as follows:

(₹ lakh)

	April 2022 to March 2023	April 2021 to March 2022
I. Change in present value of defined benefit obligation during the year		
1. Present Value of defined benefit obligation as at the beginning of the year	4,030.30	3,840.87
2. Current Service Cost	276.65	275.35
3. Interest Cost on the defined benefit obligation	255.42	228.47
4. Actuarial (gains)/ losses - Experience	81.59	(52.31)
5. Actuarial (gains)/ losses - Financial Assumptions	106.26	(2.27)
6. Benefits paid from plan assets	(357.47)	(259.81)
7. Closing Present Value of defined benefit obligation	4,392.75	4,030.30
II. Change in fair value of plan assets during the year		
1. Fair Value of assets at the beginning of the year	3,655.24	3,204.66
2. Interest Income on Plan Assets	254.41	210.39
3. Employer contributions	500.00	500.00
4. Return on plan assets greater than discount rate	(271.39)	—
5. Benefits paid	(357.47)	(259.81)
6. Fair Value of Plan assets at the end of current year	3,780.79	3,655.24
III. Net liability recognized in the balance sheet		
1. Fair value of plan assets	3,780.79	3,655.24
2. Present value of obligation	4,392.75	4,030.30
3. Amount recognized in the balance sheet	611.96	375.06
IV. Expense recognized in the statement of profit and loss for the year		
1. Current service cost	276.65	275.35
2. Net interest on net defined benefit liability	1.01	18.08
3. Total expenses included in employee benefits expense	277.66	293.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(₹ lakh)

	<u>April 2022 to March 2023</u>	<u>April 2021 to March 2022</u>
V. Recognized in other comprehensive income for the year		
1. Actuarial (gains)/ losses due to defined benefit obligation experience	81.59	(52.31)
2. Actuarial (gain) / loss due to defined benefit obligation financial assumption changes	106.26	(2.27)
3. Return on plan assets greater than discount rate	271.39	—
4. Actuarial (gain) / loss recognized in other comprehensive income	459.24	(54.58)
VI. Maturity profile of defined benefit obligation		
1. Within the next 12 months (next annual reporting period)	653.95	427.47
2. Between 2 and 5 years	1,647.82	1,408.96
3. Between 6 and 10 years	2,521.51	2,310.88
4. The weighted average duration of the defined benefit obligation at the end of the reporting period is 9 years (31 March 2022: 8 years)		
VII. Quantitative sensitivity analysis for significant assumption is as below		
1. Increase/ (decrease) on present value of defined benefits obligation at the end of the year		
(i) One percentage point increase in discount rate	(351.34)	(314.55)
(ii) One percentage point decrease in discount rate	410.15	366.85
(i) One percentage point increase in rate of salary increase	399.16	358.00
(ii) One percentage point decrease in rate of salary increase	(349.15)	(313.37)
2. Sensitivity Analysis Method		
Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.		
3. Expected Employer Contribution for the period ending 31 March 2024 is ₹ 610 Lakhs		
VIII. Investment Details		
The full amount has been invested in the Cash Accumulation Scheme of Life Insurance Corporation of India.		
	<u>April 2022 to March 2023</u>	<u>April 2021 to March 2022</u>
IX. Assumptions		
a. Discount rate (per annum)	7.20%	6.50%
b. Rate of escalation in salary (per annum)	9.00%	8.00%

ii) **Details of non-funded post retirement defined benefit obligations are as follows:**

Description	<u>April 2022 - March 2023</u>		<u>April 2021 - March 2022</u>	
	Medical	Ex-MD Pension	Medical	Ex-MD Pension
I Reconciliation of opening and closing balances of obligation				
1. Present Value of defined benefit obligation as at the beginning of the year	935.64	516.36	816.14	443.45
2. Current Service Cost	14.38	—	12.98	—
3. Interest Cost on the defined benefit obligation	59.47	32.37	47.97	25.53
4. Actuarial (gains)/ losses - Experience / demographic	(22.40)	(24.43)	149.19	35.62
5. Actuarial losses- Financial Assumptions	(55.35)	(26.28)	(58.40)	47.90
6. Benefits paid directly by the Company	(38.42)	(36.53)	(32.24)	(36.14)
7. Closing Present Value of defined benefit obligation	893.32	461.49	935.64	516.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(₹ lakh)

