**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Essel Mining and Industries Limited.**

**Report on the Audit of the Standalone Financial Statements.**

**Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its total comprehensive income (profit and other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Other Information**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

   (c) The balance sheet, the statement of profit and loss including the statement of other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Note no 42 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For Singhi & Co.
Chartered Accountants
(Firm’s Registration No. 302049E)

Sd/-

Navindra Kumar Surana
Partner
(Membership No. 053816)
UDIN: 21053816AAAAFK2240

Place: Kolkata
Date: June 29, 2021.

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Essel Mining & Industries Limited of even date)**

i. In respect of the Company's Property Plant & Equipments

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipments

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of property plant & equipments were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in note no. 3 (i) of the standalone financial statements are held in the name of the Company except in respect of land valuing Rs 103.46 lacs, whose registration in the name of the Company is pending.

ii. The physical verification of inventory have been conducted at the year-end by the Management. The discrepancies noted on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loan to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the company

iv. The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans and investments made and guarantees and securities provided by it.

v. The Company has not accepted deposits from public within the meaning of section 73, 74, 75, 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act in respect of its product. We have broadly reviewed such accounts and records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, and Cess. Goods and Service Tax and other material statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable

(b) According to information and explanation given to us and the records of the Company examined by us , there are no dues of sales tax , duty of excise, duty of customs , income tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and purchase tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs in lacs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Finance Act, 1994 | Service Tax on freight rebate realized from Customer & Goods transportation charges for exports purpose | 244.16 | 2010-11 to 2012-13 | Commissioner Appeal, Central Excise & Service Tax, Bhubaneswar |
| Orissa Value Added Tax Act,2004 | Non-levy of Purchase Tax and penalty on branch transfer of Iron Ore otherwise than by way of Sales against declaration form F | 284.08 | 2012-13 to 2013-14 | Hon'ble High Court of Odisha |
| Orissa Value Added Tax Act,2004 | Non-levy of Value Added Tax on purchase/receipt from unregistered dealer | 27.15 | 01.04.16 to 30.06.17 | Additional CCT (Appeal) |
| Income Tax Act, 1961 | Income tax & Interest thereon | 8054.68 | 2007-08 to 2010-11 & 2015-16 to 2016-17 | Commissioner of Income Tax (Appeal), Mumbai |
| Finance Act, 1994 | Service tax & penalty there against | 582.85 | 2009-10 to 2012-13 | CESTAT, Kolkata |
| CGST Act 2017 | Differential tax on royalty rate change. Failure to pay tax and Interest u/s 73 (8) of the CGST Act 2017 | 7681.77 | April 2018 to Dec 2018 | Commissionerate of CT and GST Odisha |

viii. According to the records of the Company examined by us, and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks, financial institution or dues to debenture holders as at the balance sheet date. The Company does not have any loans or borrowings from Government as at the balance sheet date, therefore the provisions of Clause 3(viii) of the Order, to the extent, are not applicable to the Company.

ix. In our opinion, and according to the information and explanations given to us, the Company has utilized the monies raised by way of term loans for the purpose for which the loans were obtained. Further the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. Based upon the audit procedure performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company. Therefore clause 3 (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, and the details of related party transactions have been disclosed in the standalone financial statements as required by the Indian Accounting Standard ( Ind AS) 24 Related Party Disclosure.

xiv. The Company has made private placement of fully Compulsorily Convertible Debentures during the year under review. As per the information and explanations provided to us the requirements of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with them to which Section 192 of the Act applies. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.Therefore the provisions of Clause 3(xvi) of the Order are not applicable to the company.

For Singhi & Co.
Chartered Accountants
(Firm's Registration No. 302049E)

Sd/-

Navindra Kumar Surana
Partner
(Membership No. 053816)
UDIN: 21053816AAAAFK2240

Place: Kolkata
Date: June 29, 2021.

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Essel Mining and Industries Limited of even date)

**Report on the Internal Financial Controls with reference to Standalone Financial Statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Essel Mining and Industries Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for internal financial controls**

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

**Auditor’s Responsibility**

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

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

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

**Meaning of internal financial controls over financial reporting with reference to standalone financial statements.**

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

**Limitations of internal financial controls over financial reporting with reference to standalone financial statements**

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

**Opinion**

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

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For Singhi & Co.
Chartered Accountants
(Firm's Registration No. 302049E)

Sd/-

Navindra Kumar Surana
Partner
(Membership No. 053816)
UDIN : 21053816AAAAFK2240

Place: Kolkata
Date: June 29, 2021.

**ESSEL MINING & INDUSTRIES LIMITED**
**BALANCE SHEET AS AT 31ST MARCH, 2021**
**CIN: U51109WB1950PLC018728**

₹ in Lakhs

| | Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| 1) | **Non-Current Assets** | | | |
| a) | Property, Plant and Equipment | 3(i) | **42,625.09** | 47,324.35 |
| b) | Capital Work - in - Progress | 3(ii) | **950.51** | 573.53 |
| c) | Intangible Assets | 4 | **323.05** | 1,116.30 |
| d) | Financial Assets | | | |
| i) | Investments in Subsidiaries | 5(i) | **13,90,809.43** | 13,78,730.86 |
| ii) | Other Investments | 5(ii) | **4,206.47** | 3,958.60 |
| iii) | Loans | 6 | **3.45** | 2.75 |
| iv) | Other Financial Assets | 7 | **9,414.01** | 10,449.30 |
| e) | Deferred Tax Assets | 37 | **16,948.48** | 47,663.03 |
| f) | Other Non-Current Assets | 8 | **587.43** | 552.75 |
| | | | **14,65,867.92** | 14,90,371.47 |
| 2) | **Current Assets** | | | |
| a) | Inventories | 9 | **8,544.41** | 19,672.11 |
| b) | Financial Assets | | | |
| i) | Investments | 10 | **32,453.38** | - |
| ii) | Loans | 11 | **1,72,359.12** | 5,814.65 |
| iii) | Trade Receivables | 12 | **29,583.83** | 41,555.13 |
| iv) | Cash and Bank Balances | | | |
| | - Cash and Cash Equivalents | 13(i) | **2,372.68** | 2,103.31 |
| | - Bank Balances other than Cash and Cash Equivalents 13 (i) above | 13(ii) | **17,987.00** | - |
| v) | Other Financial Assets | 14 | **44,594.41** | 4,313.12 |
| c) | Current Tax Assets (Net) | 15 | **10,006.24** | 9,698.82 |
| d) | Other Current Assets | 16 | **9,368.95** | 22,471.36 |
| | | | **3,27,270.02** | 1,05,628.50 |
| | **Total Assets** | | **17,93,137.94** | 15,95,999.97 |
| II | **EQUITY AND LIABILITIES** | | | |
| 1) | **Equity** | | | |
| a) | Equity Share Capital | 17 | **1,95,821.09** | 1,80,757.93 |
| b) | Other Equity | 18 | **14,00,852.39** | 11,24,527.62 |
| | **Total Equity** | | **15,96,673.48** | 13,05,285.55 |
| 2) | **Liabilities** | | | |
| i) | **Non-Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | -Borrowings | 19 | **1,32,740.11** | 1,11,154.74 |
| | -Other Financial Liabilities | 20 | **1,258.81** | 1,143.49 |
| b) | Provisions | 21 | **142.17** | 142.17 |
| c) | Other Non-Current Liabilities | 22 | **125.00** | 187.50 |
| | | | **1,34,266.09** | 1,12,627.90 |
| ii) | **Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | -Borrowings | 23 | **7.21** | 90,559.88 |
| | - Trade Payables | 24 | | |
| | Total outstanding dues of micro enterprises and small enterprises | | **56.82** | 19.84 |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | | **27,236.20** | 27,299.88 |
| | -Other Current Financial Liabilities | 25 | **11,787.35** | 31,844.76 |
| b) | Provisions | 26 | **705.33** | 1,214.62 |
| c) | Current Tax Liabilities (Net) | 27 | **4,444.43** | 3,884.44 |
| d) | Other Current Liabilities | 28 | **17,961.03** | 23,263.10 |
| | | | **62,198.37** | 1,78,086.52 |
| | **Total Liabilities** | | **1,96,464.46** | 2,90,714.42 |
| | **Total Equity and Liabilities** | | **17,93,137.94** | 15,95,999.97 |
| | **Summary of Significant Accounting Policies** | 2.2 | | |

**The accompanying notes are an integral part of the Financial Statements**

As per our report of even date

For and on behalf of the Board

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Navindra Kumar Surana
*Partner*
*Membership No.053816*

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Place: Kolkata
Dated: 29th June, 2021

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary

## ESSEL MINING & INDUSTRIES LIMITED
## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021
## CIN: U51109WB1950PLC018728

**₹ in Lakhs**

| | Particulars | Note No. | Year ended 2020-21 | Year ended 2019-20 |
|---|---|---|---|---|
| | **Income** | | | |
| I. | Revenue from Operations | 29 | **4,13,229.05** | 4,22,758.98 |
| II. | Other Income | 30 | **16,575.17** | 6,747.16 |
| III. | **Total Income - (I + II)** | | **4,29,804.22** | 4,29,506.14 |
| IV. | **Expenses** | | | |
| | Cost of Raw Materials Consumed | 31 | **8,457.20** | 9,282.01 |
| | (Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress | 32 | **11,091.43** | (6,448.27) |
| | Employee Benefits Expenses | 33 | **9,754.25** | 11,335.90 |
| | Transportation and dispatch expenses | | **57,946.71** | 84,583.65 |
| | Finance Costs | 34 | **15,858.15** | 22,787.14 |
| | Depreciation & Amortization Expenses | 35 | **5,658.29** | 23,610.54 |
| | Other Expenses | 36 | **1,05,224.66** | 1,52,530.14 |
| | **Total Expenses - (IV)** | | **2,13,990.69** | 2,97,681.11 |
| V. | **Profit/(Loss) Before Tax - V = [(III) - (IV)]** | | **2,15,813.53** | 1,31,825.03 |
| VI. | **Tax Expenses** | | | |
| | Current Tax | 37 | **73,942.13** | 22,375.92 |
| | MAT credit entitlement | 37 | **-** | (19,051.49) |
| | Deferred Tax charge / (credit) | 37 | **664.54** | 42,232.22 |
| | **Total Tax Expense /(credit) - (VI)** | | **74,606.67** | 45,556.65 |
| VII. | **Profit/(Loss) for the year - VII = [(V) - (VI)]** | | **1,41,206.86** | 86,268.38 |
| VIII. | **Other Comprehensive Income (OCI)** | | | |
| | **Other Comprehensive Income not to be reclassified to profit/loss in subsequent periods -** | | | |
| | Net Gain / (Loss) on FVTOCI Investments | | **125.56** | (51.44) |
| | Income Tax effect on FVTOCI Investments | | **(29.25)** | 11.99 |
| | Re-measurement Gains/ (Losses) on defined benefit plans | | **191.97** | (358.28) |
| | Income Tax effect on re-measurement Gains/ (Losses) | | **(67.08)** | 125.20 |
| | **Other Comprehensive Income for the year, net of tax - (VIII)** | | **221.20** | (272.53) |
| IX. | **Total Comprehensive Income for the year - [(VII) + (VIII)]** | | **1,41,428.06** | 85,995.85 |
| | **Earnings per Equity Share** (Nominal value of share ₹ 10/- each) | 38 | | |
| | - Basic EPS (₹) | | **7.29** | 4.77 |
| | - Diluted EPS (₹) | | **7.13** | 4.77 |
| | **Summary of Significant Accounting Policies** | 2.2 | | |

**The accompanying notes are an integral part of the Financial Statements**

As per our report of even date

For and on behalf of the Board

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Navindra Kumar Surana
*Partner*
*Membership No.053816*

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Place: Kolkata
Dated: 29th June, 2021

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary

**ESSEL MINING & INDUSTRIES LIMITED**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021**
**CIN: U51109WB1950PLC018728**

**₹ in Lakhs**

**(A) Equity Share Capital**

| | Number | Amount |
|---|---|---|
| Equity Shares of ₹ 10/- each issued, subscribed and fully paid | | |
| At 31st March, 2019 | 9,65,979 | 96.60 |
| Issued during the year | 2,38,271 | 23.83 |
| Issued Bonus Shares during the year | 1,80,63,75,000 | 1,80,637.50 |
| At 31st March, 2020 | 1,80,75,79,250 | 1,80,757.93 |
| Issued during the year | 15,06,31,603 | 15,063.16 |
| **At 31st March, 2021** | **1,95,82,10,853** | **1,95,821.09** |

**(B) Other Equity**

| Particulars | Equity Component of compound Financial Instruments (Convertible Debentures) | Reserves and Surplus | | | | | | | Items of OCI | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Investment Subsidy Reserve | Capital Reserve | Capital Redemption Reserve | Debenture Redemption Reserve | General Reserve | Securities Premium | Retained Earnings | Net Gain / (Loss) on FVTOCI Investments | |
| Balance as on 31st March, 2019 | - | 28.90 | 38.44 | 1,49,600.00 | 17,250.00 | 1,87,106.88 | 4,60,279.85 | 1,49,298.56 | 417.05 | 9,64,019.68 |
| Profit / (Loss) for the year | - | - | - | - | - | - | - | 86,268.38 | - | 86,268.38 |
| Net Gain / (Loss) on FVTOCI Investments | - | - | - | - | - | - | - | - | (39.45) | (39.45) |
| Re-measurement Gains/ (Losses) on defined benefit plans | - | - | - | - | - | - | - | (233.08) | - | (233.08) |
| Transfer to General Reserve | - | - | - | - | (11,875.00) | 11,875.00 | - | - | - | - |
| Transfer from Retained Earnings | - | - | - | - | 8,125.00 | - | - | (8,125.00) | - | - |
| Utilised for issue of Bonus Shares during the year | | | | (1,49,600.00) | | | (31,037.50) | | | (1,80,637.50) |
| Premium on issue of Equity Shares | - | - | - | - | - | - | 2,55,175.99 | - | - | 2,55,175.99 |
| Payment of Cash Dividend for FY 2018-19 | - | - | - | - | - | - | - | (21.90) | - | (21.90) |
| Payment of Dividend Distribution Tax for FY 2018-19 | - | - | - | - | - | - | - | (4.50) | - | (4.50) |
| Balance as on 31st March, 2020 | - | 28.90 | 38.44 | - | 13,500.00 | 1,98,981.88 | 6,84,418.34 | 2,27,182.46 | 377.60 | 11,24,527.62 |
| Profit / (Loss) for the year | - | - | - | - | - | - | - | 1,41,206.86 | - | 1,41,206.86 |
| Net Gain / (Loss) on FVTOCI Investments | - | - | - | - | - | - | - | - | 96.31 | 96.31 |
| Re-measurement Gains/ (Losses) on defined benefit plans | - | - | - | - | - | - | - | 124.89 | - | 124.89 |
| Equity component of compound Financial Instruments (Compulsorily Convertible Debentures) | 65,606.17 | - | - | - | - | - | - | - | - | 65,606.17 |
| Transfer to General Reserve | - | - | - | - | (13,500.00) | 13,500.00 | - | - | - | - |
| Premium on issue of Equity Shares | - | - | - | - | - | - | 69,290.54 | - | - | 69,290.54 |
| **Balance as on 31st March, 2021** | **65,606.17** | **28.90** | **38.44** | **-** | **-** | **2,12,481.88** | **7,53,708.88** | **3,68,514.21** | **473.91** | **14,00,852.39** |

As per our report of even date

For and on behalf of the Board

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Navindra Kumar Surana
*Partner*
*Membership No.053816*

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Place: Kolkata
Dated: 29th June, 2021

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary

**ESSEL MINING & INDUSTRIES LIMITED**
**STATEMENT OF CASH FLOWS FOR YEAR ENDED 31ST MARCH, 2021**
**CIN: U51109WB1950PLC018728**

₹ in Lakhs

| | | Year ended 2020-21 | Year ended 2019-20 |
|---|---|---|---|
| A. | **Cash Flow from Operating Activities** | | |
| | **Profit before tax** | **2,15,813.53** | 1,31,825.03 |
| | Adjustments to reconcile Profit / (Loss) Before Tax to Net Cash Flows: | | |
| | Depreciation and Amortization | **5,658.29** | 23,610.54 |
| | Loss on sale / discard of Property,Plant & Equipment | **327.95** | 16.18 |
| | Capital Work-in-Progress written off | **-** | 222.23 |
| | Investments written off | **-** | 1.00 |
| | Irrecoverable Loans / Debts & Advances written off | **1.50** | - |
| | Dividend Income | **(0.79)** | (2.14) |
| | Unrealised Foreign Exchange Loss / (Gain) | **(15.96)** | 309.43 |
| | Unclaimed Balances written back / Liabilities and Provisions no longer required written back | **(1,792.93)** | (302.74) |
| | Finance Costs | **15,858.15** | 22,787.14 |
| | Financial Guarantee Income | **(167.59)** | (398.96) |
| | Interest Income | **(13,059.70)** | (4,709.22) |
| | Fair value (Gain) / Loss on financial instruments through profit or loss | **(156.92)** | (123.57) |
| | (Profit)/ Loss on sale of Current and Long Term Investments (Net) | **(391.35)** | (255.60) |
| | Working capital adjustments: | | |
| | (Increase) / Decrease in Trade and other Receivables | **(14,826.96)** | (36,566.71) |
| | (Increase) / Decrease in Inventories | **11,127.70** | (4,355.51) |
| | Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions | **(5,258.34)** | 22,748.71 |
| | | **2,13,116.58** | 1,54,805.81 |
| | Income Tax Paid | **(34,500.43)** | (23,879.81) |
| | **Net Cash Flows from / (used in) Operating Activities (A)** | **1,78,616.15** | 1,30,926.00 |
| B. | **Cash Flow from Investing Activities** | | |
| | Sale of Property, Plant and Equipment | **558.14** | 44.82 |
| | Purchase of Property, Plant and Equipment | **(1,573.07)** | (3,262.41) |
| | Purchase of Investments | **(2,87,633.69)** | (6,29,562.62) |
| | Sale of Investments | **2,43,292.19** | 2,99,225.14 |
| | Loans & Inter - Corporate Deposits given | **(3,48,641.00)** | (1,70,417.73) |
| | Loans & Inter - Corporate Deposits received back | **1,82,254.43** | 2,29,796.58 |
| | Fixed Deposits | **(17,987.00)** | 0.02 |
| | Interest received | **11,416.87** | 5,227.04 |
| | Dividend received | **0.79** | 2.14 |
| | **Net Cash Flows from / (used in) Investing Activities(B)** | **(2,18,312.34)** | (2,68,947.02) |
| C. | **Cash Flow from Financing Activities** | | |
| | Issue of Equity Share Capital (including Securities Premium) | **84,353.70** | 2,55,199.82 |
| | Proceeds from issue of Compulsorily Convertible Debentures | **82,800.00** | - |
| | Proceeds from Non - current borrowings | **1,00,000.00** | 32,500.00 |
| | Repayment of Non - current Borrowings | **(1,19,940.70)** | (96,356.63) |
| | Net Increase /(Decrease) in Short - Term Borrowings | **(90,552.67)** | (29,347.07) |
| | Dividend paid on Equity Shares (including Dividend Tax) | **-** | (26.40) |
| | Interest paid | **(16,694.77)** | (23,715.64) |
| | **Net Cash Flows from / (used in) Financing Activities ( C)** | **39,965.56** | 1,38,254.08 |
| | **Net increase in Cash and Cash Equivalents** | **269.37** | 233.06 |
| | Cash & Cash Equivalents at the beginning of the year | **2,103.31** | 1,870.25 |
| | Cash & Cash Equivalents at the end of the year | **2,372.68** | 2,103.31 |