Description	April 2022 - March 2023		April 2021 - March 2022	
	Medical	Ex-MD Pension	Medical	Ex-MD Pension
II. Expense recognized in the statement of profit and loss for the year				
1. Current service cost	14.38	—	12.98	—
2. Net interest on net defined benefit liability	59.47	32.37	47.97	25.53
3. Total expenses included in employee benefits expense	73.85	32.37	60.95	25.53
III. Recognized in other comprehensive income for the year				
1. Actuarial (gain)/ loss due to defined benefit obligation experience	(22.40)	(24.43)	149.19	35.62
2. Actuarial loss due to defined benefit obligation financial assumption changes	(55.35)	(26.28)	(58.40)	47.90
3. Actuarial (gains)/ losses recognized in other comprehensive income	(77.75)	(50.71)	90.79	83.52
IV. Assumptions				
a. Discount rate (per annum) at the beginning of the year	6.50%	6.50%	6.00%	6.00%
b. Discount rate (per annum) at the end of the year	7.20%	7.20%	6.50%	6.50%
c. Rate of pension increase	—	9.00%	—	8.00%
d. Medical costs inflation rate	4.00%	—	4.00%	—
e. Average Medical Cost (₹ / person)	2,007	—	1,930	—
V. Quantitative sensitivity analysis for significant assumption is as below Increase/ (decrease) on present value of defined benefits obligation at the end of the year				
(i) One percentage point increase in discount rate	(89.73)	(33.70)	100.38	40.72
(ii) One percentage point decrease in discount rate	109.24	38.30	123.40	46.64
(i) One percentage point increase in medical inflation rate	107.65	—	120.99	—
(ii) One percentage point decrease in medical inflation rate	(89.73)	—	(99.99)	—
(i) One percentage point increase in pension rate	—	34.68	—	42.13
(ii) One percentage point decrease in pension rate	—	(31.14)	—	(37.56)
VI. Maturity profile of defined benefit obligation				
1. Within the next 12 months (next annual reporting period)	57.03	35.53	53.78	35.63
2. Between 2 and 5 years	247.65	158.10	244.06	156.57
3. Between 6 and 10 years	353.38	222.21	348.55	222.11
VII. Weighted Average Duration of defined benefit obligation	11 years	8 years	12 years	9 years

d) Risk exposure

Through its defined benefit plans, the Company is exposed to discount rate risk, salary growth risk, inflation risk, pension increment risk and demographic risks of mortality and attrition rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(₹ lakh)

31 Income Taxes

- a. A reconciliation of the tax expense to the amount computed by applying the statutory income tax rate to the profit before taxes is summarized below:

Particulars	April 2022 to March 2023	April 2021 to March 2022
Profit before tax	21,067.08	13,712.60
Add : (profit) of associate Company	(335.37)	(61.19)
Less: Expenses recognized in other comprehensive income	330.78	119.73
Adjusted Profit before tax (A)	20,400.93	13,531.68
Tax rate (B)	25.168%	25.168%
Tax expense (A*B)	5,134.51	3,405.65
Add : Tax effect of expenses that are not deductible for tax purposes: CSR Expenses	55.72	53.04
Add : Taxation for earlier years	(137.39)	—
Less : Tax effect of Income exempt from tax: Dividend Income	0.39	0.13
Less : Tax effect on exceptional item	—	(91.72)
Less : Other differences	71.48	(42.22)
Income tax expense charged to the Statement of Profit and Loss	5,124.71	3,324.88
Tax expense recognized in profit and loss	5,240.29	3,338.62
Income tax expenses recognized in Other Comprehensive Income	(115.58)	(13.74)
Income tax expense charged to the Statement of Profit and Loss	5,124.71	3,324.88

- b. The tax effect of significant temporary differences that resulted in deferred tax liability are as follows:

Particulars	Balance sheet		Statement of profit and loss		Other comprehensive income	
	As at 31.03.2023	As at 31.03.2022	April '22 to March '23	April '21 to March '22	April '22 to March '23	April '21 to March '22
Deductible temporary difference						
(i) Expense/ provision allowed on payment basis	843.53	689.63	38.32	(38.53)	115.58	13.74
(ii) Unpaid Royalty	172.24	134.84	37.40	57.29	—	—
(iii) Friendly departure scheme	2.94	5.60	(2.66)	(3.69)	—	—
(iv) Others	292.35	391.05	(98.70)	147.27	—	—
Total (A)	1,311.06	1,221.12	(25.64)	162.34	115.58	13.74
Taxable temporary difference						
Property, Plant and Equipment	2,415.98	1,996.31	419.67	279.58	—	—
Deferred tax liability on share of profit of associate	(168.45)	(204.84)	36.39	(32.11)	—	—
Total (B)	2,247.53	1,791.47	456.06	247.47	—	—
Deferred Tax liability (B-A)	936.47	570.35	481.70	85.13	(115.58)	(13.74)

Net impact in Statement of Profit and Loss / Other Comprehensive Income *

* The total deferred tax recognized in other comprehensive income is ₹ 115.58 Lakhs (Previous Year: ₹ 13.74 Lakhs)

- c. Reconciliation of deferred tax liability

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance as at 1 April	570.35	498.96
Add: Deferred tax charge / (release) during the year	366.12	71.39
Closing balance as at 31 March	936.47	570.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(₹ lakh)

32 Reconciliation of Liabilities from Financing activities as stated in the Statement of Cash Flows are as follows :-

Particulars	Balance as at 1 April 2022	Cash Flows	Non-Cash Changes	Balance as at 31 March 2023
Borrowings	30,752.18	(4,464.92)	22.04	26,309.30
Lease liabilities	1,973.89	(287.01)	138.02	1,824.90
Total Liabilities from financing activities	32,726.07	(4,751.93)	160.06	28,134.20
Particulars	Balance as at 1 April 2021	Cash Flows	Non-Cash Changes	Balance as at 31 March 2022
Borrowings	20,924.60	9,850.30	(22.72)	30,752.18
Lease liabilities	2,061.83	(258.80)	170.86	1,973.89
Total Liabilities from financing activities	22,986.43	9,591.50	148.14	32,726.07

33 Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 25(2)(l) to the financial statements.

(a) Financial Instruments by Category

The following table presents carrying amount and fair value of each category of financial asset and liabilities.

As at 31 March 2023

(₹ lakh)

Particulars	Amortised cost	Fair value through other comprehensive income	Derivative instruments	Total Carrying Value	Total Fair Value
Financial assets					
Trade receivables	33,726.10	—	—	33,726.10	33,726.10
Investments	—	160.96	—	160.96	160.96
Cash and cash equivalents & Other balances with banks	46.70	—	—	46.70	46.70
Loans	33.28	—	—	33.28	33.28
Other financial assets	662.47	—	—	662.47	662.47
Total	34,468.55	160.96	—	34,629.51	34,629.51
Financial liabilities					
Borrowings	26,309.30	—	—	26,309.30	26,309.30
Trade payables	31,155.32	—	—	31,155.32	31,155.32
Lease liabilities	1,824.90	—	—	1,824.90	1,824.90
Other financial liabilities	607.79	—	17.58	625.37	625.37
Total	59,897.31	—	17.58	59,914.89	59,914.89
As at 31 March 2022					
Particulars	Amortised cost	Fair value through other comprehensive income	Derivative instruments	Total Carrying Value	Total Fair Value
Financial assets					
Trade receivables	29,901.93	—	—	29,901.93	29,901.93
Investments	—	147.04	—	147.04	147.04
Cash and cash equivalents & Other balances with banks	373.12	—	—	373.12	373.12
Loans	80.79	—	—	80.79	80.79
Other financial assets	631.45	—	25.81	657.26	657.26
Total	30,987.29	147.04	25.81	31,160.14	31,160.14
Financial liabilities					
Borrowings	30,752.18	—	—	30,752.18	30,752.18
Trade payables	30,184.73	—	—	30,184.74	30,184.74
Lease liabilities	1,973.89	—	—	1,973.89	1,973.89
Other financial liabilities	835.21	—	—	835.20	835.20
Total	63,746.01	—	—	63,746.01	63,746.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below-

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

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

As at 31 March 2023

(₹ lakh)

Particulars	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Investment - Equity share (HDFC Bank)	160.96	160.96	—	—
Financial liabilities				
Derivative liabilities - forward cover	17.58	—	17.58	—
As at 31 March 2022				
Financial assets				
Investment - Equity share (HDFC Bank)	147.04	147.04	—	—
Derivative assets - forward cover	25.81	—	25.81	—

(c) Financial Risk Management Policies And Objectives:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables, loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowings.

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variables interest rates. Any movement in the reference rates could have an impact on the Company's cash flow as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalents to manage its liquidity risk.

The non-derivative financial liabilities of the Company are all payable within 12 months. (Refer Note 13 and 14)

The following table shows a maturity analysis of the anticipated cash flows including future interest obligations for derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(₹ lakh)

Particulars	Carrying Value	Contractual Cash flow	Less than one year	Between one to five years	More than five years
Non derivative financial liabilities					
Borrowings including interest obligations	26,309.30	28,094.62	25,234.20	2,860.42	—
	<i>30,752.18</i>	<i>33,031.51</i>	<i>24,464.68</i>	<i>8,566.83</i>	—
Trade payables	31,155.32	31,155.32	31,155.32	—	—
	<i>30,184.73</i>	<i>30,184.74</i>	<i>30,184.74</i>	—	—
Lease liabilities	1,824.90	2,588.36	295.52	1,223.79	1,069.05
	<i>1,973.89</i>	<i>2,867.80</i>	<i>285.17</i>	<i>1,267.80</i>	<i>1,314.83</i>
Other financial liabilities	607.79	607.79	607.79	—	—
	<i>835.21</i>	<i>835.21</i>	<i>835.21</i>	—	—
Derivative financial liabilities	17.58	17.58	17.58	—	—
	—	—	—	—	—

Note- Figures in italics relates to previous year.

Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Financial assets are provided for when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for provision as per provisioning policy of the Company. Where loans or receivables have been provided, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. Refer note 8 for movement for "Allowances for credit losses".

(d) Foreign Currency exposure as at 31 March 2023

(₹ lakh)

Particulars	USD	EUR	JPY	GBP	Others	Total
Financial Assets						
Trade Receivables	2,883.81	1,612.01	—	1,095.29	—	5,591.11
Bank balance in Current account	—	—	—	1.07	—	1.07
Other Assets	22.27	13.01	—	0.05	0.57	35.90
Financial Liabilities						
Trade Payables	(4,781.47)	(214.21)	(572.48)	(1.84)	(387.68)	(5,957.68)
Loan in Foreign Currency	—	(519.86)	—	(121.25)	—	(641.11)
Advance from Customers	(342.13)	(0.22)	—	(140.79)	—	(483.14)
Net Exposure to Foreign Currency Risk	(2,217.52)	890.73	(572.48)	832.53	(387.11)	(1,453.85)

Foreign Currency exposure as at 31 March 2022

Particulars	USD	EUR	JPY	GBP	Others	Total
Financial Assets						
Trade Receivables	2,772.46	2,121.29	—	1,447.87	—	6,341.62
Bank balance in Current account	—	—	—	4.47	—	4.47
Other Assets	8.95	17.29	—	3.48	0.54	30.26
Financial Liabilities						
Trade Payables	(7,657.64)	(570.74)	(524.91)	(4.90)	(110.84)	(8,869.03)
Loan in Foreign Currency	(2,916.27)	(678.64)	—	(419.89)	—	(4,014.80)
Advance from Customers	(405.45)	—	—	—	—	(405.45)
Net Exposure to Foreign Currency Risk	(8,197.95)	889.20	(524.91)	1,031.03	(110.30)	(6,912.93)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(e) Sensitivity Analysis

1% increase or decrease in foreign currency exchange rates will have the following impact on profit before tax

Particulars	(₹ lakh)			
	April 2022 to March 2023		April 2021 to March 2022	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	(22.18)	22.18	(81.98)	81.98
EUR	8.91	(8.91)	8.89	(8.89)
JPY	(5.72)	5.72	(5.25)	5.25
GBP	8.33	(8.33)	10.31	(10.31)
Others	(3.87)	3.87	(1.10)	1.10
Increase / (decrease) in profit	(14.53)	14.53	(69.13)	69.13

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation.

The exposure of the Company's floating debt interest obligation and its sensitive analysis are as follows: (₹ lakh)

	April 2022 to March 2023	April 2021 to March 2022
(f) Company's debt obligation (Floating rates)	26,309.30	30,752.18

Sensitivity analysis assuming the amount of the liability outstanding at the year end was outstanding for the whole year:

If interest rate had been 25 basis point higher/ lower and all other variables held constant, the company's profit before tax for the ended 31 March 2023 would decrease/ increase by ₹ 65.77 Lakhs (Previous year - ₹ 76.88 Lakhs). This is mainly attributable to the company's exposure to interest rates on its floating rate borrowings.

(g) Securities price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31 March 2023 is ₹ 160.96 Lakhs (Previous year - ₹ 147.04 Lakhs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

34 Capital management

The Company's capital management is intended to safeguard its ability to continue as a going concern so that to create value for shareholders and benefits for other stakeholders by facilitating the achievement of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances and other financial assets.

The table below summarises the capital, net debt and net debt equity ratio of the Company.

	As at 31 March 2023	As at 31 March 2022
Total borrowings	26,309.30	30,752.18
Less: cash and cash equivalents, other bank balances and other financial assets (refer note 5,9 & 10)	703.25	1,030.38
Net Debt	25,606.05	29,721.80
Equity	72,924.18	60,433.67
Total Capital (Equity + Net Debt)	98,530.23	90,155.47
Net Debt to Equity Ratio	0.35	0.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(₹ lakh)

35 Note on Revenue disgregation	India	Out side India	Total
Sale of products	169,948.68 <i>140,141.42</i>	31,906.07 <i>30,910.80</i>	201,854.75 <i>171,052.22</i>
Income from sale of services	24,368.33 <i>18,457.34</i>	5.65 —	24,373.98 <i>18,457.34</i>
Other operating revenue	2,989.77 <i>2,257.00</i>	283.38 <i>323.80</i>	3,273.15 <i>2,580.80</i>
Total revenue from operations	197,306.78 <i>160,855.76</i>	32,195.10 <i>31,234.60</i>	229,501.88 <i>192,090.36</i>

Figures in italics relates to previous year.