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

| | **As at 31st March, 2021** | As at 31st March, 2020 |
|---|---|---|
| **Balances with Banks:** | | |
| - On Current Accounts | **83.62** | 835.03 |
| - On Cash credit account | **1,025.56** | 815.87 |
| Deposit with Original Maturity less than 3 months | **1,203.59** | 2.87 |
| Cheques, Drafts on hand | **57.95** | 446.02 |
| Cash on hand | **1.96** | 3.52 |
| | **2,372.68** | 2,103.31 |

**ESSEL MINING & INDUSTRIES LIMITED**
**STATEMENT OF CASH FLOWS FOR YEAR ENDED 31ST MARCH, 2021**
**CIN: U51109WB1950PLC018728**

**Accounting Policy**
Cash flows are reported using the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 of the Companies Act, 2013, 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. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**₹ in Lakhs**

**Changes in Liabilities arising from Financing Activities**

| Particulars | Non-Current Borrowings | Current Borrowings | Accrued Interest but not due | Total |
|---|---|---|---|---|
| Balance as at 31st March, 2019 | 1,99,316.42 | 1,19,906.95 | 3,709.92 | 3,22,933.29 |
| Cash Flow (Net) | (63,856.63) | (29,347.07) | (23,715.64) | (1,16,919.34) |
| **Non-cash changes** | | | | |
| Fair Value changes | (265.94) | - | 34.02 | (231.92) |
| Forex Movement | 984.72 | - | - | 984.72 |
| Others (Arranger Fees) | (82.75) | - | 82.75 | - |
| Finance Costs | - | - | 22,787.14 | 22,787.14 |
| | | | | |
| Balance as at 31st March, 2020 | 1,36,095.82 | 90,559.88 | 2,898.19 | 2,29,553.89 |
| Cash Flow (Net) | 62,859.30 | (90,552.67) | (16,694.77) | (44,388.14) |
| **Non-cash changes** | | | | |
| Fair Value changes | (961.59) | - | 842.59 | (119.00) |
| Forex Movement | (935.59) | - | - | (935.59) |
| Others (Arranger Fees) | (250.00) | - | 250.00 | - |
| Finance Costs | - | - | 15,858.15 | 15,858.15 |
| | | | | |
| **Balance as at 31st March, 2021** | **1,96,807.94** | **7.21** | **3,154.16** | **1,99,969.31** |
| | | | | |

As per our report of even date

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Navindra Kumar Surana
*Partner*
*Membership No.053816*

Place: Kolkata
Dated: 29th June, 2021

For and on behalf of the Board

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary

## 1. Corporate information

Essel Mining & Industries Limited (the Company) is domiciled in India and is registered under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Industry House, 18th Floor, 10, Camac Street, Kolkata- 700017, India. The Company is principally engaged in Iron Ore mining and also produces Noble Ferro Alloys. The Company has operating energy projects in Wind and Solar Power sectors in India. The equity shares of the Company are not listed.

## 2.1 Basis of preparation

### Statement of Compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rule, 2016, other relevant provisions of the Act and other accounting principles generally accepted in India.

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

The Ministry of Corporate Affairs (MCA) has issued certain amendments in existing Accounting Standards during the year ended 31st March, 2020, which are effective from 24th July, 2020.

- **Definition of Material – amendments to Ind AS 1 and Ind AS 8 -** Amendments are made to Ind AS 1 - Presentation of Financial Statements and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, which use a consistent definition of materiality, clarify when information is material and incorporate some of the guidance in Ind AS 1 about immaterial information.

  In particular, the amendments clarify: -
  that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and

  - the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

- **Definition of a Business – amendments to Ind AS 103 -** The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

- **COVID-19 related concessions – amendments to Ind AS 116 -** Amendments to Ind AS 116 Leases, provides a practical expedient to apply rent concessions occurring as a direct consequence of the COVID-19 pandemic. Lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.
- **Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107 -** The amendments made to Ind AS 109 Financial Instruments, and Ind AS 107 Financial Instruments: Disclosures provide certain reliefs in relation to interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.
- **Ind AS 10 (Events after the Reporting Period) -** An amendment has been made by adding the disclosure for any non- adjusting events.
- **Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) -** An accounting of restructuring plans has been substituted.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

The standalone financial statements for the year ended 31st March, 2021 have been approved by the Directors of the Company in their meeting held on 29th June, 2021.

The financial statements have been prepared on a historical cost convention, on accrual basis, except for certain financial assets and liabilities which have been measured at fair value as indicated below:

i) Derivative Financial Instruments measured at fair value
ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) ; and
iii) Employee's Defined Benefit Plan as per actuarial valuation

The standalone financial statements of the Company have been presented in Indian Rupee (₹) which is the Company's functional currency. All financial information presented in INR have been rounded off to the nearest two decimal of 'Lakhs', unless otherwise stated.

Use of Estimates and Management Judgements while preparing the standalone financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates & assumptions that affects reported amount of Assets & Liabilities and the disclosure of Contingent Liabilities as at the date of standalone financial statements and the amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

## 2.2 Summary of significant accounting policies

### a) Basis of classification of Current and Non-Current

Assets and liabilities in the Balance Sheet have been classified as either current or non–current based upon the requirements of Schedule III to the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non–current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non–current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has considered its operating cycle to be 12 months.

### b) Foreign currency transactions and translation

**Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**c) Derivative Instruments**:

The Company uses derivative financial instruments, such as forward contracts, interest rate swaps, etc. to hedge its foreign currency risks and interest rate risks and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

**d) Fair value measurement**

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

⇒ In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

**e) Revenue recognition**

The Company derives revenue principally from sale of Iron Ore, Noble Ferro Alloys, Wind & Solar Energy. The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue. In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

For incentives/discount offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

**Export Incentives**

Export incentives are recognised when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

**Interest income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**Dividends**

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

**Others**

Income from Certified Emission Reduction (CER), insurance and other claims etc. is recognised when no uncertainties exist as regard their realization or subsequent utilisation.

**f) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed, whereas, grants whose primary condition is that the Company should purchase, construct or otherwise acquire a non-current asset, are recognised in the balance sheet by setting up the grant as a deferred income.

**g) Taxes**

**Current income tax**

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum Alternate Tax**

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**h) Property, plant and equipment**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on cost. The Company has elected to regard those values as deemed cost at the date of transition.

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

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

The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

**i) Depreciation and Amortization**

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as mentioned below:

| Class of Assets | Useful Lives |
|---|---|
| Factory Buildings | 3 to 60 years |
| Non - Factory Buildings | 3 to 60 years |

| | |
|---|---|
| Railway Siding | 5 years |
| Plant & Machinery | 5 to 30 years |
| Furniture & Fixtures | 5 to 10 years |
| Computers (included under Furniture & Fixtures) | 1 to 6 years |
| Office Equipment | 3 to 10 years |
| Vehicles | 8 to 10 years |

Leasehold Properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

Depreciation on property, plant and equipment added/disposed of during the year is provided on prorata basis with reference to the date of addition/disposal.

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

**j) Intangible assets**

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Under the previous GAAP (Indian GAAP), Intangible assets were carried in the balance sheet on cost. The Company has elected to regard those values as deemed cost at the date of transition.

**k) Borrowing costs**

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

**l) Leases**

a) **The Company as lessor**
Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

b) **The Company as lessee**
The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company

recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

c) **Lease Liability**

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

d) **Right of Use (ROU) Assets**

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

**m) Inventories**

a) Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis/transaction moving weightage average method.

b) Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on annual weighted average basis.

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

**n) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of profit and loss.

**o) Provisions**

**General**

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

Liability towards site restoration costs in respect of land used for mining have been recognized based on land area used for mining but yet to be restored at the year end and quantum of obligations imposed by applicable regulations. Site restoration is carried out side by side with mining activities and related costs are recognized in these financial statements but not separately identifiable.

If the effect of the time value of money is material, provisions are discounted at a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**p) Retirement and other employee benefits**

a) Retirement benefit in the form of provident fund is a defined contribution scheme. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. The Company has no obligation, other than the contribution payable to the provident fund.

b) Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method, at the end of each financial year. Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Such remeasurements are not reclassified to Statement of Profit and Loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income.

The current and non-current bifurcation is done as per Actuarial report.

c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation, as per projected unit credit method.

**q) Financial instruments**

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

**(A) Financial assets**

***Initial recognition and measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

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

(a) Debt instruments at amortised cost

(b) Debt instruments, derivatives, equity instruments and mutual fund investments at fair value through profit or loss (FVTPL)

(c) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**(i) Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss.

**(ii) Debt instruments, derivatives, equity instruments and mutual fund investments at fair value through profit or loss (FVTPL)**

All derivatives and mutual fund investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**(iii) Equity instruments measured at fair value through other comprehensive income (FVTOCI)**

For all equity instruments other than the ones classified as at FVTPL, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when the rights to receive cash flows from the asset have expired.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e.; all cash shortfalls), discounted at the original EIR.

**(B) Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, financial guarantee contract payables, or derivative instruments.

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

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

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

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognized less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries, associates or other body corporates are provided for no compensation, the fair values are accounted for as contribution and recognized as part of the cost of the investment.

**Derivatives financial instruments**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Derivative financial instruments are re-measured at fair value at each balance sheet. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

**Derecognition**

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

**Offsetting of financial instruments**

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

**r) Segment Reporting**

**Identification of Segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

**Allocation of Common cost**

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenues and Expenses, which relate to the enterprise as a whole and which are not allocable to any segment on a reasonable basis, have been included under the head "Unallocated - Common".

**Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**s) Earnings per share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**t) Contingent liabilities**

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

**u) Cash dividend to equity holders**

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

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**v) New Standards / Amendments to Existing Standard/ New Pronouncement issued but not yet effective upto the date of issuance of the Company's Financial Statement :**

(A) On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1st April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Rounding Off :** For the purpose of rounding off the figures appearing in the Financial Statements for financial year ending 31st March, 2022 the total income of the Company shall be considered instead of Turnover.

**Additional Disclosure in Notes to Balance Sheet:**

- **Shareholding of Promoter:** The note on Share Capital in the Financial Statements shall mention details of the Shareholding of the Promotes along with changes, if any, during the Financial Year.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading ShortTerm Borrowing.
- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long term Loan & Advances.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specific disclosure for title deeds of Immovable Property not held in name of the Company and disclosure on revaluation of Assets
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Ratios-Following Ratios to be disclosed: - (a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment
- Specific Disclosure Borrowing & Wilful Defaulter

Additional Disclosure in Notes to Profit & Loss Account :

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

(B) The Ministry of Corporate Affairs (MCA) vide Notification dated 18th June, 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable with immediate effect from the date of the notification. Consequently amendments are effective for the financial year ended 31st March, 2022.

**Major amendments notified in the Companies (Ind AS) Amendment Rules, 2021 are provided below:-**

**(a) Ind AS 116 - *Leases*** – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from 30th June, 2021 to 30th June, 2022.

**(b) Ind AS 109 - *Financial Instruments*** – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

**(c) Ind AS 101 - *Presentation of Financial Statements*** – The amendment substitutes the item (d) mentioned in paragraph BI as 'Classification and measurement of financial instruments'. The term 'financial asset' has been replaced with 'financial instruments'.

**(d) Ind AS 102 - *Share-Based Payment*** – The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term 'Equity Instrument' which shall be applicable for the annual reporting periods beginning on or after 1st April, 2021.

**(e) Ind AS 103 -*Business Combinations*** – The amendment substitutes the definition of 'assets' and 'liabilities' in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

**(f) Ind AS 104 -*Insurance Contracts*** – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.

**(g) Ind AS 105 -*Non-current assets held for sale and discontinued operations*** – The amendment substitutes the definition of — "fair value less costs to sell" with "fair value less costs of disposal"

**(h) Ind AS 106 - *Exploration for and evaluation of mineral resources*** – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.

**(i) Ind AS 107 - *Financial Instruments: Recognition, Presentation and Disclosure*** – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like

(i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;

(ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

**(j) Ind AS 111 -*Joint Arrangements*** – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.

**(k) Ind AS 114 - *Regulatory Deferral Accounts*** – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.

**(l) Ind AS 115 -- *Revenue from Contracts with Customers*** – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.

**(m) Ind AS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*** – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.

**(n) Ind AS 16 - *Property, Plant and Equipment*** –The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

**(o) Ind AS 34 *- Interim Financial Reporting*** –The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.

**(p) Ind AS 37 *- Provisions, Contingent Liabilities and Contingent Assets*** – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

**(q) Ind AS 38 - Intangible Assets** – The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**3(i). Property, Plant and Equipment**

₹ in Lakhs

| Particulars | Freehold Land (a) | Leasehold Land | Road | Buildings (b) | Railway Sidings | Plant & Machinery | Furniture & Fixtures | Office Equipment | Vehicles | Right of Use Assets - Lease hold Land | Total (c) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | | |
| As at 1st April, 2019 | 2,744.56 | 314.50 | - | 11,204.27 | 639.49 | 60,652.69 | 1,131.92 | 762.49 | 733.79 | - | 78,183.71 |
| Add: Additions | - | - | - | 173.73 | 3,535.61 | 925.85 | 14.68 | 80.32 | 197.95 | - | 4,928.14 |
| Less: Disposal | - | - | - | - | - | 114.54 | 4.79 | 4.35 | 114.50 | - | 238.18 |
| Less: Transfer/ reclassification | - | (314.50) | - | - | - | - | - | - | - | 269.25 | (45.25) |
| As at 31st March, 2020 | 2,744.56 | - | - | 11,378.00 | 4,175.10 | 61,464.00 | 1,141.81 | 838.46 | 817.24 | 269.25 | 82,828.42 |
| Add: Additions | - | - | 52.26 | 2.54 | - | 873.78 | 6.48 | 67.35 | 101.88 | 10.08 | 1,114.37 |
| Less: Disposal | - | - | - | - | - | 4,111.32 | 520.65 | 491.27 | 94.62 | - | 5,217.86 |
| **As at 31st March, 2021** | **2,744.56** | **-** | **52.26** | **11,380.54** | **4,175.10** | **58,226.46** | **627.64** | **414.54** | **824.50** | **279.33** | **78,724.93** |
| **Depreciation & Impairment** | | | | | | | | | | | |
| As at 1st April, 2019 | - | 45.25 | - | 4,479.89 | 512.59 | 23,478.40 | 793.75 | 493.88 | 206.05 | - | 30,009.81 |
| Add: Charge for the year | - | - | - | 1,164.61 | 1,546.33 | 2,679.89 | 173.25 | 40.26 | 101.62 | 10.73 | 5,716.69 |
| Less: Disposal | - | - | - | - | - | 107.16 | 3.90 | 4.13 | 61.99 | - | 177.18 |
| Less: Transfer/ reclassification | - | (45.25) | - | - | - | - | - | - | - | | (45.25) |
| As at 31st March, 2020 | - | - | - | 5,644.50 | 2,058.92 | 26,051.13 | 963.10 | 530.01 | 245.68 | 10.73 | 35,504.07 |
| Add: Charge for the year | - | - | 9.15 | 450.04 | 2,116.18 | 2,111.13 | 79.02 | 47.68 | 102.81 | 11.53 | 4,927.54 |
| Less: Disposal | - | - | - | - | - | 3,450.61 | 522.40 | 307.20 | 51.56 | - | 4,331.77 |
| **As at 31st March, 2021** | **-** | **-** | **9.15** | **6,094.54** | **4,175.10** | **24,711.65** | **519.72** | **270.49** | **296.93** | **22.26** | **36,099.84** |
| **Net Block** | | | | | | | | | | | |
| As at 31st March, 2020 | 2,744.56 | - | - | 5,733.50 | 2,116.18 | 35,412.87 | 178.71 | 308.45 | 571.56 | 258.52 | 47,324.35 |
| **As at 31st March, 2021** | **2,744.56** | **-** | **43.11** | **5,286.00** | **-** | **33,514.81** | **107.92** | **144.05** | **527.57** | **257.07** | **42,625.09** |

**Notes :**

(a) Including ₹ 103.46 Lakhs (31st March, 2020 : ₹ 103.46 Lakhs) which is yet to be registered in the Company's name.
(b) Including ₹ 38.83 Lakhs (31st March, 2020 : ₹ 38.83 Lakhs) towards building on leasehold land.
(c) Includes following assets (Company's share) which are held under co-ownership with other Companies :

| Particulars | Deemed Cost | | Net Block | |
|---|---|---|---|---|
| | **As at 31st March, 2021** | As at 31st March, 2020 | **As at 31st March, 2021** | As at 31st March, 2020 |
| Freehold land | **207.23** | 207.23 | **207.23** | 207.23 |
| Buildings | **217.13** | 217.13 | **192.63** | 196.71 |
| Plant & Machinery | **15.31** | 15.31 | **1.74** | 1.74 |
| Furniture, Fixtures & Fittings | **13.93** | 13.93 | **4.60** | 6.40 |
| Office Equipment | **11.23** | 11.23 | **1.53** | 2.64 |

(d) For charge created on Property, Plant and Equipment of the Company towards borrowings (Refer Note 19)

**ESSEL MINING & INDUSTRIES LIMITED**
**Notes to Financial Statements as at and for the year ended 31st March, 2021**
**CIN: U51109WB1950PLC018728**

**3(ii). Capital Work-in-Progress**

₹ in Lakhs

| Particulars | Buildings | Railway Sidings | Plant & Machinery | Pre-operative Expenses, pending allocation | Total |
|---|---|---|---|---|---|
| As at 1st April, 2019 | 43.23 | 3,014.91 | 399.64 | - | 3,457.78 |
| Add: Additions | - | - | 308.60 | 139.48 | 448.08 |
| Less: Transfer to Property, Plant & Equipment ^ | - | 3,014.91 | 95.19 | - | 3,110.10 |
| Less: Deductions/ adjustments | 43.23 | - | 179.00 | - | 222.23 |
| As at 31st March, 2020 | - | - | 434.05 | 139.48 | 573.53 |
| Add: Additions | - | - | 148.47 | 667.54 | 816.01 |
| Less: Transfer to Property, Plant & Equipment ^ | - | - | 439.03 | - | 439.03 |
| **As at 31st March, 2021** | **-** | **-** | **143.49** | **807.02** | **950.51** |

^ Represents amount allocated to respective Property, Plant & Equipment during the year.