Revenue Reconciliation

	April 2022 to March 2023	April 2021 to March 2022
Total Revenue	230,464.75	192,836.97
Less: variable consideration (Cash Discount)	962.87	746.61
Total revenue from operations	229,501.88	192,090.36

The Company's performance obligations are satisfied on delivery of product or service to the customer. Delivery of product completes when the products have been shipped or delivered to the specific location, of the customer, as the case may be. Delivery of service completes on receipt of confirmation from customer.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year and hence, there are no significant financing component included in such contracts.

36 Contract Liability

The Company has recognised Revenue from Sale of products and Income from sale of Services amounting to ₹ 672.21 Lakhs during the year ended 31 March 2023 against the advance received from customer which was outstanding as on 31 March 2022. (Previous year: ₹ 197.86 Lakhs against advance received from customer which was outstanding as on 31 March 2021)

37 Assets held-for-sale

The Company is having 4.95 acres of land at Salem amounting ₹ 3.38 lakhs which the Company is committed to the sell by end of FY 2023-24.

38 Fire incident at Dolomite Plant in the FY 2021-22

In the financial year 2021-22, fire was broken out in the dolomite plant and a loss of ₹ 189.40 lakhs on account of loss in the raw materials, finished goods and work-in-progress was charged in the accounts.

Further, there was a loss of ₹ 824.94 lakhs in the value of the property, plant, and equipment and others whose gross block was ₹ 828.14 lakhs, accumulated depreciation ₹ 805.52 lakhs and the net block was ₹ 22.62 lakhs upto 31st March 2022 which was charged in the FY 2021-22. The Company has lodged its claim with the insurance company including replaceable value of property, plant, and equipment and the claim is expected to be settled by the insurance company by the end of FY 2023-24.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

39 Related Party Disclosures

a) List of related parties of TRL Krosaki Refractories Limited

Sl. No.	Name	Country of Incorporation	% of Equity Interest	
			As at 31 March 2023	As at 31 March 2022
i)	Parent Entity (Holding company)			
	Krosaki Harima Corporation	Japan	77.62	77.62
ii)	Associate Companies			
	TRL Krosaki Asia Pte Limited	Singapore	37	37
	Almora Magnesite Limited	India	39	39
iii)	Entity having significant influence over holding Company (Ultimate Holding Company)			
	Nippon Steel Corporation	Japan		
iv)	Subsidiary of Nippon Steel Corporation			
	Nippon Steel India Pvt Ltd	India		
	Nippon Steel Engineering India Pvt. Ltd.	India		
	Sanyo Special Steel Co. Ltd	Japan		
v)	Fellow Subsidiaries			
	TRL Krosaki China Limited	China		
	Krosaki Harima (Shanghai) Enterprise Management Co,Ltd	China		
	Krosaki Harima Europe B.V.	Netherland		
	Krosaki USA Inc.(KUI)	USA		
	Krosaki AMR Refractories S.A.	Spain		
vi)	Associate of Krosaki Harima Corporation			
	IFGL Refractories Limited (IFGL) (upto 30th June,2022)	India		
vii)	Joint Venture of Subsidiary of Nippon Steel Corporation			
	ArcelorMittal Nippon Steel India Limited	India		
	Mahindra Sanyo Special Steel Pvt Ltd.	India		
viii)	Key Managerial Personnel			
	(i) Directors			
	Mr. H. M. Nerurkar (Chairman)			
	Mr. P. B. Panda (Managing Director)			
	Mr. P. V. Bhide			
	Mr. R. Ranganath Rao			
	Mr. Hisatake Okumura			
	Mr. Asaya Sachihiko			
	Mr. Anirban Dasgupta			
	Mr. Jumpei Konishi			
	Mr. Chaitanya Bhanu (wef 20th Sep, 2022)			
	Ms. Ai Iwasaki (wef 20th Sep, 2022)			
	Mr. Sudhansu Pathak (upto 1st Aug, 2022)			
	Ms. Shuang Zhu (upto 19th Sep, 2022)			
	(ii) Other than Directors			
	Mr. M. V. Rao (Executive Vice President (Finance) & CFO)			
	Mr. Asim Kumar Meher (Company Secretary)			
xii)	Relative of Key Managerial Personnel			
	Mr. Dinabandhu Panda			
xiii)	Employees' Benefit Plans			
	TRL Krosaki Refractories Limited Provident Fund			
	TRL Krosaki Refractories Limited Superannuation Fund			
	TRL Krosaki Refractories Limited Gratuity Fund			

Note:

(1) The list contains those related parties with whom the Company has transactions during the current or previous year

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

(₹ lakh)

b) Transactions with Related Parties

Particulars	Holding Company	Subsidiaries & Associates of the Holding company	Subsidiaries of ultimate Holding company and it's Joint Ventures	Associates of the Company	Key Managerial Personal and relative
Purchase of Raw Materials and goods	2,218.34	5,150.23	—	301.14	—
	2,562.48	8,379.68	—	257.11	—
Sales and Services	833.51	3,614.96	6,241.25	12.39	—
	981.99	3,461.67	5,279.95	89.47	—
Receiving of Services	126.93	—	—	—	—
	—	12.48	—	—	—
Interest Expenses	—	—	—	—	—
	—	—	20.34	—	—
Reimbursement of Expenses & liabilities	329.35	15.59	—	—	—
	—	—	—	—	—
Royalty	1,138.54	—	—	—	—
	830.68	—	—	—	—
Dividend paid	2,433.43	—	—	—	0.02
	1,038.26	—	—	—	0.01
Outstanding Balance -Debtors	124.68	2,181.32	526.54	12.39	—
	203.68	1,735.43	803.54	—	—
Loans and advances recovered	—	—	—	—	0.60
	—	—	—	—	0.60
Outstanding Loan Balance	—	—	—	—	0.25
	—	—	—	—	0.85
Creditors	1,079.89	342.39	—	19.49	—
	1,437.50	421.06	—	18.95	—
Loans and Advances Received	—	—	—	—	—
	—	0.02	23.38	—	—
Short term employee benefits	—	—	—	—	484.78
	—	—	—	—	373.97
Post employment benefits (Refer Note b below)	—	—	—	—	37.18
	—	—	—	—	34.50
Commission	—	—	—	—	85.00
	—	—	—	—	45.96
Sitting Fees (Refer Note e below)	—	—	—	—	35.90
	—	—	—	—	37.20

Transactions presented above are inclusive of goods and services tax (GST).

Terms and conditions of transactions with related parties

- All related party transactions entered during the year were in ordinary course of the business and are at arm's length basis for and the year ended 31 March 2023 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous Year: nil). 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.
- As the liabilities for defined benefit plans are provided on actuarial basis for the Company as whole, the amounts pertaining to key managerial personnel and relatives are not included.
- During the year, the Company has contributed ₹ 1,476.44 Lakhs (Previous year: ₹ 1,267.52 Lakhs) to the post employment benefit plans to the Trusts managed by the Company.
- Sitting fees of all nominated directors has been paid to respective nominee companies except for Mr. Sudhansu Pathak ₹ 1.30 lakhs (Previous year ₹ 2.60 lakhs) and Mr. Chaitanya Bhanu ₹ 1.50 lakhs (Previous year- Nil)
- Figures in italics represent comparative figures of the previous years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amount in Rs. in lakhs, except otherwise stated)

40 Additional Information as per Part II of Schedule III, Companies Act, 2013

Name of the Entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs. in lakhs	As % of consolidated profit and loss	Amount Rs. in lakhs	As % of consolidated comprehensive income	Amount Rs. in lakhs	As % of total comprehensive income	Amount Rs. in lakhs
Parent: TRL Krosaki Refractories Limited	97.29%	70,951.38	97.88%	15,491.43	100.00%	(201.28)	97.85%	15,290.15
Associate (Foreign): TRL Krosaki Asia Pte. Ltd.	2.40%	1,746.81	1.76%	278.72	0.00%	—	1.78%	278.72
Associate (Indian): Almora Magnesite Ltd	0.31%	225.99	0.36%	56.64	0.00%	—	0.36%	56.64
Total	100.00%	72,924.18	100.00%	15,826.79	100.00%	(201.28)	100.00%	15,625.51

41 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of shares outstanding during the year. The basic and diluted earnings per share has been calculated below :

	April 2022 to March 2023	April 2021 to March 2022
		(₹ lakh)
a) Profit after Tax	15,826.79	10,373.98
b) Profit attributable to Equity Share Holders	15,826.79	10,373.98
c) Weighted average number of Equity Shares outstanding during the year	209.00	209.00
d) Nominal Value per share (₹)	10	10
e) Basic / diluted Earning per Equity Share (₹)	75.73	49.64

As per our report of even date attached

For and on behalf of the Board of Directors
CIN-U26921OR1958PLC000349

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

sd/-
H. M. NERURKAR
Chairman
(DIN : 00265887)

sd/-
P. B. PANDA
Managing Director
(DIN : 07048273)

sd/-
Seema Mohnot
Partner
Membership No. 060715
Kolkata, 11 May, 2023

sd/-
M. V. RAO
EVP (Finance) &
CFO
Kolkata, 11 May, 2023

sd/-
ASIM K MEHER
Company Secretary
(ACS : 42427)

Notes to Consolidated Financial Statements for the year ended 31 March 2023 (continued)
(Amount in Rs. in lakhs, except otherwise stated)

Form AOC-I

(Pursuant to sub-section (3) of section 129 of the Companies Act, 2013, related to associate and joint ventures)