**4. Intangible Assets**

₹ in Lakhs

| Particulars | Mining Lease & Mining Rights | Software | Total |
|---|---|---|---|
| **Cost** | | | |
| As at 1st April, 2019 | 24,049.03 | 84.58 | 24,133.61 |
| Add: Additions | 639.80 | 2.91 | 642.71 |
| As at 31st March, 2020 | 24,688.83 | 87.49 | 24,776.32 |
| Add: Additions | - | - | - |
| **As at 31st March, 2021** | **24,688.83** | **87.49** | **24,776.32** |
| **Amortisation** | | | |
| As at 1st April, 2019 | 5,652.20 | 51.47 | 5,703.67 |
| Add: Charge for the year | 17,950.16 | 6.19 | 17,956.35 |
| As at 31st March, 2020 | 23,602.36 | 57.66 | 23,660.02 |
| Add: Charge for the year | 788.59 | 4.66 | 793.25 |
| **As at 31st March, 2021** | **24,390.95** | **62.32** | **24,453.27** |
| **Net Block** | | | |
| As at 31st March, 2020 | 1,086.47 | 29.83 | 1,116.30 |
| **As at 31st March, 2021** | **297.88** | **25.17** | **323.05** |

₹ in Lakhs

| | | Face Value ₹ | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|---|
| **5.** | **Non-current Investments** | | | |
| (i) | **Investments in Subsidiaries** | | | |
| | **Investments at Cost / Deemed Cost** | | | |
| **A** | **Unquoted Equity Shares (Fully paid)** | | | |
| | 9,54,60,000 (31st March, 2020: 9,54,60,000) Equity Shares of Bhubaneswari Coal Mining Ltd. | 10 | **9,645.61** | 9,645.61 |
| | [Includes ₹ 99.61 Lakhs (31st March, 2020: ₹ 99.61 Lakhs) towards fair value of Financial Guarantees] | | | |
| | 1,70,00,000 (31st March, 2020: 1,70,00,000) Equity Shares of Rajmahal Coal Mining Ltd. | 10 | **2,288.68** | 2,357.06 |
| | [Includes ₹ 588.68 Lakhs (31st March, 2020: ₹ 657.06 Lakhs) towards fair value of Financial Guarantees] | | | |
| | 50,000 (31st March, 2020: 50,000) Equity Shares of Electrotherm Renewables Pvt. Ltd. | 10 | **5.00** | 5.00 |
| | 1,72,79,888 (31st March, 2020: 1,72,79,888) Equity Shares of IGH Holdings Pvt. Ltd. | 10 | **12,92,297.20** | 12,92,297.20 |
| | 2,79,00,000 (31st March, 2020: 2,79,00,000) Equity Shares of Pro Minerals Pvt. Ltd. | 10 | **3,485.43** | 4,879.60 |
| | [Includes ₹ 695.43 Lakhs (31st March, 2020: ₹ 2,089.60 Lakhs) towards fair value of Financial Guarantees] | | | |
| | 6,10,000 (31st March, 2020: Nil) Equity Shares of EMIL Mines and Mineral Resources Ltd. | 10 | **73.94** | - |
| | [Includes ₹ 12.94 Lakhs (31st March, 2020: ₹ Nil) towards fair value of Financial Guarantees] | | | |
| **B** | **Unquoted Preference Shares (Fully paid)** | | | |
| | 3,00,00,000 (31st March, 2020: 3,00,00,000) 1% Non-Cumulative Compulsorily Convertible Preference Shares of IGH Holdings Pvt. Ltd. | 100 | **60,000.00** | 60,000.00 |
| **C** | **Non Convertible Debentures (at Amortised Cost)** | | | |
| | 1,250 (31st March, 2020: 900) Unsecured Unlisted Redeemable Non-Convertible Debentures of Pro Minerals Pvt. Ltd. | 10,00,000 | **14,166.53** | 9,546.39 |
| | 875 (31st March, 2020: Nil) Unsecured Unlisted Redeemable Non-Convertible Debentures of EMIL Mines and Mineral Ltd. | 10,00,000 | **8,847.04** | - |
| | | | **13,90,809.43** | 13,78,730.86 |
| (ii) | **Investments in Others** | | | |
| | **Investments at fair value through OCI (FVTOCI)** | | | |
| | **Unquoted Equity Shares (Fully paid)** | | | |
| | 7,000 (31st March, 2020: 7,000) Equity Shares of Birla Management Centre Services Ltd. | 10 | **740.99** | 615.43 |
| | 3,00,00,000 (31st March, 2020: 3,00,00,000) Equity Shares of Haridaspur Paradeep Railway Co. Ltd. | 10 | **3,000.00** | 3,000.00 |
| | 7,200 (31st March, 2020: 7,200) Equity Shares of Keonjhar Infrastructure Development Company Ltd. | 10 | **0.72** | 0.72 |
| | **Investments at fair value through Profit & Loss (FVTPL)** | | | |
| **A** | **Quoted Equity Shares (Fully paid)** | | | |
| | 85,730 (31st March, 2020: 85,730) Equity Shares of ECE Industries Ltd. | 10 | **289.57** | 198.81 |
| **B** | **Unquoted Preference Shares (Fully paid)** | | | |
| | 55,00,000 (31st March, 2020: 55,00,000) 6% Cumulative Preference Shares of Keonjhar Infrastructure Development Co. Ltd. | 10 | **173.89** | 142.34 |
| | **Investments at Amortised Cost** | | | |
| | **Government Securities** | | | |
| | **In Others** | | | |
| | 6.17% Govt. of India Loan, 2023 | | **1.00** | 1.00 |
| | National Savings Certificate | | **0.30** | 0.30 |
| | | | **4,206.47** | 3,958.60 |
| | **Total Investments** | | **13,95,015.90** | 13,82,689.46 |
| | Aggregate value of quoted investments | | **289.57** | 198.81 |
| | Aggregate value of unquoted investments | | **13,94,726.33** | 13,82,490.65 |

₹ in Lakhs

| 6. Non-current Loans | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Other Loans** | | |
| - Loans to Employees | | |
| - Considered good - Unsecured | **3.45** | 2.75 |
| - Credit impaired | **-** | - |
| - Which have significant increase in Credit Risk | **-** | - |
| | **3.45** | 2.75 |

**7. Other Non-current Financial Assets**
**At Amortised Cost**
**(Unsecured, considered good, unless stated otherwise)**

| | | |
|---|---|---|
| Bank deposits with original maturity for more than 12 months * | **8.15** | 8.15 |
| Security Deposits | **3,659.68** | 3,611.87 |
| **Derivatives not designated as hedges** | | |
| Assets on Cross currency interest rate Swap | **1,478.87** | 2,414.46 |
| Claims & Refunds Refundable | **-** | 78.60 |
| Finance Lease Receivable | **4,262.59** | 4,331.89 |
| **Interest Accrued on:** | | |
| - Fixed Deposits | **4.72** | 4.33 |
| | **9,414.01** | 10,449.30 |

* Receipts lying with mining authorities. These represent deposits towards earmarked accounts.

**8. Other Non-current Assets**
**(Unsecured, considered good, unless stated otherwise)**

| | | |
|---|---|---|
| Capital Advances | **586.75** | 552.07 |
| **Advances recoverable in cash or in kind or for value to be received** | | |
| Considered good | **0.68** | 0.68 |
| Doubtful | **67.16** | 67.16 |
| | **67.84** | 67.84 |
| Less: Provision for Doubtful Advances | **67.16** | 67.16 |
| | **0.68** | 0.68 |
| | **587.43** | 552.75 |

**9. Inventories**
**(At lower of cost and net realisable value unless stated otherwise)**

| | | |
|---|---|---|
| Raw Materials | **307.07** | 190.19 |
| Work-in-Progress | **599.97** | 961.71 |
| Finished Goods | **7,017.55** | 17,747.24 |
| Stores & Spare Parts | **619.82** | 772.97 |
| | **8,544.41** | 19,672.11 |

Provision against slow moving & non-moving inventory of stores and spares as on 31st March, 2021 is ₹ 621.43 Lakhs ( Previous year ended 31st March, 2020 : ₹ 1,136.13 Lakhs). Impact of provision against slow moving & non-moving has been adjusted with carrying value of inventory as on 31st March, 2021 & 31st March, 2020 respectively. Reversal of provision during the year against slow moving & non-moving inventory of stores and spares is amounting to ₹ 514.70 Lakhs ( Previous year ended 31st March, 2020 : ₹ 78.85 Lakhs ) has been adjusted with the consumption.

Inventories are hypothecated against the borrowings obtained by the Company as referred in Note 23.

₹ in Lakhs

| | Face Value ₹ | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **10. Current Investments** | | | |
| **Investments at fair value through Profit & Loss (FVTPL)** | | | |
| **Mutual Funds** | | | |
| 3,01,685 (31st March, 2020: Nil) ABSL Liquid Fund Direct Growth | 1,000 | **1,000.19** | - |
| 4,22,419 (31st March, 2020: Nil) ABSL Overnight Fund Direct Growth | 100 | **4,701.25** | - |
| 13,40,410 (31st March, 2020: Nil) ABSL Savings Fund Direct Growth | 100 | **5,721.36** | - |
| 7,40,832 (31st March, 2020: Nil) ABSL Floating Rate Fund Direct Growth | 100 | **2,005.31** | - |
| 5,65,898 (31st March, 2020: Nil) ABSL Floating Rate Fund Regular Growth | 10 | **1,504.25** | - |
| 19,04,564 (31st March, 2020: Nil) ABSL Money Manager Fund Direct Growth | 100 | **5,469.36** | - |
| 84,283 (31st March, 2020: Nil) DSP Liquidity Fund Direct Growth | 1,000 | **2,478.89** | - |
| 32,561 (31st March, 2020: Nil) Kotak Liquid Fund Direct Growth | 1,000 | **1,354.22** | - |
| 20,144 (31st March, 2020: Nil) IDFC Cash Fund Direct Growth | 1,000 | **500.78** | - |
| 82,603 (31st March, 2020: Nil) LIC Mutual Fund Liquid Fund Direct Growth | 1,000 | **3,086.78** | - |
| 26,932 (31st March, 2020: Nil) L&T Liquid Fund Direct Growth | 1,000 | **759.20** | - |
| 1,64,342 (31st March, 2020: Nil) ICICI Pru Liquid Fund Direct Growth | 100 | **500.81** | - |
| 66,983 (31st March, 2020: Nil) Nippon India Liquid Fund Direct Growth | 1,000 | **3,370.98** | - |
| | | **32,453.38** | - |

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **11. Current Loans** | | |
| **At Amortised Cost** | | |
| **Loans to Related Parties** | | |
| - Inter-corporate Deposits to Subsidiary companies (Interest bearing) | | |
| - Considered good - Unsecured | **1,72,190.00** | 5,585.00 |
| - Which have significant increase in Credit Risk | **-** | - |
| - Credit impaired | **-** | - |
| | **1,72,190.00** | 5,585.00 |
| **Other Loans** | | |
| - Loans to others | | |
| - Considered good - Unsecured | **166.50** | 215.00 |
| - Which have significant increase in Credit Risk | **-** | - |
| - Credit impaired | **-** | - |
| | **166.50** | 215.00 |
| - Inter Corporate Deposits | | |
| - Considered good - Unsecured | **-** | - |
| - Which have significant increase in Credit Risk | **-** | - |
| - Credit impaired | **7,000.00** | 7,000.00 |
| | **7,000.00** | 7,000.00 |
| Less - Provision | **7,000.00** | 7,000.00 |
| | **-** | - |
| - Loans to Employees | | |
| - Considered good - Unsecured | **2.62** | 14.65 |
| | **1,72,359.12** | 5,814.65 |
| **12. Trade Receivables** | | |
| - Considered good - Secured | **-** | - |
| - Considered good - Unsecured | **29,583.83** | 41,555.13 |
| - Which have significant increase in Credit Risk | **-** | - |
| - Credit impaired | **-** | - |
| | **29,583.83** | 41,555.13 |
| Provision for Doubtful Debts | **-** | - |
| | **29,583.83** | 41,555.13 |

a. Trade Receivables are non-interest bearing and generally on terms of 0 to 90 days.
b. Trade Receivables are hypothecated against the borrowings obtained by the Company as referred in Note 23.
c. For ageing analysis of Trade Receivable, Refer Note 60 E.

**13. Cash and Bank Balances** — **₹ in Lakhs**

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **13(i). Cash and Cash Equivalents** | | |
| **Balances with Banks:** | | |
| - On Current Accounts | **83.62** | 835.03 |
| - On Cash credit account | **1,025.56** | 815.87 |
| Deposit with Original Maturity less than 3 months | **1,203.59** | 2.87 |
| Cheques, Drafts on hand | **57.95** | 446.02 |
| Cash on hand | **1.96** | 3.52 |
| | **2,372.68** | 2,103.31 |
| **13(ii). Other Bank Balances :** | | |
| Deposit with Original Maturity for more than 3 months but not more than 12 months | **17,987.00** | - |
| | **17,987.00** | - |

**14. Other Current Financial Assets**
**(Unsecured, considered good, unless stated otherwise)**

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Financial Assets at fair value through Profit or Loss** | | |
| **Financial assets at amortised cost** | | |
| Security Deposits | **42.56** | 24.46 |
| Claims & Refunds Refundable | **5,567.38** | 3,219.54 |
| Finance Lease Receivable | **69.30** | 62.32 |
| **Deposit with Non-Banking Financial Company (NBFC) with initial maturity more than 3 months** | **37,500.00** | - |
| **Interest Accrued on:** | | |
| - Fixed Deposits | **216.50** | - |
| - Investments | **0.02** | 0.02 |
| - Loans & Inter-corporate Deposits etc. : | | |
| Considered good | **1,198.65** | 1,006.78 |
| Considered doubtful | **1,066.09** | 1,066.09 |
| | **2,481.26** | 2,072.89 |
| Less: Provision | **1,066.09** | 1,066.09 |
| | **1,415.17** | 1,006.80 |
| | **44,594.41** | 4,313.12 |

**15. Current Tax Assets (Net)**

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Advance Payment of Income Tax & Tax Deducted at Source [net of Provisions of ₹ 2,30,755.58 Lakhs (31st March, 2020: ₹ 203,520.66 Lakhs)] | **10,006.24** | 9,698.82 |
| | **10,006.24** | 9,698.82 |

**16. Other Current Assets**

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **(Unsecured, considered good, unless stated otherwise)** | | |
| Advances to Subsidiary Companies | **-** | 158.60 |
| Advance to Gratuity Funds | **51.35** | - |
| Advances recoverable in cash or in kind or for value to be received | **1,473.28** | 1,608.87 |
| | **1,524.63** | 1,767.47 |
| Pre-paid Expenses | **265.54** | 428.04 |
| Balance with Government Authorities | **7,578.78** | 20,275.85 |
| | **9,368.95** | 22,471.36 |

**₹ in Lakhs**

**17. Share Capital**

| **Authorised Share Capital** | **As at 31st March, 2021** | | As at 31st March, 2020 |
|---|---|---|---|
| Authorised : | | | |
| 4,01,00,00,000 (31st March, 2020: 2,01,00,00,000) Equity Shares of ₹10/- each | **4,01,000.00** | # | 2,01,000.00 |
| 29,90,00,000 (31st March, 2020: 29,90,00,000) Preference Shares of ₹100/- each | **2,99,000.00** | | 2,99,000.00 |
| | **7,00,000.00** | | 5,00,000.00 |

**Issued, Subscribed and Fully paid up Equity Share capital**

| | **Number** | | **₹ in Lakhs** |
|---|---|---|---|
| Issued and fully paid Equity Shares of ₹ 10/- each | | | |
| As at 31st March, 2019 | 9,65,979 | | 96.60 |
| Issued during the year | 2,38,271 | | 23.83 |
| Issued Bonus Shares during the year | 1,80,63,75,000 | * | 1,80,637.50 |
| As at 31st March, 2020 | 1,80,75,79,250 | | 1,80,757.93 |
| Issued during the year | 15,06,31,603 | ** | 15,063.16 |
| **As at 31st March, 2021** | **1,95,82,10,853** | | **1,95,821.09** |

**Terms/ rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Holder of each equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended 31st March, 2021, the amount of per share dividend recognized as distribution to Equity Shareholders was ₹ Nil per share (31st March, 2020: ₹ 2/- per share). The Board of Directors, in its meeting on 29th June, 2021, have not recommended any dividend for the financial year ended 31st March, 2021.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

# On 29th September, 2020, the authorised share capital of the Company was increased from 2,01,00,00,000 no. Equity Shares to 4,01,00,00,000 no. Equity shares having face value of ₹10/- per Share.