Part "A": Subsidiaries NA

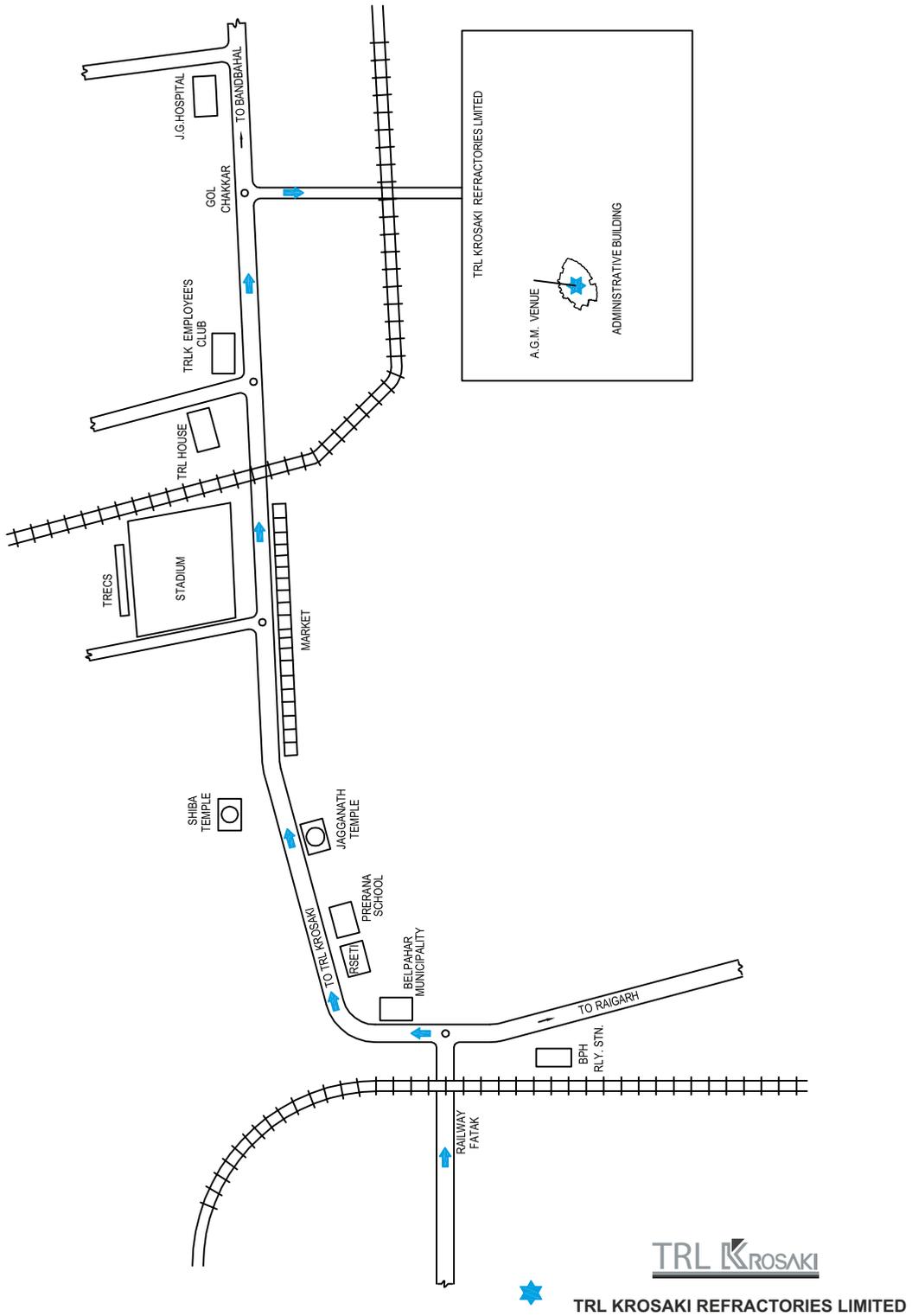
Part "B": Associates

	Name of Associates	TRL Krosaki Asia Pte Ltd	Almora Magnesite Limited
1.	Latest audited Balance Sheet Date	31 March, 2023	31 March, 2022
2.	Date on which the associate was associated or acquired	5 December, 2016	30 March, 1973
3.	Reporting Currency	CNY	INR
4.	Share of Associate by the Company on the year end :		
	Number	48,07,584	77,990
	Amount of Investment	1,382.62	77.99
	Extent of Holding (in percentage)	37.00%	38.995%
5.	Description of how there is significant influence	Controls more than 20% of the total share capital	Controls more than 20% of the total share capital
6.	Reason why the associate is not consolidated	NA	NA
7.	Networth attribute to share holding as per latest audited Balance Sheet	3,044.25	304.86
8.	Profit or Loss for the year :		
	i) Considered in Consolidation	278.72	56.64
	ii) Not Considered in Consolidation	—	—

Names of Associates or Joint Ventures which are yet to commence Operations : NIL

Names of Associates or Joint Ventures which have been liquidated or sold during the year : NIL

Route Map to the AGM Venue





TRL Krosaki Refractories Limited

Registered Office: Belpahar, Dist.: Jharsuguda, Odisha- 768218.
Tel.: +91 6645 258417, Corporate Identification No. :(CIN) - U26921OR1958PLC000349
Website: www.trlkrosaki.com , Email: asim.meher@trlkrosaki.com

Attendance Slip

(To be presented at the entrance)

64TH ANNUAL GENERAL MEETING ON TUESDAY, 12TH SEPTEMBER, 2023 AT 05.00 PM IST

At Registered Office: Belpahar, Dist.: Jharsuguda, Odisha- 768218.

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member: _____ Signature: _____

Name of the Proxyholder: _____ Signature: _____

I hereby record my presence at the 64th Annual General Meeting of the Company held on Tuesday, 12th September, 2023 at 05.00 PM IST at Registered Office P.O. Belpahar, Dist.: Jharsuguda, Odisha-768218.

1. Only Members/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the annual report for reference at the meeting.



TRL Krosaki Refractories Limited

Registered Office: Belpahar, Dist.: Jharsuguda, Odisha- 768218.
Tel.: +91 6645 258417, Corporate Identification No. :(CIN) - U26921OR1958PLC000349
Website: www.trlkrosaki.com , Email: asim.meher@trlkrosaki.com

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered Address: _____

E-mail Id: _____

Folio No. /Client ID No. _____ DP ID No. _____

I/We, being the member(s) of _____ Equity Shares of TRL Krosaki Refractories Limited, hereby appoint

1. Name: _____ E-mail Id: _____

Address: _____

Signature: _____ or failing him

2. Name: _____ E-mail Id: _____

Address: _____

Signature: _____ or failing him

3. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 64th Annual General Meeting of the Company to be held on Tuesday, 12th September, 2023 at 05.00 PM IST at Registered Office P.O. Belpahar, Dist.: Jharsuguda, Odisha-768218 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

**I wish the above proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolution	For	Against
Ordinary Business			
1	Consider and adopt the Audited Standalone Financial Statement for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon.		
2	Consider and adopt the Audited Consolidated Financial Statement for the financial year ended 31st March, 2023 and the Reports of the Auditors thereon.		
3	Declaration of dividend on Ordinary (equity) Shares for Financial Year 2022-23.		
4	Appointment of Director in place of Mr. H. M. Nerurkar (DIN: 00265887), who retires by rotation and being eligible, seeks re-appointment.		
5	Appointment of Director in place of Mr. Hisatake Okumura (DIN: 05130777), who retires by rotation and being eligible, seeks re-appointment.		
Special Business			
6	Approval for Revision in the terms of remuneration of Mr. Priyabrata Panda (DIN: 07048273), the Managing Director approved at 61st AGM held on 29 September 2020.		
7	Re-appointment of Mr. Priyabrata Panda (DIN: 07048273), as Managing Director and Key Managerial Personnel ("KMP")		
8	Appointment of Mr. Chaitanya Bhanu as Director (DIN: 09733430)		
9	Appointment of Ms. Ai Iwasaki as Woman Director (DIN: 09733987)		
10	Ratification of Remuneration of Cost Auditors for financial years ending on 31st March, 2023 and 31st March, 2024.		

Signed this _____ day of _____ 2023



Signature of Shareholder _____ Signature of Proxyholder(s) _____

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company P.O. Belpahar, Dist.: Jharsuguda, Odisha-768218 not less than 48 hours before the commencement of the Meeting.
- **2. This is only optional, please put a '✓' in the appropriate column against the resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Appointing proxy does not prevent a member from attending in person if he/she so wishes.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated .

To,

TRL Krosaki Refractories Limited

Registered Office :

P.O. Belpahar,

Dist. Jharsuguda-768218

Odisha

Updation of Shareholders Information

I/We request you to record the following information against my/our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel. No. with STD Code:	
Mobile No.:	
E-mail id:	

*Self-attested copy of the document(s) enclosed.

Bank Details:

IFSC: (11 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

*A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio Number.

Place:

Date:

Signature of Sole/First holder

To,
Depository Participant

Updation of Shareholders Information

I/We request you to record the following information against my/our Folio No./DP ID/Client ID:

General Information:

Folio No. / DP Id / Client Id :	
Name of the first named Shareholder:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel. No. with STD Code:	
Mobile No.:	
E-mail id:	

*Self-attested copy of the document(s) enclosed.

Bank Details:

IFSC: (11 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

*A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/First holder

Note : Shareholders holding shares in physical mode and having Folio No(s) should provide the above information to TRL Krosaki Refractories Ltd. Shareholders holding Demat shares are required to update their details with the Depository Participant.



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TRL  ROSAKI REFRACTORIES LIMITED

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