* During the year FY 2019-20, the Company had allotted 1,806,375,000 no. of equity shares of ₹ 10/- each as bonus shares on 23rd March, 2020 in the ratio of 1500 equity share of ₹ 10/- each for every 1 equity share held as on record date fixed for entitlement of Bonus Shares, by utilising ₹ 149,600.00 Lakhs from Capital Redemption Reserve and ₹ 31,037.50 Lakhs from Securities Premium. Out of the total Bonus Shares allotted, 18,000 shares could not be credited for those shareholders who are holding their existing equity shares in physical form and do not have operative demat account. These Bonus Shares will be transferred once these shareholders open demat account and get their existing equity shares dematerialised.

** During the year FY 2020-21, the Company has allotted 15,06,31,603 no. of equity shares of ₹10/- each on right issue basis at a premium of ₹ 46/- each on 25th May, 2020.

**Details of shareholders holding more than 5% shares in the Company**

| **Name of the Shareholder** | **As at 31st March, 2021** | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | **Number** | **% holding in the class** | Number | % holding in the class |
| **Equity Shares of ₹ 10 each fully paid :** | | | | |
| Surya Abha Investments Pte. Ltd. | **95,94,34,697** | **49.00%** | **88,56,32,028** | 49.00% |
| Birla Group Holdings Pvt.Ltd. | **39,07,35,348** | **19.95%** | **29,65,42,063** | 16.41% |
| Umang Commercial Company Pvt. Ltd. | **30,59,71,854** | **15.63%** | **20,77,54,911** | 11.49% |
| Manav Investment & Trading Co. Ltd. | **13,56,25,000** | **6.93%** | **13,52,53,609** | 7.48% |

As per records of the Company the above shareholding represents legal ownership of shares.

**₹ in Lakhs**

| | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **18.** | **Other Equity** | | |
| **(i)** | **Investment Subsidy Reserve** | | |
| | Balance as per last Financial Statements | **28.90** | 28.90 |
| **(ii)** | **Capital Reserve** | | |
| | Balance as per last Financial Statements | **38.44** | 38.44 |
| **(iii)** | **Capital Redemption Reserve** | | |
| | Balance as per last Financial Statements | **-** | 1,49,600.00 |
| | Utilised for issue of Bonus Shares during the year | **-** | 1,49,600.00 |
| | | **-** | - |
| **(iv)** | **Debenture Redemption Reserve** | | |
| | Balance as per last Financial Statements | **13,500.00** | 17,250.00 |
| | Less: Transferred to General Reserve | **13,500.00** | 11,875.00 |
| | | **-** | 5,375.00 |
| | Add: Transferred from Retained Earnings | **-** | 8,125.00 |
| | | **-** | 13,500.00 |
| **(v)** | **General Reserve** | | |
| | Balance as per last Financial Statements | **1,98,981.88** | 1,87,106.88 |
| | Add: Transferred from Debenture Redemption Reserve | **13,500.00** | 11,875.00 |
| | | **2,12,481.88** | 1,98,981.88 |
| **(vi)** | **Securities Premium** | | |
| | Balance as per last Financial Statements | **6,84,418.34** | 4,60,279.85 |
| | Add: Premium on issue of Equity Shares during the year | **69,290.54** | 2,55,175.99 |
| | | **7,53,708.88** | 7,15,455.84 |
| | Less: Utilised for issue of Bonus Shares during the previous year | **-** | 31,037.50 |
| | | **7,53,708.88** | 6,84,418.34 |
| **(vii)** | **Retained Earnings** | | |
| | Balance as per last Financial Statements | **2,27,182.46** | 1,49,298.56 |
| | Add: Profit/(Loss) for the year | **1,41,206.86** | 86,268.38 |
| | Less: Actuarial Losses on defined benefit obligation, net of taxes | **(124.89)** | 233.08 |
| | **Less: Appropriations:** | | |
| | Equity Dividend (₹ Nil per share) [ 31st March, 2020: ₹ 2/- per share] | **-** | 21.90 |
| | Tax on Equity Dividend | **-** | 4.50 |
| | Transfer to Debenture Redemption Reserve | **-** | 8,125.00 |
| | **Total Appropriations** | **-** | 8,151.40 |
| | **Net Surplus in the Statement of Profit & Loss** | **3,68,514.21** | 2,27,182.46 |
| **(viii)** | **FVTOCI Reserve** | | |
| | Balance as per last Financial Statements | **377.60** | 417.05 |
| | Net Gain / (Loss) on FVTOCI Investments | **96.31** | (39.45) |
| | | **473.91** | 377.60 |
| **(ix)** | **Equity component of compound Financial Instruments (Compulsorily Convertible Debentures)** | | |
| | Balance as per last Financial Statements | **-** | - |
| | Changes during the Year [Refer Note:19(v) & (vi)] | **65,606.17** | - |
| | | **65,606.17** | - |
| | **Total** | **14,00,852.39** | 11,24,527.62 |

**Notes:**

**Capital Reserve**

This reserve is created on acquisition of Bharat Trading International during FY 2001-02.

**Capital Redemption Reserve**

This reserve was created upon redemption of Preference Shares issued and on the event of buyback of Equity Shares in earlier years.

**Debenture Redemption Reserve**

This reserve is created upon redemption of Non Convertible Debentures, from time to time as per requirement of Companies Act.

**General Reserve**

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Securities Premium**

This reserve has been created on issue of shares by way of preferential issue and right issue.

**Retained Earnings**

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

**FVTOCI Reserve**

The Company has elected to recognise changes in the fair value of certain instruments in equity securities and debt instruments in Other Comprehensive Income. These changes are accumulated with the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

**Equity component of compulsorily convertible debentures**

The above covers the equity component of the issued compulsorily convertible debentures. Each debentures shall be compulsorily convertible into 1,35,000 (One Lakh Thirty Five Thousand) equity shares of face value of ₹ 10/- (Rupees Ten) and the price at which Equity Shares will be issued upon conversion (the "Conversion Price") will be ₹ 74.07 (Rupees Seventy Four and paisa Seven Only) including premium of ₹ 64.07 (Rupees Sixty Four and paisa Seven Only), for each Equity Share. The same also includes deferred tax assets created on the timing difference of interest on the above compulsorily convertible debentures.

**₹ in Lakhs**

| 19. Borrowings | Non-current | | Current Maturities (Refer note 25) | |
|---|---|---|---|---|
| | **As at 31st March, 2021** | As at 31st March, 2020 | **As at 31st March, 2021** | As at 31st March, 2020 |
| **Debentures** | | | | |
| **Unsecured and privately placed** | | | | |
| Nil (31st March, 2020: 1,300), 7.93% Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each | **-** | - | **-** | 13,000.00 |
| Nil (31st March, 2020: 850), 7.90% Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each | **-** | - | **-** | 8,500.38 |
| Nil (31st March, 2020: 1,500), 9.15% Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each | **-** | 14,970.64 | **-** | - |
| Nil (31st March, 2020: 1,750), 9.15% Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each | **-** | 17,465.34 | **-** | - |
| 780 (31st March, 2020: Nil) 6% Unsecured Compulsorily Convertible Debentures of ₹ 100.00 Lakhs each (Series "H") - Partly paid up | **2,360.77** | - | **-** | - |
| 750 (31st March, 2020: Nil) 6% Unsecured Compulsorily Convertible Debentures of ₹ 100.00 Lakhs each (Series "I") | **22,699.67** | - | **-** | - |
| **Term Loans** | | | | |
| **Secured** | | | | |
| From Banks | | | | |
| Rupee Loan | **99,762.17** | 5,050.93 | **5,057.19** | 812.44 |
| Foreign Currency Loan | **7,917.50** | 11,482.03 | **2,639.92** | 2,628.26 |
| **Unsecured** | | | | |
| From Banks | **-** | 62,185.80 | **-** | - |
| **Total** | **1,32,740.11** | 1,11,154.74 | **7,697.11** | 24,941.08 |

(i) 7.93% (31st March, 2020: 7.93% p.a.) Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each was repaid on 24th April, 2020. The debentures carried an effective interest rate of 7.93% p.a.(31st March, 2020: 7.93% p.a.).

(ii) 7.90% (31st March, 2020: 7.90% p.a.) Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each was repaid on 13th April, 2020. The debentures carried an effective interest rate of 7.91% p.a.(31st March, 2020: 7.91% p.a.).

(iii) 9.15% (31st March, 2020: 9.15%) Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each was prepaid on 28th December, 2020. The debentures carried an effective interest rate of 9.26% p.a.(31st March, 2020: 9.26% p.a.).

(iv) 9.15% (31st March, 2020: 9.15%) Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each was prepaid on 15th January, 2021. The debentures carried an effective interest rate of 9.25% p.a.(31st March, 2020: 9.25 p.a.).

(v) 6% (31st March, 2020: Nil) Unsecured Compulsorily Convertible Debentures (Series H) of ₹ 100.00 Lakhs each shall be automatically and compulsorily converted on 12th October, 2027 other than such Series H CCDs which remain partly paid up. Any such Series H CCDs that remain unconverted upon expiry of 7 (Seven) years from the date of allotment shall be automatically and compulsorily converted into equity shares upon such Series H CCDs being fully paid up. The debentures carry an effective interest rate of 7.95% p.a.(31st March, 2020: Nil). Each Series H - CCD shall be converted into 1,35,000 (One Lakh Thirty Five Thousand) equity shares of face value of ₹ 10/- and the price at which Equity Shares will be issued upon conversion will be ₹ 74.07 (Rupees Seventy Four and paisa Seven Only) including premium of ₹ 64.07 (Rupees Sixty Four and paisa Seven Only), for each Equity Share.

(vi) 6% (31st March, 2020: Nil) Unsecured Compulsorily Convertible Debentures (Series I) of ₹ 100.00 Lakhs each shall be automatically and compulsorily converted on 12th October, 2027. The debentures carry an effective interest rate of 7.95% p.a.(31st March, 2020: Nil). Each Series I - CCD shall be converted into 1,35,000 (One Lakh Thirty Five Thousand) equity shares of face value of ₹ 10/- and the price at which Equity Shares will be issued upon conversion will be ₹ 74.07 (Rupees Seventy Four and paisa Seven Only) including premium of ₹ 64.07 (Rupees Sixty Four and paisa Seven Only), for each Equity Share.

**₹ in Lakhs**

(vii) (a) Rupee / Rupee equivalent loan from a bank is secured by First Pari Passu Floating charge on the Current Assets of the Company. The loan is payable in 5 annual instalments starting 21st. December, 2023. The loan carried an effective interest rate of 8.02% p.a. (31st March, 2020: Nil). The lender has unconditional put option at the end of 3rd, 4th and 5th year (from the date of 1st disbursement) for 33.33% of the facility amount on each occasion (adjusted for the repayments already made till such date). Company has entered into a Rupee Term Loan Facility with Bank with FCTL as a sub-limit. Loan was disbursed to the Company in fully hedged FCTL which will be replaced with Rupee Term Loan at the end of tenure. The loan is repayable in INR in 5 annual instalments starting 21st. December, 2023, hence the outstanding balance of the term loan as on 31st March, 2021 is classified as rupee loan.

(b) Rupee / Rupee equivalent loan from a bank is secured by First Pari Passu Floating charge on the Current Assets of the Company. The loan is payable in 4 annual instalments starting 19th November, 2022. The loan carried an effective interest rate of 8.03% p.a. (31st March, 2020: Nil). Company has entered into a Rupee Term Loan Facility with bank with FCNR (B) as a sub-limit. Part loan was disbursed to the Company as fully hedged FCNR (B) which will be replaced with Rupee Term Loan at the end of tenure. The loan is repayable in INR in 4 annual instalments starting 19th November, 2022, hence the outstanding balance of the term loan as on 31st March, 2021 is classified as rupee loan.

(c) Rupee loan from a bank is secured by exclusive first charge on all the immovable and movable assets & current assets, both present and future, pertaining to Company's 22 MW Solar Power project at Bhadla, Rajasthan. The loan is repayable in 51 equal quarterly instalments from 30th September, 2014. The loan carried an effective interest rate of 9.05% p.a. (31st March, 2020: 9.05% p.a.). The loan has been fully repaid on 5th April, 2021.

(viii) Foreign currency loan from a bank is secured by first ranking exclusive charge on all the present and future immovable properties and movable fixed assets pertaining to Company's 38.5 MW (DC) Solar Power project at Achampet, Kalwakurthy, Peddashankarampet and Mustyal in Andhra Pradesh. The above Loan carried interest of 6 month Libor + 236 bps and is repayable in 19 half yearly un-equal instalments from 3rd February, 2015. The loan carried an effective interest rate of 10.83% p.a. (31st March, 2020: 10.83% p.a.). The effective interest rate includes the effects of related cross currency interest rate swap.

(ix) Rupee Term loans from banks are unsecured and repayable after 3 years 4 months as bullet repayment in FY 2021-22. The loans carried an average effective interest rate of 8.29% p.a. (31st March, 2020: 8.58% p.a.) and was fully pre-paid within 31st March, 2021.

| | **As at 31st March, 2021** | As at 31st March, 2020 |
|---|---|---|
| **20. Other Non-current Financial Liabilities** | | |
| (At amortised cost) | | |
| Deposits | **1,258.81** | 1,143.49 |
| Right of Use - Lease Rent Liability | **11.58** | - |
| Less : Current maturity of Lease Rent Liability | **11.58** | - |
| | **-** | - |
| | **1,258.81** | 1,143.49 |
| **21. Long Term Provisions** | | |
| Provision for Site Restoration * | **142.17** | 142.17 |
| | **142.17** | 142.17 |

* The activities of the Company involve mining of land taken under lease. In terms of the provisions of relevant statutes and lease deeds, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing, etc. The management has estimated such future expenses based on directions of relevant authorities and due provision thereof has been made in the accounts in terms of relevant statute. The movements in site restoration expenses during the year is as follows :

| | | |
|---|---|---|
| At the beginning of the year | **142.17** | 142.17 |
| Addition during the year | **-** | - |
| At the end of the year | **142.17** | 142.17 |

₹ in Lakhs

## 22. Other Non-current Liabilities

| | | |
|---|---|---|
| **Government Grant** | | |
| At the beginning of the year | **187.50** | 250.00 |
| Less: Recognized in the Statement of Profit & Loss * | **62.50** | 62.50 |
| **At the end of the year** | **125.00** | 187.50 |

* ₹ 62.50 Lakhs (31st March, 2020 :₹ 62.50 Lakhs) have been adjusted against Depreciation and Amortisation expenses

## 23. Short Term Borrowings

| | **As at 31st March, 2021** | As at 31st March, 2020 |
|---|---|---|
| **From Banks** | | |
| **Secured** | | |
| Cash Credits | **7.21** | 83.95 |
| PCFC Loan | **-** | 4,000.00 |
| **Unsecured** | | |
| Short Term Loan from Banks | **-** | 76,600.00 |
| **Unsecured** | | |
| **Commercial Paper** | | |
| From Banks | **-** | 9,875.93 |
| **Total** | **7.21** | 90,559.88 |

(i) Cash Credit is secured by hypothecation of inventories & book debts ranking pari-passu amongst banks. Cash Credit and Bank Overdraft carries effective interest @ 6.80% p.a. to 8.30% p.a.(31st March, 2020: 7.80% p.a. to 9.20% p.a.).

(ii) Packing Credit Loan is secured by hypothecation of inventories & book debts ranking pari-passu amongst banks and it carries effective interest @ 1.59% p.a. on the principal amount denominated in USD (31st March, 2020: 2.52% to 2.82%. for USD denominated Loan).

(iii) Short-Term Loan from a bank carries effective interest @ 5.40% p.a. to 9.00% p.a. (31st March, 2020: 6.92% p.a. to 9.50% p.a.).

(iv) Commercial papers represent short term loans and carries effective interest @ 4.50% p.a. to 7.00% p.a. (31st March, 2020: 6.50% p.a. to 7.75% p.a)

## 24. Current Trade Payables

| | | |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer Note 43) | **56.82** | 19.84 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | **27,236.20** | 27,299.88 |
| | **27,293.02** | 27,319.72 |

Trade Payables are non-interest bearing and normally settled on 0 to 45 days terms.

₹ in Lakhs

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **25. Other Current Financial Liabilities** | | |
| **Financial Liabilities at Fair value through Profit or Loss** | | |
| **Derivatives not designated as hedges** | | |
| - Liability on Foreign Exchange Forward Contract | **68.36** | - |
| **Financial Liabilities at amortised costs** | | |
| Current maturities of Long Term Borrowings (Refer note 19) | **7,697.11** | 24,941.08 |
| Current maturities of Lease Rent Liability | **11.58** | - |
| Deposits | **723.82** | 1,547.61 |
| Interest accrued but not due on borrowings | **2,492.85** | 2,898.19 |
| Financial Guarantees | **229.17** | 1,846.38 |
| Payable against purchase of Property, Plant & Equipment | **564.46** | 611.50 |
| | **11,787.35** | 31,844.76 |
| **26. Short Term Provisions** | | |
| Provision for Leave Benefits | **705.33** | 717.47 |
| Provision for Gratuity | **-** | 497.15 |
| | **705.33** | 1,214.62 |
| **27. Current Tax Liabilities** | | |
| Provision for Taxation [(Net of Advance Tax of ₹ 111,374.64 Lakhs (31st March, 2020: ₹ 104,416.56 Lakhs)] | **4,444.43** | 3,884.44 |
| | **4,444.43** | 3,884.44 |
| **28. Other Current Liabilities** | | |
| Contract Liability | **7,003.89** | 2,568.08 |
| Statutory dues Payable | **5,495.86** | 2,133.57 |
| Interest payable on income tax | **661.31** | - |
| Customer refund Liability * | **4,596.75** | 18,245.90 |
| Other Miscellaneous | **203.22** | 315.55 |
| | **17,961.03** | 23,263.10 |

* Customer refund liability are recognized for discount payable to customers.

**₹ in Lakhs**

| **29. Revenue from Operations** | **Year ended 2020-21** | Year ended 2019-20 |
|---|---|---|
| **Sale of Products** | | |
| **Domestic** | | |
| Finished Goods | **3,22,002.91** | 3,29,583.47 |
| Power | **7,587.02** | 8,479.88 |
| **Export** | | |
| Finished Goods | **82,380.03** | 83,318.14 |
| | **4,11,969.96** | 4,21,381.49 |
| **Other Operating Revenue** | | |
| Certified Emission Reduction (CER) Credits / Verified Carbon Standard (VCS) | **27.78** | 43.05 |
| Finance Lease Rentals | **1,016.34** | 1,037.95 |
| Sale of Scrap | **214.97** | 296.49 |
| | **1,259.09** | 1,377.49 |
| | **4,13,229.05** | 4,22,758.98 |
| **a) Reconciliation of the Revenue Recognized with the contract price -** | | |
| Contract Price | **4,11,969.96** | 4,50,716.32 |
| Adjustment for Discount | **-** | 29,334.83 |
| **Revenue from Operations (Gross)** | **4,11,969.96** | 4,21,381.49 |

b) Refer Note No. 55 for disaggregated revenue information.

c) The Company recognizes revenue at point in time.

| **30. Other Income** | | |
|---|---|---|
| Profit on sale of current investments (Net) | **391.35** | 255.60 |
| Unspent Liabilities, Provision no longer required and Unclaimed balances adjusted | **1,792.93** | 302.74 |
| Claims | **38.73** | 78.05 |
| Foreign Exchange Fluctuations (Net) | **10.05** | - |
| Fair value Gain on financial instruments through profit or loss (Net) | **156.92** | 123.57 |
| Financial Guarantee Income | **167.59** | 398.96 |
| Dividend Income on: | | |
| - Non-current Investments | **0.79** | 2.14 |
| Interest Income on: | | |
| - Non-current Investments | **1,315.93** | 607.16 |
| - Inter-Corporate Loans | **10,776.86** | 3,303.44 |
| - Debts, Deposits & Advances, etc. | **966.91** | 798.62 |
| Miscellaneous Income | **957.11** | 876.88 |
| | **16,575.17** | 6,747.16 |

**₹ in Lakhs**

| | | **Year ended 2020-21** | | Year ended 2019-20 | |
|---|---|---|---|---|---|
| **31.** | **Cost of Raw Materials Consumed** | | | | |
| | Inventory at the beginning of the year | **190.19** | | 1,929.68 | |
| | Add: Purchases | **8,574.08** | **8,764.27** | 7,542.52 | 9,472.20 |
| | Less: Inventory at the end of the year | | **307.07** | | 190.19 |
| | | | **8,457.20** | | 9,282.01 |
| **32.** | **(Increase) / Decrease in Inventories** | | | | |
| | **Inventories at the beginning of the year** | | | | |
| | Work-in-Progress | **961.71** | | 1,721.99 | |
| | Finished Goods | **17,747.24** | | 10,440.69 | |
| | Saleable Scrap | **-** | **18,708.95** | 98.00 | 12,260.68 |
| | **Inventories at the end of the year** | | | | |
| | Work-in-Progress | **599.97** | | 961.71 | |
| | Finished Goods | **7,017.55** | | 17,747.24 | |
| | Saleable Scrap | **-** | **7,617.52** | - | 18,708.95 |
| | | | **11,091.43** | | (6,448.27) |
| **33.** | **Employee Benefits Expenses** | | | | |
| | Salaries, Wages and Bonus [Includes ₹ 539.69 Lakhs (Previous year: ₹ 1,016.87 Lakhs) to contractors] | | **8,781.56** | | 10,028.51 |
| | Contribution to Provident & Other Funds (including Administrative charges) | | **367.73** | | 464.25 |
| | Gratuity Expense (Refer Note 53) | | **140.62** | | 148.27 |
| | Employee Welfare Expenses | | **464.34** | | 694.87 |
| | | | **9,754.25** | | 11,335.90 |
| **34.** | **Finance Costs** | | | | |
| | Interest Expenses | | **15,066.31** | | 22,678.25 |
| | Interest on Income Tax | | **661.31** | | - |
| | Bank charges | | **130.53** | | 108.89 |
| | | | **15,858.15** | | 22,787.14 |
| **35.** | **Depreciation and Amortization Expenses** | | | | |
| | Depreciation on Tangible assets | | **4,927.54** | | 5,716.69 |
| | Amortization of Intangible assets | | **793.25** | | 17,956.35 |
| | | | **5,720.79** | | 23,673.04 |
| | Less: Government grant (Refer Note 22) | | **62.50** | | 62.50 |
| | | | **5,658.29** | | 23,610.54 |

₹ in Lakhs

| | | Year ended 2020-21 | | Year ended 2019-20 |
|---|---|---|---|---|
| **36. Other Expenses** | | | | |
| Iron ore raising (excavation & transport) | | **2,257.24** | | 6,546.26 |
| Consumption of stores, chemicals and spares [Including ₹ 13.18 Lakhs (Previous year: ₹ 164.73 Lakhs) for Drilling & Blasting] | | **4,546.14** | | 11,106.89 |
| Power and fuel | | **794.87** | | 1,494.54 |
| Overburden removal expenses | | **610.14** | | 1,722.26 |
| Royalty on iron ore | | **56,461.24** | | 71,768.48 |
| Dead rent and surface rent | | **12.84** | | 23.42 |
| Screening charges | | **2,791.37** | | 4,521.59 |
| Export duty | | **6,263.56** | | 4,218.01 |
| Repairs and Maintenance: | | | | |
| - Buildings | **87.34** | | 533.36 | |
| - Plant & machinery | **2,168.65** | | 4,557.44 | |
| - Others | **657.24** | **2,913.23** | 1,499.26 | 6,590.06 |
| Periphery Development Expenses | | **1,110.87** | | 488.32 |
| Rent & hire charges (Net) | | **1,357.67** | | 3,651.30 |
| Insurance | | **291.41** | | 249.28 |
| Rates and taxes | | **104.68** | | 121.50 |
| Sales tax / GST / Entry tax | | **-** | | 2,290.55 |
| Commission - Others | | **19.03** | | 9.48 |
| Payment to auditors (Refer details below) | | **51.61** | | 51.90 |
| Legal, professional and consultancy fees | | **1,748.60** | | 1,946.34 |
| Travelling and conveyance | | **575.14** | | 1,158.08 |
| Foreign Exchange Fluctuations (Net) | | **-** | | 349.57 |
| Charity and donations | | **2,000.56** | | 6,750.00 |
| Contribution to District Mineral Fund / National Mineral Exploration Trust | | **18,033.79** | | 22,910.93 |
| Loss on Property, Plant & Equipment sold/discarded (Net) | | **327.95** | | 16.18 |
| Irrecoverable Loans / Debts & Advances written off | | **1.50** | | - |
| Capital Work-in-Progress written off | | **-** | | 222.23 |
| Investments written off | | **-** | | 1.00 |
| Directors' sitting fees | | **16.15** | | 5.38 |
| Miscellaneous expenses | | **2,935.07** | | 4,316.59 |
| | | **1,05,224.66** | | 1,52,530.14 |
| **Payment to Auditors** | | | | |
| As Auditor: | | | | |
| - Audit Fees | | **29.50** | | 29.50 |
| In Other Capacity: | | | | |
| - For Tax Audit Fees | | **4.50** | | 4.50 |
| - For Certificates and Other Services | | **17.58** ** | | 17.90 * |
| - For Reimbursement of Expenses | | **0.03** | | - |
| | | **51.61** | | 51.90 |

* Including Half yearly audit / Limited review fees of ₹ 7.30 Lakhs.

** Including Limited review fees of ₹ 9.90 Lakhs.

**37. Deferred Tax and Income Tax** ₹ in Lakhs

**a) Deferred Tax**

**Deferred Tax relates to the following:**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Deferred Tax Assets | **19,704.25** | 50,002.13 |
| Deferred Tax Liabilities | **(2,755.77)** | (2,339.10) |
| **Total** | **16,948.48** | 47,663.03 |

| Particulars | As at 31st March, 2020 | Recognised in Profit and Loss | Recognised in Other Comprehensive Income | Recognised directly in Equity | Recognised MAT Credit / (Utilized/ Adjusted) | As at 31st March, 2021 |
|---|---|---|---|---|---|---|
| **A.Deferred Tax Assets** | | | | | | |
| Expenditures falling under section 43B of Income Tax Act, 1961 | **501.83** | **(131.13)** | **-** | **-** | **-** | **370.70** |
| Fair valuation of FVTPL investments | **(852.15)** | **425.14** | **-** | **-** | **-** | **(427.01)** |
| Fair valuation of cross currency interest rate swap | **(388.65)** | **326.93** | **-** | **-** | **-** | **(61.72)** |
| Fair valuation of Financial Liabilities | **596.08** | **(502.68)** | **-** | **-** | **-** | **93.40** |
| Fair valuation of Loans, Advances and other Financial Assets | **903.85** | **15.87** | **-** | **-** | **-** | **919.72** |
| Provision for doubtful debts and advances | **396.00** | **-** | **-** | **-** | **-** | **396.00** |
| Interest on Compound Financial Instruments | **-** | **(478.33)** | **-** | **9,235.45** | **-** | **8,757.12** |
| Provision for site restoration | **49.68** | **-** | **-** | **-** | **-** | **49.68** |
| MAT credit entitlement | **48,795.49** | **-** | **-** | **-** | **(39,189.13) *** | **9,606.36** |
| **Total - A** | **50,002.13** | **(344.20)** | **-** | **9,235.45** | **(39,189.13)** | **19,704.25** |
| **B. Deferred Tax Liabilities** | | | | | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting | **2,196.14** | **320.34** | **-** | **-** | **-** | **2,516.48** |
| Re-measurement Gains/ (Losses) on defined benefit plans- FVTOCI | **-** | **-** | **67.08** | **-** | **-** | **67.08** |
| Fair valuation of FVTOCI investments | **142.96** | **-** | **29.25** | **-** | **-** | **172.21** |
| **Total - B** | **2,339.10** | **320.34** | **96.33** | **-** | **-** | **2,755.77** |
| **Net Deferred Tax Assets / (Liabilities) [A-B]** | **47,663.03** | **(664.54)** | **(96.33)** | **9,235.45** | **(39,189.13)** | **16,948.48** |

* Represents MAT credit entitlement adjusted with current tax liability on utilisation / adjustment.

| Particulars | As at 31st March, 2019 | Recognised in Profit and Loss | Recognised in Other Comprehensive Income | Recognised directly in Equity | Recognised MAT Credit / (Utilized/ Adjusted) | As at 31st March, 2020 |
|---|---|---|---|---|---|---|
| **A.Deferred Tax Assets** | | | | | | |
| Expenditures falling under section 43B of Income Tax Act, 1961 | 507.22 | (5.39) | - | - | - | 501.83 |
| Fair valuation of FVTPL investments | (105.74) | (746.41) | - | - | - | (852.15) |
| Fair valuation of cross currency interest rate swap | (44.55) | (344.10) | - | - | - | (388.65) |
| Fair valuation of Financial Liabilities | (38.48) | 634.56 | - | - | - | 596.08 |
| Fair valuation of Loans, Advances and other Financial Assets | 894.51 | 9.34 | - | - | - | 903.85 |
| Provision for doubtful debts and advances | 396.00 | - | - | - | - | 396.00 |
| Provision for site restoration | 49.68 | - | - | - | - | 49.68 |
| Payment under voluntary retirement scheme | 20.27 | (20.27) | - | - | - | - |
| Carried forward unabsorbed depreciation and business losses | 47,150.01 | (47,150.01) | - | - | - | - |
| MAT credit entitlement | 29,744.00 | - | - | - | 19,051.49 | 48,795.49 |
| **Total - A** | 78,572.92 | (47,622.28) | - | - | 19,051.49 | 50,002.13 |
| **B. Deferred Tax Liabilities** | | | | | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting | 7,711.40 | (5,515.26) | - | - | - | 2,196.14 |
| Fair valuation of FVTOCI investments | 154.95 | - | (11.99) | - | - | 142.96 |
| **Total - B** | 7,866.35 | (5,515.26) | (11.99) | - | - | 2,339.10 |
| **Net Deferred Tax Assets / (Liabilities) [A-B]** | 70,706.57 | (42,107.02) | 11.99 | - | 19,051.49 | 47,663.03 |

**₹ in Lakhs**

i) The Company has not recognised deferred tax on temporary differences relating to depreciation that originates and reverses during the tax holiday periods.

ii) The Company has not recognised deferred tax assets on following long-term capital loss as presently it is not probable of recovery:

| Description | AY | Amount | Tax Impact @23.296% | Year of Expiry |
|---|---|---|---|---|
| Long Term Capital Loss | 2013-14 | 1,906.77 | 444.20 | 2021-22 |
| Long Term Capital Loss | 2014-15 | 252.10 | 58.73 | 2022-23 |
| Long Term Capital Loss | 2016-17 | 739.14 | 172.19 | 2024-25 |
| Long Term Capital Loss | 2017-18 | 234.46 | 54.62 | 2025-26 |
| Long Term Capital Loss | 2018-19 | 33,778.73 | 7,869.09 | 2026-27 |
| Long Term Capital Loss | 2019-20 | 694.44 | 161.78 | 2027-28 |
| | | **37,605.64** | **8,760.61** | |

**b) Income Tax**

The major components of income tax expense for the years ended 31st March, 2021 and 31st March, 2020 are:

| | **Year ended 2020-21** | Year ended 2019-20 |
|---|---|---|
| **Current Income Tax :** | | |
| Current income tax charge | 73,942.13 | 22,375.92 |
| MAT credit Entitlement | - | (19,051.49) |
| **Deferred Tax :** | | |
| Relating to origination and reversal of temporary differences | 664.54 | 42,232.22 |
| Income tax expense reported in the statement of Profit or Loss | 74,606.67 | 45,556.65 |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2021 and 31st March, 2020:

| | **Year ended 2020-21** | Year ended 2019-20 |
|---|---|---|
| **Accounting Profit before Income Tax** | **2,15,813.53** | 1,31,825.03 |
| At India's statutory income tax rate of 34.944% (31st March, 2020: 34.944%) | **75,413.88** | 46,064.94 |
| Other non-deductible expenses | **250.62** | 36.85 |
| Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period | **(399.43)** | (393.85) |
| Impact of Fair Valuation of Investment sold during the year for which no deferred tax asset recognised in earlier year | **136.75** | 89.32 |
| Effect of income exempt from taxation (under section 80-IA of the Income Tax Act, 1961) | **(1,353.56)** | (1,226.64) |
| Others | **558.41** | 986.03 |
| | **74,606.67** | 45,556.65 |

Section 115BAA of the Income Tax Act,1961 gives the corporate assessee an option to apply a lower tax rate with effect from 1st April, 2019 subject to certain conditions specified therein. The Company has assessed the impact of the same and believes that it will continue to remain in the existing tax structure for the foreseeable future based on its forecasted profits. Accordingly, no effect in this regard has been considered in measurement of tax expenses for the purpose of these financial statements. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expenses when there is reasonable certainty to avail the lower rate of tax.

**38. Earning per share**

The following reflects the profit and Share data used in the basic and diluted EPS computations:

| | **Year ended 2020-21** | Year ended 2019-20 |
|---|---|---|
| | **₹ in Lakhs** | ₹ in Lakhs |
| **Profit after tax attributable to equity holders for basic earnings** | **1,41,206.86** | 86,268.38 |
| Add: Interest on Compulsorily Convertible Debentures (Net of Tax) | **623.65** | - |
| **Net Profit for calculation of Diluted EPS** | **1,41,830.51** | 86,268.38 |
| | **No. of Shares** | No. of Shares |
| Weighted average number of Equity Shares | **1,93,59,25,630** | 1,80,74,75,563 |
| **Effect of Dilution:** | | |
| Weighted average number of Equity Shares issued / to be issued on the conversion of Debentures | **5,23,68,164** | - |
| **Weighted average number of Equity shares adjusted for the effect of dilution** | **1,98,82,93,794** | 1,80,74,75,563 |
| Basic Earning per Share (₹) | **7.29** | 4.77 |
| Diluted Earning per Share (₹) | **7.13** * | 4.77 |
| (Nominal value of share ₹ 10/-) | | |

* Without considering the impact of conversion of Convertible Debenture (anti-dilutive effect).

**39.** Iron ore leases namely Jilling, Langalota Iron and Manganese Mines and Kasia Iron & Dolomite Mines has expired on 31st March, 2020 as per Sec 8A(6) of MMDR Amendment Act, 2015. As per Rule 12 (1) (gg) of The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 six months' time had been prescribed for removing and dispatching the stock of mineral excavated during the currency of the lease and thereafter handing over the mines to state government after considering the additional one month provide under the rules 12(1)(hh) of the said rules. Accordingly, dispatches of material and removal of items continued till October, 2020 and lease handed over to the State Government .

**40.** The Company had participated in the competitive bidding process invited by Andhra Pradesh Mineral Development Corporation Limited (APMDC) from experienced Mine Developers and Operators for planning, engineering, financing, construction, development, operation and maintenance on 19th March, 2018. The Company after a competitive bidding process emerged as the successful bidder and agreement to execute the project was signed on 8th March, 2019.

The life of the project is 33 years. This being a greenfield project, the development period as per contract is 840 days. The project is located in Korba district of Chhattisgarh.

The Company plans to develop the mines and operate with latest technology mining machines and equipment. Currently, project team is in process of facilitating regulatory clearances such as Environmental Clearances, Forest Clearances, etc. which is required to be undertaken in the development period. Expenses incurred ₹ 136.30 Lakhs during the year (31st March, 2020: ₹ 76.07 Lakhs) of development of the project are treated as "Pre-operative expenses, pending allocation" and shown as Capital Work-in Progress.

**41.** The Company had participated in the auction process of Bunder Diamond Block (Mining Lease) in Chhatarpur District of Madhya Pradesh and won the block through competitive bidding. Letter of Intent for Grant of Mining Lease has been issued by Government of Madhya Pradesh in favour of the Company on 19th December, 2019.

Bunder Diamond Block is a Greenfield Mining Project covering an area of 364 Ha in Buxwaha Protected Forest and located near Village Sagoria of Buxwaha Tehsil in Chhatarpur District of Madhya Pradesh. The project is about 80 Kms. from Chhatarpur, the district headquarter and 260 Kms. from Bhopal the state capital. The estimated resources in the block is around 53.70 Million Tonne of Kimberlite Ore containing about 34 Million Carats of rough Diamonds.

The Company plans to develop a fully mechanized opencast mine and state of the art processing plant for recovery of Diamonds and is currently in the process of obtaining various regulatory clearances such as approval of Mine Plan, Environment & Forest clearances etc. required for execution of mining lease. Expenses incurred ₹ 531.23 Lakhs during the year (31st March, 2020: ₹ 63.41 Lakhs) for development of the project are treated as "Pre-operative expenses, pending allocation" and shown as Capital Work-in-Progress.

**42. Commitments and Contingencies**

| | | As at 31st March, 2021 ₹ in Lakhs | As at 31st March, 2020 ₹ in Lakhs |
|---|---|---|---|
| **A.** | **Commitments** | | |
| | Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances 31st March, 2020 : ₹ 124.92 Lakhs (31st March, 2020 : ₹ 106.52 Lakhs) | **155.15** | 119.58 |
| **B (i)** | **Contingent liabilities not provided for in respect of :** | | |
| a. | Unredeemed Bank Guarantees | **20,919.87** | 29,199.71 |
| b. | Excise Duty/Sales Tax matters under dispute | | |
| | (1). Order passed u/s 43 of the OVAT Act, dated 31st August, 2017, by the JCCT, Jajpur Road, for the period 2012-2014 imposing tax and penalty of ₹ 94.69 Lakhs and ₹ 189.38 Lakhs respectively, on so called receipt of minerals from lease hold mines against payment of royalty, treating the same as purchase/receipt from unregistered dealer, i.e., Government of Odisha. Writ petition filed before High Court of Orissa which has stayed the demand. | **284.07** | 284.07 |
| | (2). Order passed u/s 12 of the OVAT Act, dated 25th October, 2018, by the DCCT, Barbil, for the period 01.04.2016 to 30.06.2017 imposing tax and penalty of ₹ 21.72 Lakhs and ₹ 5.43 Lakhs, on so called receipt of minerals from lease hold mines against payment of royalty, treating the same as purchase/receipt from unregistered dealer, i.e., Government of Odisha. Appeal filed before the Additional CCT (Appeal) is yet to be disposed off. | **27.15** | 27.15 |
| c. | Service Tax matters under dispute (Including penalty but excluding interest) | | |
| | (1). Order passed by Joint commissioner of Central tax GST & Central Excise Rourkela dated 22nd February, 2018 for ₹ 121.68 Lakhs along with penalty of ₹ 0.80 Lakhs and penalty of equivalent amount u/s 78(1) of Finance Act in respect of non-payment of Service tax under RCM in respect of services availed from GTA; Non-payment of Service tax on TIELS benefit given by Indian railways, which is passed on to the Notice by their customers. Appeal filed before CESTAT is pending for disposal. | **244.16** | 244.16 |
| | (2). Demand confirmed by Commissionerate of CT and GST, Odisha (Cuttack) towards short-payment of GST on reverse charge basis on Royalty, DMF NMET paid to State Government for the period 1st April, 2018 to 31st December, 2018 amounting to ₹ 6,117.20 Lakhs u/s 73(8) of OGST Act 2017 along with interest of ₹ 1,564.57 Lakhs and penalty of ₹ 611.72 Lakhs. | **8,293.49** | - |
| | (3). Demand towards non-payment of Service Tax on “Scientific or Technical Consultancy Services” received from foreign supplier. The matter is pending before the CESTAT Kolkata on the ground that the activities undertaken by foreign entities on account of technical and due diligence in relation to mining opportunities/proposed acquisition of mines situated outside India will fall under the ambit of “Mining Services” and thereby the Place of Provision of Service would be outside the taxable territory and hence not liable to Service Tax. | **605.56** | 605.56 |
| d. | Claims against the Company by service providers not acknowledged as debt | **139.21** | 274.41 |
| e. | Custom Duty on Import under EPCG Scheme against which Export obligation is to be fulfilled | **92.26** | 92.26 |
| f. | Corporate Guarantee/Undertaking given for Loans taken by others (net of entitlements) | **79,000.00** | 60,000.00 |
| g. | Demand from Railways towards Land Licensing Fees (Refer Note 49) | **3,151.53** | 2,557.77 |
| h. | Income Tax demands contested by the Company | **14,000.62** | 14,000.62 |
| i. | Demand from Department of Steel & Mines towards Shortages, Royalty etc. (Refer Note 47) | **17,507.04** | 17,507.04 |
| j. | Guarantee obligations towards site restoration<br>Financial assurance given to Indian Bureau of Mines in the form of bank guarantee as per Rule 25 towards area put to use for mining and allied activities. | **228.81** | 1,330.23 |

k. Demands of tax under Orissa Rural Infrastructure and Socio-Economic Development Act, 2004 for the years 2004-05 and 2005-06 stand at ₹ 7,377.40 Lakhs. The petition filed by the Eastern Zone Mining Association on behalf of mining companies against the imposition of above tax has been decided in favour of the mining companies by the Hon'ble Orissa High Court vide its order dated 5th December, 2005. However, the department has filed appeal against the said order with Hon'ble Supreme Court of India, which is pending disposal for last several years, as a nine judge's constitutional bench is to be constituted to hear the matter.

(ii) The Government of Odisha has raised a demand of ₹ 21,355.92 Lakhs for Kasia mines for undertaking mining in absence of executed lease deed during the period 2012-13. The demand has been challenged before the Revisional Authority and the same is pending for adjudication.

(iii) The Company had received demands of ₹ 2,75,539.57 Lakhs during the year 2013-14 towards stamp duty pursuant to the enactment of the Indian Stamp (Odisha Amendment) Act, 2013 w.e.f. 10th May, 2013 in respect of Company's Mining Leases. The Company has filed writ petition before Hon'ble High Court of Odisha challenging the constitutional validity of the aforesaid demands and interim stay has been granted by the Hon'ble High Court vide its order dated 9th July, 2013. In view of above and favourable legal opinion obtained by the Company, the management believes that the Company does not have any existing obligation in this regard.

(iv) The Company has received a notice from the Joint Director of Mines, Joda vide Letter No.745 / Mines dated 8th February, 2021, wherein the Company has been directed to deposit ₹ 38,413.09 Lakhs towards cost price as compensation on the excess production during the period October, 2019 to March, 2020 in respect of Kasia mines, under Sec.21(5) of MMDR Act, 1957. The said demand has been raised based on the cost price for the difference between the actual production and permissible production computed based on lowest of the proportionate production for the period of operations as per the Mining Plan, Consent to Operate and Environmental clearance. Such computation of permissible production by proportionate method based on period of operation in not prescribed in any of the Act / Rules. The Company has preferred Revision application before Mines Tribunal, New Delhi, challenging the order of Joint Director of Mines. The matter is pending before Mines Tribunal, New Delhi for listing. The Company believes such a demand is not tenable as per law.

**C. Leases**

(i) **Company as a lessee**

Short term lease payments during the year

Certain office premises, machineries, etc. are obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the Company. There are no restrictions imposed by lease agreements and are cancellable. There are no subleases.

₹ in Lakhs

| **Particulars** | **Year ended 2020-21** | Year ended 2019-20 |
|---|---|---|
| Lease rentals recognized during the Year | **891.01** | 2,074.81 |

(ii) **Company as a lessor - Finance Lease**

The Company has leased out certain renewable energy assets to third party under finance lease arrangement. The Company recognizes a receivable in the amount of the net investment in the lease. The lease payments made by the lessees are split into an interest component and a principal component using the effective interest rate method. The lease receivable is reduced by the principal received. The interest component of the payments is recognized as finance income in the Statement of Profit and Loss. The following table shows how the amount of the net investment in a finance lease is determined:

| | **Year ended 2020-21 ₹ in Lakhs** | Year ended 2019-20 ₹ in Lakhs |
|---|---|---|
| Minimum Lease Payments | **14,539.44** | 15,536.52 |
| Unguaranteed residual value | **-** | - |
| Gross Investment | **14,539.44** | 15,536.52 |
| Unearned Finance Income | **10,207.55** | 11,142.31 |
| Net Investment (Present Value of the Minimum Lease Payments) | **4,331.89** | 4,394.21 |
| Operating rents recognized and included as income under the head "Finance Lease Rentals" in the year | **81.59** | 88.40 |

**Following table presents the Gross Investment amounts and the present value of Minimum Lease Payments**

| | **As at 31st March, 2021** | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | **₹ in Lakhs** | **₹ in Lakhs** | ₹ in Lakhs | ₹ in Lakhs |
| **Maturity** | **Gross Investment** | **Present value of Minimum lease payment** | Gross Investment | Present value of Minimum lease payment |
| (i) not later than one year; | **990.05** | **69.30** | 997.08 | 62.32 |
| (ii) later than one year and not later than five years; | **3,888.50** | **380.68** | 3,917.33 | 333.65 |
| (iii) later than five years. | **9,660.89** | **3,881.91** | 10,622.11 | 3,998.24 |
| | **14,539.44** | **4,331.89** | 15,536.52 | 4,394.21 |

| | | As at 31st March, 2021 ₹ in Lakhs | As at 31st March, 2020 ₹ in Lakhs |
|---|---|---|---|
| **43.** | **Details relating to Micro, Small and Medium Enterprises :** | | |
| i. | The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year. | **56.82** | 19.84 |
| ii. | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with amount of the payment made to the supplier beyond the appointed day during each accounting year. | **-** | - |
| iii. | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | **-** | - |
| iv. | The amount of interest accrued and remaining unpaid at the end of accounting year; and | **-** | - |
| v. | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006. | **-** | - |

**44.** During the current year, donations include contribution of ₹ 2,000.00 Lakhs (31st March, 2020: ₹ 6,750.00 Lakhs) which was made through Electoral Bond Scheme, 2018 notified by Government of India.

**45. Repairs & Maintenance of Plant & Machinery includes :**

| | **Year ended 2020-21 ₹ In Lakhs** | Year ended 2019-20 ₹ In Lakhs |
|---|---|---|
| Operation & Maintenance charges for Wind Power Mills | **308.98** | 950.74 |
| Operation & Maintenance charges for Solar Power Plant | **316.02** | 242.47 |
| Consumption of Spare Parts | **78.96** | 501.86 |

**46.** Expenditure incurred on Corporate Social Responsibility activities, included in Miscellaneous Expenses in the Statement of Profit and Loss is ₹ 55.92 Lakhs (31st March, 2020: ₹ 105.46 Lakhs).
No amount is required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March, 2021 i.e.; 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013. However, the Board of Directors on recommendation of CSR Committee have voluntarily approved the same for ₹ 50.00 Lakhs (31st March, 2020: ₹ 100.00 Lakhs)

**47.** The Company had received demands of ₹ 17,507.04 Lakhs during the year 2011-12 from Department of Steels & Mines, Government of Odisha for the years 2000-01 to 2010-11 towards shortages, royalty, etc. which has been stayed by the Mines Tribunal of the Central Government by its interim order dated 5th September, 2012 till the disposal of revision petition filed by the Company. Pending disposal of the said revision petition, the Company's obligation, if any, is not ascertainable at this stage. On 5th September, 2012, injunction order for not to take any coercive action till disposal of the matter was issued. The matter is pending adjudication.

**48.** Trade Payable includes ₹ 10,014.47 Lakhs for liability provided during the year 2010-11 towards stacking charges demand from South Eastern Railways, which has been stayed by the Hon'ble High Court of Calcutta vide its order dated 20th December, 2011. Pending final decision of the Hon'ble High Court of Calcutta, the said liability is continued in the books by the Company.

**49.** The Company had received demands of ₹ 3,677.60 Lakhs (including ₹ 542.13 Lakhs for the period 1st April, 2019 to 31st March, 2021during the year) from South Eastern Railway towards land licensing fees for railway siding at its Mining Unit. The Company had approached the Railway Authorities to revise these demands based on the prevailing land rates at respective localities, which are much lower than the land rates considered in the above demands. Further, the Company has filed a writ petition before the Hon’ble High Court of Calcutta against the circular published by the Railway Authorities in 2008 imposing such higher rates. Hon’ble High Court has directed to make payment at old rates as per 2005 circular vide its Order dated 18th December, 2014 till the disposal of the above writ petition. During the year the Company has submitted bank guarantee for ₹ 1,592.75 Lakhs to South Eastern Railway towards such land licensing fees. In the opinion of the management, provision of ₹ 526.07 Lakhs made in the books of account is sufficient to meet the balance liabilities.

**50.** The Writ W.P(C) 1599 / 2019 pertaining to stamp duty for Koira mining lease filed challenging the notice issued by Sub-Registrar, Bonai dated 13th December, 2018 wherein ₹ 2,559.57 Lakhs was demanded purportedly towards deficit stamp duty and registration fee in respect of Supplementary Lease deed dated 15th July, 2016. The Company was granted stay in the matter on 24th January, 2019 and the writ is disposed with a direction to Sub-registrar, Bonai to hear the matter on merits and disposed of the same, hearing is awaited.

**51.** 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 has released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and 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.

**52. Significant accounting judgements, estimates and assumptions**

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

(i) **Judgements**

The management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**Deferred tax assets on unused tax losses**

Deferred tax assets are recognised on unused tax losses to the extent that it is probable that taxable profit will be available against which losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has decided to recognize deferred tax asset on such unused tax losses.

(ii) **Estimates and assumptions**

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

a) **Defined benefit plans**

The cost of the employment benefits such as gratuity and leave are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, an employee benefit liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

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

Further details about gratuity obligations are given in Note 53.

b) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 56 and 60 for further disclosures.

c) **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

d) **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) **Significant judgments when applying Ind AS 115**

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and price concessions, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

f) **Provisions and Contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

**53. Gratuity and other post-employment benefit plans**

The Company has a defined benefit gratuity plan in India. Every employee who has completed 5 years or more of service is entitled to Gratuity on terms not less favourable than provisions of the The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company. The following tables summarize the components of net benefit and expenses recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the Gratuity Plan.

₹ in Lakhs

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Defined benefit assets / (obligations) | 51.35 | (497.15) |
| | 51.35 | (497.15) |

**Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2021:**

₹ in Lakhs

| | Gratuity Expenses charged to the Statement of Profit or Loss | | | | Remeasurement gains/(losses) in other Comprehensive Income | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 31st March, 2020 | Service cost | Net interest expense/income | Sub-total included in Profit or Loss (Note 33) | Benefits paid | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | Contributions by employer | As at 31st March, 2021 |
| Defined benefit obligation | (2,659.61) | (129.61) | (161.09) | (290.70) | (676.90) | - | 58.13 | 103.41 | 161.54 | - | (2,111.87) |
| Fair value of Plan Assets | 2,162.46 | - | 150.08 | 150.08 | 676.90 | 30.43 | - | - | 30.43 | 497.15 | 2,163.22 |
| **Benefit Liability** | (497.15) | | | (140.62) | | | | | 191.97 | 497.15 | 51.35 |

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020:

| | Gratuity Expenses charged to the Statement of Profit or Loss | | | | Remeasurement gains/(losses) in other Comprehensive Income | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 31st March, 2019 | Service cost | Net interest expense/income | Sub-total included in Profit or Loss (Note 33) | Benefits paid | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in financial assumptions | Actuarial gain/loss on obligations due to Unexpected Experience | Sub-total included in OCI | Contributions by employer | As at 31st March, 2020 |
| Defined benefit obligation | (2,069.17) | (154.11) | (131.35) | (285.46) | (158.19) | - | (199.27) | (263.90) | (463.17) | - | (2,659.61) |
| Fair value of Plan Assets | 2,078.57 | - | 137.19 | 137.19 | 158.19 | 104.89 | - | - | 104.89 | - | 2,162.46 |
| Benefit Liability | 9.40 | | | (148.27) | | | | | (358.28) | - | (497.15) |

ESSEL MINING & INDUSTRIES LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2021
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The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ in Lakhs

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Government of India Assets | 833.70 | 635.33 |
| Corporate Bonds | 1,122.71 | 1,199.30 |
| Others | 206.81 | 327.83 |
| | 2,163.22 | 2,162.46 |

The principal assumptions used in determining gratuity for the Company's plan are shown below:

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Discount rate | 6.94% | 6.58% |
| Future salary increases | 6.00% | 6.00% |
| Expected average remaining working lives (in years) | 14 | 11 |
| Withdrawal rate (based on grade and age of employees) | Varying between 1 per thousand and 10 per thousand employees depending upon duration and age of the employees | Varying between 1 per thousand and 10 per thousand employees depending upon duration and age of the employees |

A quantitative sensitivity analysis for significant assumption is as shown below:

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| **Assumptions** | Discount rate | | Discount rate | |
| Sensitivity level | 0.5 % increase | 0.5 % decrease | 0.5 % increase | 0.5 % decrease |
| Impact on Gratuity | 2,035.74 | 2,193.39 | 2,556.68 | 2,769.74 |

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| **Assumptions** | Future Salary Movement | | Future Salary Movement | |
| Sensitivity level | 0.5 % increase | 0.5 % decrease | 0.5 % increase | 0.5 % decrease |
| Impact on Gratuity | 2,193.33 | 2,035.13 | 2,769.29 | 2,556.15 |

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| **Assumptions** | Withdrawal | | Withdrawal | |
| Sensitivity level | 0.5 % increase | 0.5 % decrease | 0.5 % increase | 0.5 % decrease |
| Impact on Gratuity | 2,111.96 | 2,111.79 | 2,659.64 | 2,659.58 |

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| **Assumptions** | Mortality | | Mortality | |
| Sensitivity level | 10% increase | 10% decrease | 10% increase | 10% decrease |
| Impact on Gratuity | 2,112.04 | 2,111.70 | 2,659.58 | 2,659.64 |

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 315.88 | 286.27 |
| Between 2 and 5 years | 770.95 | 787.74 |
| Between 6 and 10 years | 1,043.86 | 1,674.54 |
| Beyond 10 years | 1,926.59 | 2,314.92 |
| Total undiscounted payments related to past service | 4,057.28 | 5,063.47 |
| Less: Discount for Interest | 1,945.41 | 2,403.86 |
| **Total expected payments** | 2,111.87 | 2,659.61 |

## 54. Related Parties Disclosures

### a) As per Ind AS 24, the disclosure of transactions with the related parties are given below:

List of related parties where control exists and also related parties with whom transactions have taken place and relationship:

| Names of the related parties | Relationship |
|---|---|
| IGH Holdings Pvt. Ltd.<br>Bhubaneswari Coal Mining Ltd.<br>Rajmahal Coal Mining Ltd.<br>Electrotherm Renewables Pvt. Ltd.<br>Palace Solar Energy Pvt. Ltd.<br>Aditya Birla Aerospace and Defence Pvt. Ltd.<br>Pro Minerals Pvt. Ltd.<br>EMIL Mines And Mineral Resources Ltd.(w.e.f. 27th February, 2020) | Subsidiaries |
| Living Media India Ltd.<br>Kanishtha Finance & Investment Pvt. Ltd.(w.e.f. 23rd March, 2018 to 29th November, 2019 and became subsidiary of IGH Holdings Pvt. Ltd. w.e.f. 30th November, 2019)<br>RKN Retail Pvt. Ltd.(w.e.f. 23rd March, 2018 to 29th November, 2019 and became subsidiary of IGH Holdings Pvt. Ltd. w.e.f. 30th November, 2019)<br>Surya Abha Investments Pte. Ltd.<br>(In respect of which the Company is an investee) | Associates |
| Shri Ashwin Pannalal Kothari<br>Shri Sunil Kumar Daga<br>Shri Manish Kumar Newar<br>Shri Nagendra Chandra Shah<br>Shri Giriraj Maheswari<br>Ms. Kalpana Vasantrai Unadkat<br>Ms. Anita Ramachandran | Directors |
| Shri Tuhin Kumar Mukherjee - Managing Director<br>Shri Rajendra Prasad Pansari - Senior President | Key Management Personnel |

**b) Related Party Transactions** **₹ in Lakhs**

| Particulars | Key Management Personnel | | Subsidiary Companies | | Total | |
|---|---|---|---|---|---|---|
| | **Transactions during 2020-21** | Transactions during 2019-20 | **Transactions during 2020-21** | Transactions during 2019-20 | **Transactions during 2020-21** | Transactions during 2019-20 |
| **Sale of Finished Goods** | | | | | | |
| Pro Minerals Pvt. Ltd. # | **-** | - | **12,172.42** | 1,343.17 | **12,172.42** | 1,343.17 |
| **Interest Income** | | | | | | |
| IGH Holdings Pvt. Ltd. | **-** | **-** | **10,568.45** | 2,568.04 | **10,568.45** | 2,568.04 |
| Electrotherm Renewables Pvt. Ltd. | **-** | - | **174.35** | 174.35 | **174.35** | 174.35 |
| EMIL Mines And Mineral Resources Ltd. | **-** | - | **108.28** | - | **108.28** | - |
| Pro Minerals Pvt. Ltd.# | **-** | - | **1,531.30** | 1,140.09 | **1,531.30** | 1,140.09 |
| **Interest Expenses** | | | | | | |
| Surya Abha Investments Pte. Ltd. | **-** | **-** | **868.32** | **-** | **868.32** | - |
| **Directors Sitting Fees** | | | | | | |
| Shri Ashwin Kumar Kothari | **2.75** | 0.65 | **-** | **-** | **2.75** | 0.65 |
| Shri Sunil Kumar Daga | **4.40** | 1.90 | **-** | **-** | **4.40** | 1.90 |
| Shri Manish Kumar Newar | **0.95** | - | **-** | **-** | **0.95** | - |
| Shri Nagendra Chandra Shah | **2.85** | 1.23 | **-** | **-** | **2.85** | 1.23 |
| Shri Giriraj Maheswari | **3.60** | 1.33 | **-** | **-** | **3.60** | 1.33 |
| Ms. Kalpana Vasantrai Unadkat | **0.80** | 0.28 | **-** | **-** | **0.80** | 0.28 |
| Ms. Anita Ramachandran | **0.80** | - | **-** | **-** | **0.80** | - |
| **Salary & Other Allowances (Short Term) *** | **858.51** | 909.21 | **-** | **-** | **858.51** | 909.21 |
| **Reimbursement of Expenses from Subsidiary Companies #** | | | | | | |
| Bhubaneswari Coal Mining Ltd. | **-** | **-** | **258.34** | 134.51 | **258.34** | 134.51 |
| Rajmahal Coal Mining Ltd. | **-** | **-** | **216.67** | 85.22 | **216.67** | 85.22 |
| Pro Minerals Pvt. Ltd. | **-** | **-** | **-** | 22.25 | **-** | 22.25 |
| Palace Solar Energy Pvt. Ltd. | **-** | **-** | **-** | 65.87 | **-** | 65.87 |
| EMIL Mines And Mineral Resources Ltd. | **-** | **-** | **-** | 2.25 | **-** | 2.25 |
| **Transfer of Employee related Liabilities due to transfer of Employee from** | | | | | | |
| Bhubaneswari Coal Mining Ltd. | **-** | **-** | **-** | 15.62 | **-** | 15.62 |
| Rajmahal Coal Mining Ltd. | **-** | **-** | **0.27** | - | **0.27** | - |
| **Reimbursement of Expenses to Subsidiary Companies** | | | | | | |
| Bhubaneswari Coal Mining Ltd. | **-** | **-** | **-** | 0.39 | **-** | 0.39 |
| Rajmahal Coal Mining Ltd. | **-** | - | **16.54** | - | **16.54** | - |

* Excludes provision for gratuity and leave encashment recognised on the basis of actuarial valuation as separate figures are not available.

# Figures includes GST.

**Related Party Transactions (Contd.)** **₹ in Lakhs**

| Particulars | Key Management Personnel | | Subsidiary Companies | | Total | |
|---|---|---|---|---|---|---|
| | **Transactions during 2020-21** | Transactions during 2019-20 | Transactions during 2020-21 | Transactions during 2019-20 | **Transactions during 2020-21** | Transactions during 2019-20 |
| **Purchase of Fixed Assets** | | | | | | |
| Bhubaneswari Coal Mining Ltd. | **-** | - | **-** | 12.23 | **-** | 12.23 |
| Rajmahal Coal Mining Ltd. # | **-** | - | **0.25** | - | **0.25** | - |
| **Sale of Fixed Assets** | | | | | | |
| Pro Minerals Pvt. Ltd. # | **-** | - | **203.96** | - | **203.96** | - |
| **Sale of Stores & Spares** | | | | | | |
| Pro Minerals Pvt. Ltd. # | **-** | - | **45.43** | - | **45.43** | - |
| **Investments made** | | | | | | |
| IGH Holdings Pvt. Ltd. | | | | | | |
| Equity Shares | **-** | - | **-** | 3,22,647.57 | **-** | 3,22,647.57 |
| Pro Minerals Pvt. Ltd. | | | | | | |
| Equity Shares * | **-** | - | **(1,394.17)** | 2,089.60 | **(1,394.17)** | 2,089.60 |
| Non Convertible Debentures | **-** | - | **3,500.00** | 9,000.00 | **3,500.00** | 9,000.00 |
| EMIL Mines And Mineral Resources Ltd. | | | | | | |
| Equity Shares * | **-** | - | **73.94** | - | **73.94** | - |
| Non Convertible Debentures | **-** | - | **8,750.00** | - | **8,750.00** | - |
| **Investments written off** | | | | | | |
| Aditya Birla Aerospace Defence Pvt. Ltd. | **-** | - | **-** | 1.00 | **-** | 1.00 |
| **Financial Guarantees issued** | | | | | | |
| Pro Minerals Pvt. Ltd. | **-** | - | **-** | 60,000.00 | **-** | 60,000.00 |
| EMIL Mines And Mineral Resources Ltd. | **-** | - | **19,000.00** | - | **19,000.00** | - |
| **Financial Guarantees released** | | | | | | |
| Rajmahal Coal Mining Ltd. | **-** | - | **-** | 2,500.00 | **-** | 2,500.00 |
| **Inter-corporate Deposit given** | | | | | | |
| IGH Holdings Pvt. Ltd. | **-** | - | **3,44,500.00** | 1,69,000.00 | **3,44,500.00** | 1,69,000.00 |
| Pro Minerals Pvt. Ltd. | **-** | - | **3,000.00** | 1,092.00 | **3,000.00** | 1,092.00 |
| EMIL Mines And Mineral Resources Ltd. | **-** | - | **1,141.00** | - | **1,141.00** | - |
| **Inter-corporate Deposit received back** | | | | | | |
| IGH Holdings Pvt. Ltd. | **-** | - | **1,82,000.00** | 2,03,000.00 | **1,82,000.00** | 2,03,000.00 |
| Pro Minerals Pvt. Ltd. | **-** | - | **-** | 26,329.96 | **-** | 26,329.96 |
| EMIL Mines And Mineral Resources Ltd. | **-** | - | **36.00** | - | **36.00** | - |

* Transactions during the year represents investment in Equity Shares along with Financial guarantee valuation.
# Figures includes GST.

**c) Related Party Balances** **₹ in Lakhs**

| Particulars | Key Management Personnel | | Subsidiary Companies | | Total | |
|---|---|---|---|---|---|---|
| | **As on 31st March, 2021** | As on 31st March, 2020 | **As on 31st March, 2021** | As on 31st March, 2020 | **As on 31st March, 2021** | As on 31st March, 2020 |
| **Interest Accrued on Inter-corporate Deposits** | | | | | | |
| IGH Holdings Pvt. Ltd. | **-** | - | **-** | 0.89 | **-** | 0.89 |
| Electrotherm Renewables Pvt. Ltd. | **-** | - | **966.91** | 805.64 | **966.91** | 805.64 |
| Pro Minerals Pvt. Ltd. | **-** | - | **12.60** | - | **12.60** | - |
| EMIL Mines And Mineral Resources Ltd. | **-** | - | **3.09** | - | **3.09** | - |
| **Interest Accrued and but not due on Borrowings** | | | | | | |
| Surya Abha Investments Pte. Ltd. | **-** | - | **552.10** | - | **552.10** | - |
| **Financial Guarantees** | | | | | | |
| Pro Minerals Pvt. Ltd. | **-** | - | **60,000.00** | 60,000.00 | **60,000.00** | 60,000.00 |
| EMIL Mines And Mineral Resources Ltd. | **-** | - | **19,000.00** | - | **19,000.00** | - |
| **Inter-corporate Deposit given** | | | | | | |
| IGH Holdings Pvt. Ltd. | **-** | - | **1,66,500.00** | 4,000.00 | **1,66,500.00** | 4,000.00 |
| Electrotherm Renewables Pvt. Ltd. | **-** | - | **1,585.00** | 1,585.00 | **1,585.00** | 1,585.00 |
| EMIL Mines And Mineral Resources Ltd. | **-** | - | **1,105.00** | - | **1,105.00** | - |
| Pro Minerals Pvt. Ltd. | **-** | - | **3,000.00** | - | **3,000.00** | - |
| **Investments made** | | | | | | |
| IGH Holdings Pvt. Ltd. | | | | | | |
| Equity Shares | **-** | - | **12,92,297.20** | 12,92,297.20 | **12,92,297.20** | 12,92,297.20 |
| Preference Shares | **-** | - | **60,000.00** | 60,000.00 | **60,000.00** | 60,000.00 |
| Rajmahal Coal Mining Ltd. | | | | | | |
| Equity Shares | **-** | - | **2,288.68** | 2,357.06 | **2,288.68** | 2,357.06 |
| Bhubaneswari Coal Mining Ltd. | | | | | | |
| Equity Shares | **-** | - | **9,645.61** | 9,645.61 | **9,645.61** | 9,645.61 |
| Electrotherm Renewables Pvt. Ltd. | | | | | | |
| Equity Shares | **-** | - | **5.00** | 5.00 | **5.00** | 5.00 |
| Pro Minerals Pvt. Ltd. | | | | | | |
| Equity Shares ** | **-** | - | **3,485.43** | 4,879.60 | **3,485.43** | 4,879.60 |
| Non Convertible Debentures | **-** | - | **14,166.53** | 9,546.39 | **14,166.53** | 9,546.39 |
| EMIL Mines And Mineral Resources Ltd. | | | | | | |
| Equity Shares ** | **-** | - | **73.94** | - | **73.94** | - |
| Non Convertible Debentures | **-** | - | **8,847.04** | - | **8,847.04** | - |
| **Trade Receivables** | | | | | | |
| Pro Minerals Pvt. Ltd. | - | - | **9,173.98** | 1,343.17 | **9,173.98** | 1,343.17 |
| **Receivable against PPE** | | | | | | |
| Pro Minerals Pvt. Ltd. | - | - | **204.27** | - | **204.27** | - |
| **Loans & Advances given** | | | | | | |
| Bhubaneswari Coal Mining Ltd. | - | - | **-** | 83.86 | **-** | 83.86 |
| Rajmahal Coal Mining Ltd. | - | - | **-** | 61.24 | **-** | 61.24 |
| Pro Minerals Pvt. Ltd. | - | - | **-** | 11.25 | **-** | 11.25 |
| EMIL Mines and Mineral Resources Ltd. | **-** | **-** | **-** | 2.25 | **-** | 2.25 |

** Investment in Equity shares includes fair valuation gain on Financial guarantees given by the Company to Subsidiaries.

**55.** Segment Information

For management purposes, the Company is organised into business units based on its products and has following reportable business segments:
1.The Iron-Ore segment extracts superior quality Iron-ore with high Fe (Iron) content from its mines.
2. Noble Ferro-Alloys segment produces superior quality Noble Ferro-Alloys consisting of Ferro-Molybdenum, Ferro-Vanadium, Ferro-Titanium, Ferro Alloy Powders and Un-fused Vanadium Pentoxide.
3. Wind Power and Solar Power segments generate power through its Wind Power & Solar Power plants respectively.

₹ in Lakhs

| Year ended 31st March, 2021 | Iron Ore | Noble Ferro-Alloys | Wind Power Mill | Solar Power | Total |
|---|---|---|---|---|---|
| **REVENUE (GROSS)** | | | | | |
| Revenue from Operations | 3,91,604.46 | 12,993.44 | 1,609.74 | 7,021.41 | 4,13,229.05 |
| **REVENUE FROM OPERATIONS (GROSS)** | 3,91,604.46 | 12,993.44 | 1,609.74 | 7,021.41 | 4,13,229.05 |
| **Income/Expenses** | | | | | |
| Segment Results / Segment Profit /(Loss) | 2,18,147.24 | 1,360.92 | 810.70 | 5,378.10 | 2,25,696.96 |
| Unallocated corporate expenses net of unallocated income | | | | | 7,085.77 |
| Operating Profit | | | | | 2,18,611.19 |
| Finance Costs | | | | | 15,858.15 |
| Interest & Dividend Income | | | | | 13,060.49 |
| Income Taxes | | | | | |
| - Current Tax | | | | | 73,942.13 |
| - Deferred Tax | | | | | 664.54 |
| **Profit / (Loss) from ordinary activities** | | | | | 1,41,206.86 |
| **OTHER INFORMATION** | | | | | |
| Segment Assets | 53,840.42 | 4,127.03 | 7,129.01 | 37,469.38 | 1,02,565.84 |
| Unallocated Corporate Assets | | | | | 16,90,572.10 |
| **TOTAL ASSETS** | | | | | 17,93,137.94 |
| Segment Liabilities & Provisions | 41,478.10 | 1,546.33 | 1,768.68 | 137.35 | 44,930.46 |
| Unallocated Corporate Liabilities | | | | | 1,51,534.00 |
| **TOTAL LIABILITIES** | | | | | 1,96,464.46 |
| **Other Disclosures** | | | | | |
| Capital Expenditures (Including Capital Work-in-progress) | 155.00 | 310.19 | 167.44 | 37.64 | 670.27 |
| Unallocated Capital Expenditure | | | | | 821.08 |
| Depreciation/Amortization for the year | 4,010.67 | 71.90 | 320.00 | 1,219.07 | 5,621.64 |
| Unallocated Depreciation | | | | | 99.15 |
| **GEOGRAPHICAL SEGMENTS** | | | | | |
| **REVENUE FROM OPERATIONS (GROSS)** | | | | | |
| India | | | | | 3,30,849.02 |
| Overseas | | | | | 82,380.03 |
| **CARRYING AMOUNT OF SEGMENT ASSETS** | | | | | |
| India | | | | | 92,911.38 |
| Overseas (Represents Debtors pertaining to Overseas Revenue) | | | | | 9,654.46 |

**Other Information :**
a) Total amount of revenues from customer ( exceeding 10% of total revenues of the Company) is ₹ 44,827.98 Lakhs (Previous Year: ₹ 52,288.37 Lakhs) represented by one customer and related to Iron Ore segment.

b) Details of country wise overseas sales :

| | **Year ended 2020-21** | Year ended 2019-20 |
|---|---|---|
| Singapore | 58,678.90 | 56,826.71 |
| Hong Kong | 21,930.75 | 17,201.28 |
| Dubai | - | 2,532.67 |
| Switzerland | - | 3,003.68 |
| Netherlands | 560.12 | 1,194.72 |
| United Arab Emirates - Sharjah | - | 318.98 |
| United Arab Emirates - Ajman | 1,089.20 | 964.17 |
| Belgium | - | 1,260.40 |
| Oman | 100.72 | 15.53 |
| China | 16.77 | - |
| Thailand | 3.57 | - |
| | 82,380.03 | 83,318.14 |

**ESSEL MINING & INDUSTRIES LIMITED**
**Notes to Financial Statements as at and for the year ended 31st March, 2021**
**CIN: U51109WB1950PLC018728**

₹ in Lakhs

| Year ended 31st March, 2020 | Iron Ore | Noble Ferro-Alloys | Wind Power Mill | Solar Power | Total |
|---|---|---|---|---|---|
| **REVENUE (GROSS)** | | | | | |
| Revenue from Operations | 3,99,320.29 | 13,877.82 | 2,524.63 | 7,036.24 | 4,22,758.98 |
| **REVENUE FROM OPERATIONS (GROSS)** | 3,99,320.29 | 13,877.82 | 2,524.63 | 7,036.24 | 4,22,758.98 |
| | | | | | |
| **Income/Expenses** | | | | | |
| Segment Results/ Segment Profit / (Loss) | 1,56,008.01 | (428.25) | 1,174.61 | 5,475.66 | 1,62,230.03 |
| Unallocated corporate expenses net of unallocated income | | | | | 12,329.22 |
| Operating Profit | | | | | 1,49,900.81 |
| Finance Costs | | | | | 22,787.14 |
| Interest & Dividend Income | | | | | 4,711.36 |
| Income Taxes | | | | | |
| - Current Tax | | | | | 22,375.92 |
| - MAT | | | | | (19,051.49) |
| - Deferred Tax | | | | | 42,232.22 |
| | | | | | |
| **Profit / (Loss) from ordinary activities** | | | | | 86,268.38 |
| | | | | | |
| **OTHER INFORMATION** | | | | | |
| Segment Assets | 91,802.21 | 3,916.10 | 6,472.96 | 40,500.24 | 1,42,691.51 |
| Unallocated Corporate Assets | | | | | 14,53,308.45 |
| **TOTAL ASSETS** | | | | | 15,95,999.97 |
| Segment Liabilities & Provisions | 48,910.59 | 1,559.34 | 1,452.97 | 96.07 | 52,018.97 |
| Unallocated Corporate Liabilities | | | | | 2,38,695.45 |
| **TOTAL LIABILITIES** | | | | | 2,90,714.42 |
| | | | | | |
| **Other Disclosures** | | | | | |
| Capital Expenditures (Including Capital Work-in-progress) | 2,009.27 | 294.35 | 167.44 | 98.03 | 2,569.09 |
| Unallocated Capital Expenditure | | | | | 339.74 |
| Depreciation/Amortization for the year | 22,003.06 | 56.20 | 307.26 | 1,216.61 | 23,583.13 |
| Unallocated Depreciation | | | | | 89.91 |
| | | | | | |
| **GEOGRAPHICAL SEGMENTS** | | | | | |
| | | | | | |
| **REVENUE FROM OPERATIONS (GROSS)** | | | | | |
| India | | | | | 3,39,440.84 |
| Overseas | | | | | 83,318.14 |
| | | | | | |
| **CARRYING AMOUNT OF SEGMENT ASSETS** | | | | | |
| India | | | | | 1,23,408.69 |
| Overseas (Represents Debtors pertaining to Overseas Revenue) | | | | | 19,282.82 |

**56. Fair values**

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**₹ in Lakhs**

| | 31st March, 2021 | | | | |
|---|---|---|---|---|---|
| | **FVTPL** | **FVTOCI** | **Amortized cost** | **Total** | **Carrying value** |
| **Financial Assets** | | | | | |
| Investments * | **32,916.84** | **3,741.71** | **23,014.87** | **59,673.42** | **59,673.42** |
| Cross currency interest rate swap | **1,478.87** | **-** | **-** | **1,478.87** | **1,478.87** |
| Claims & Refunds Refundable | **-** | **-** | **95.50** | **95.50** | **95.50** |
| **Total** | **34,395.71** | **3,741.71** | **23,110.37** | **61,247.79** | **61,247.79** |
| **Financial Liabilities** | | | | | |
| Borrowings | **-** | **-** | **1,40,437.22** | **1,40,437.22** | **1,40,437.22** |
| Forward contracts | **68.36** | **-** | **-** | **68.36** | **68.36** |
| Financial Guarantee contracts | **-** | **-** | **229.17** | **229.17** | **229.17** |
| **Total** | **68.36** | **-** | **1,40,666.39** | **1,40,734.75** | **1,40,734.75** |

| | 31st March, 2020 | | | | |
|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortized cost | Total | Carrying value |
| **Financial Assets** | | | | | |
| Investments * | 341.15 | 3,616.15 | 9,547.69 | 13,504.99 | 13,504.99 |
| Cross currency interest rate swap | 2,414.46 | - | - | 2,414.46 | 2,414.46 |
| Claims & Refunds Refundable | - | - | 178.60 | 178.60 | 178.60 |
| **Total** | 2,755.61 | 3,616.15 | 9,726.29 | 16,098.05 | 16,098.05 |
| **Financial Liabilities** | | | | | |
| Borrowings | - | - | 1,36,095.82 | 1,36,095.82 | 1,36,095.82 |
| Financial Guarantee contracts | - | - | 1,846.38 | 1,846.38 | 1,846.38 |
| **Total** | - | - | 1,37,942.20 | 1,37,942.20 | 1,37,942.20 |

* Excludes investments measured at cost / deemed cost (Refer note 5)

The management assessed that cash and cash equivalents, security deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair values of the quoted equity shares are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

2) The fair values of the unquoted equity shares have been estimated using a Discounted Cash Flow (DCF) model or Net Asset Value (NAV), as considered appropriate. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management’s estimate of fair value for these unquoted equity investments. In case of instruments having option to convert with the Company, the management has assigned probable likelihood of conversion depending on equity stake in the target entity, domain of operation and liquidity. Wherever, the probability is low, valuation has been done based on redemption assumptions. In case of instruments where option to convert is with Issuer, redemption has been assumed.

3) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps and foreign exchange forward contracts are valued using valuation received from banks as on the period end.

4) The fair values of the Company’s interest-bearing and non-interest bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March, 2021 and 31st March, 2020 are as shown below:

**Description of significant unobservable inputs to valuation:**

| Particulars | Valuation Technique | Significant unobservable inputs | Range | Sensitivity of the input to fair value |
|---|---|---|---|---|
| Financial Guarantee obligations | DCF method | Commission rate | 31st March, 2021: 0.15%<br>31st March, 2020: 1% | 0.10% increase (decrease) would result in increase (decrease) in fair value by ₹ 152.78 Lakhs [31st March, 2020: 0.25% increase (decrease) would result in increase (decrease) in fair value by ₹ 427.22 Lakhs] |
| | | Discount rate | 31st March, 2021: 10.33%<br>31st March, 2020: 11.73 | 1% Increase in the discount rate would decrease the fair value by ₹ 10.36 Lakhs (31st March, 2020 : ₹ 65.54 Lakhs).<br>1% Decrease in the discount rate would increase the fair value by ₹ 11.06 Lakhs (31st March, 2020 : ₹ 69.78 Lakhs) |

## 57. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than the quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**₹ in Lakhs**

**Fair value measurement hierarchy for assets as at 31st March, 2021 :**

| | **Date of valuation** | **Fair value measurement using** | | | |
|---|---|---|---|---|---|
| | | **Total** | **Quoted prices in active markets (Level 1)** | **Significant observable inputs (Level 2)** | **Significant unobservable inputs (Level 3)** |
| **Assets measured at fair value:** | | | | | |
| **Investments at fair value through PL** (Note 56, 5) | | | | | |
| Investments in quoted equity shares | 31st March, 2021 | 289.57 | 289.57 | | |
| Investments in unquoted preference shares | 31st March, 2021 | 173.89 | | 173.89 | |
| Investments in Mutual Funds | 31st March, 2021 | 32,453.38 | 32,453.38 | | |
| **Investments at fair value through OCI Reserve** (Note 56, 5) | | | | | |
| Investments in unquoted equity shares | 31st March, 2021 | 3,741.71 | | 3,741.71 | |
| **Investments measured at Amortised Cost** (Note 56, 5) | | | | | |
| Others | 31st March, 2021 | 23,014.87 | | | 23,014.87 |
| Cross currency interest rate swap | 31st March, 2021 | 1,478.87 | | 1,478.87 | |
| Claims & Refunds Refundable | 31st March, 2021 | 95.50 | | 95.50 | |

There have been no transfers between Level 1 and Level 2 during the period.

**Fair value measurement hierarchy for liabilities as at 31st March, 2021:**

| | **Date of valuation** | **Fair value measurement using** | | | |
|---|---|---|---|---|---|
| | | **Total** | **Quoted prices in active markets (Level 1)** | **Significant observable inputs (Level 2)** | **Significant unobservable inputs (Level 3)** |
| **Liabilities measured at fair value:** | | | | | |
| Liabilities for which fair values are disclosed (Note 56): | | | | | |
| Borrowings | 31st March, 2021 | 1,40,437.22 | | 1,40,437.22 | |
| Forward contracts | 31st March, 2021 | 68.36 | | 68.36 | |
| Financial Guarantee contracts | 31st March, 2021 | 229.17 | | | 229.17 |

There have been no transfers between Level 1 and Level 2 during the period.

**Fair value measurement hierarchy for assets as at 31st March, 2020 :**

₹ in Lakhs

| | Date of valuation | Fair value measurement using | | | |
|---|---|---|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| **Investments at fair value through PL** (Note 56, 5) | | | | | |
| Investments in quoted equity shares | 31st March, 2020 | 198.81 | 198.81 | | |
| Investments in unquoted preference shares | 31st March, 2020 | 142.34 | | 142.34 | |
| **Investments at fair value through OCI Reserve** (Note 56, 5) | | | | | |
| Investments in unquoted equity shares | 31st March, 2020 | 3,616.15 | | 3,616.15 | |
| **Investments measured at Amortised Cost** (Note 56, 5) | | | | | |
| Others | 31st March, 2020 | 9,547.69 | | | 9,547.69 |
| Cross currency interest rate swap | 31st March, 2020 | 2,414.46 | | 2,414.46 | |
| Claims & Refunds Refundable | 31st March, 2020 | 178.60 | | 178.60 | |

There have been no transfers between Level 1 and Level 2 during the period.

**Fair value measurement hierarchy for liabilities as at 31st March, 2020 :**

| | Date of valuation | Fair value measurement using | | | |
|---|---|---|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Liabilities measured at fair value:** | | | | | |
| Liabilities for which fair values are disclosed (Note 56): | | | | | |
| Borrowings | 31st March, 2020 | 1,36,095.82 | | 1,36,095.82 | |
| Financial Guarantee contracts | 31st March, 2020 | 1,846.38 | | | 1,846.38 |

There have been no transfers between Level 1 and Level 2 during the period.

**58. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a Current Ratio and Debt Equity ratio.
The Company is not subject to any externally imposed capital requirements.

**₹ in Lakhs**

| Quantitative data | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Current Assets | **3,27,270.02** | 1,05,628.50 |
| Current Liabilities | **62,198.37** | 1,78,086.52 |
| Current Ratio | **5.26** | 0.59 |
| Debt * | **1,40,444.43** | 2,26,655.70 |
| Equity | **15,96,673.48** | 13,05,285.55 |
| Debt Equity Ratio | **0.09** | 0.17 |

* Debt = Non-current Borrowings + Current Borrowings + Current maturities of Long Term Borrowings

In order to achieve this overall objective, the Company's capital management, amongst other things including working capital management, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

**59.** Details of loans given, investment made and guarantee given covered under section 186(4) of the Companies Act. 2013:

Details of investments made have been given as part of Note '5(i)' Investments in Subsidiary and Note '5(ii)' Other Investments.

**₹ in Lakhs**

| Name of the Company | Relationship | Nature of Transactions | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|---|
| **Details of Loans** | | | | |
| IGH Holdings Pvt. Ltd. | Subsidiary | Loans | **1,66,500.00** | 4,000.00 |
| Pro Minerals Pvt. Ltd. | Subsidiary | Loans | **3,000.00** | - |
| EMIL Mines and Mineral Ltd. | Subsidiary | Loans | **1,105.00** | - |
| Electrotherm Renewables Pvt. Ltd. | Subsidiary | Loans | **1,585.00** | 1,585.00 |
| Keonjhar Infrastructure Development Co. Ltd. | Others | Loans | **166.50** | 215.00 |
| **Details of Guarantee** | | | | |
| Pro Minerals Pvt. Ltd. | Subsidiary | Financial Guarantee | **60,000.00** | 60,000.00 |
| EMIL Mines And Mineral Resources Ltd. | Subsidiary | Financial Guarantee | **19,000.00** | - |

## 60. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments at Fair Value, trade and other receivables, and cash and cash equivalents.

The Company is exposed to market risk and credit risk. The Company's senior management oversees the management of these risks and is supported by professional managers who advise on financial risks and assist in preparing the appropriate financial risk governance framework for the Company. It provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes can be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

### (A) Market risk

Market risk is the risk when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity price risk. Financial instruments affected by market risk include borrowings, deposits, derivative financial instruments, FVTPL Investments, etc.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions as per it's Forex Risk Management Policy.

#### (iii) Commodity price risk

The Company is affected by the price volatility of key commodities like iron ore, steel, ferro alloys, crude oil, etc. Changes in price of iron ore in international and domestic markets directly impact the realization. The price movement is being closely monitored by each unit for taking timely action.

### (B) Investment risk

The Company has investments in both equity and debt instruments. Investments in debt instruments are subject to risks like changes in Interest Rate, credit risk profile of the investee, etc. Investments in equity market are also subject to above risks coupled with business risks associated with the Industry in which the investee is operating. As the Company has significant investments in unlisted entities, there is also marketability/liquidity risks.

### (C) Regulatory risk

The Company performance may be impacted due to change in Regulatory Environment. Company is closely monitoring the regulatory developments and risks thereof and proactively implementing course correction for proper compliance commensurate with new regulatory requirements.

**(D) Liquidity Risk**

The Company determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risks is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

(i) **Financing Arrangement**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

**₹ in Lakhs**

| | **As at 31st March, 2021** | As at 31st March, 2020 |
|---|---|---|
| Cash Credit and other facilities | **14,492.79** | 6,816.05 |

Undrawn limit has been calculated based on the available drawing power and sanctioned amount at each reporting date.

(ii) **Maturity Analysis**

The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**Contractual maturities of financial liabilities as at 31st March, 2021 :** **₹ in Lakhs**

| | **Less than 1 year** | **1 year to 2 years** | **2 years to 5 years** | **More than 5 years** | **Total** | **Carrying Value** |
|---|---|---|---|---|---|---|
| Borrowings * | **21,460.11** | **18,408.13** | **98,182.25** | **54,224.72** | **1,92,275.21** | **1,42,937.28** |
| Other financial liabilities | **-** | **-** | **-** | **1,935.00** | **1,935.00** | **1,258.81** |
| Trade payables | **27,293.02** | **-** | **-** | **-** | **27,293.02** | **27,293.02** |
| | **48,753.13** | **18,408.13** | **98,182.25** | **56,159.72** | **2,21,503.23** | **1,71,489.11** |

Contractual maturities of financial liabilities as at 31st March, 2020 :

| | Less than 1 year | 1 year to 2 years | 2 years to 5 years | More than 5 years | Total | Carrying Value |
|---|---|---|---|---|---|---|
| Borrowings * | 1,28,113.67 | 70,522.93 | 43,343.97 | 2,031.08 | 2,44,011.65 | 2,29,553.89 |
| Other financial liabilities | - | - | - | 1,935.00 | 1,935.00 | 1,143.49 |
| Trade payables | 27,319.72 | - | - | - | 27,319.72 | 27,319.72 |
| | **1,55,433.39** | **70,522.93** | **43,343.97** | **3,966.08** | **2,73,266.37** | **2,58,017.10** |

* Includes Principal and interest payments, short term borrowings and current portion of Non-current borrowings.

**(E) Credit risk**

**Derivative Instruments and Unhedged Foreign Currency Exposure :**

| **(i) Details of Derivative Instruments:** | | **As at 31st March, 2021** | | As at 31st March, 2020 | |
|---|---|---|---|---|---|
| | **Currency** | | **₹ in Lakhs** | | ₹ in Lakhs |
| **Forward contracts to hedge highly probable forecast transactions in foreign currency :** | | | | | |
| Probable Receivable | US$ | **-** | **-** | 78,41,522 | 5,911.40 |
| Probable Payable | US$ | **1,16,753** | **85.82** | 2,92,707 | 220.66 |
| **Derivative instruments to hedge :** | | | | | |
| Foreign Currency Loan * | US$ | **8,64,50,608** | **63,545.26** | 1,87,68,074 | 14,148.48 |
| Trade Receivables | US$ | **1,30,01,506** | **9,556.72** | 2,51,53,455 | 18,962.16 |
| Trade Receivables | EUR | **-** | **-** | 1,94,516 | 161.54 |
| **(ii) Foreign Currency exposures are hedged through Natural Hedge as on the Balance Sheet Date** | | | | | |
| Trade Payable | US$ | **1,32,977** | **97.74** | 10,39,186 | 783.40 |
| **(iii) Foreign Currency exposures are not hedged as on the Balance Sheet Date :** | | | | | |
| Trade Receivables | EUR | **-** | **-** | 2,801 | 2.33 |
| Trade Payable # | US$ | **63,439** | **46.63** | 9,22,961 | 695.78 |

* Includes forward contracts amounting to US$ 7,20,55,677.33 to fully hedged Foreign Currency Loan taken by the Company as a sub-limit to the Rupee Term Loan facility. Foreign Currency Loan will be replaced with Rupee Term Loan at the end of tenure [Refer Note No. 19 (vii) (a & b)].

# Natural hedge includes exposures which are netted (i.e. long and short exposures in the same currency).

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment and performance of the customers. Outstanding customer receivables are regularly monitored.

The ageing analysis of the receivables (before provision) has been considered from the date invoice falls due.

**₹ in Lakhs**

| Trade Receivables | < 30 days | 31 - 90 days | 91 - 180 days | > 180 days | Total |
|---|---|---|---|---|---|
| **As at 31st March, 2021** | **21,491.87** | **6,065.14** | **1,242.24** | **784.58** | **29,583.83** |
| As at 31st March, 2020 | 33,781.26 | 4,909.32 | 1,546.74 | 1,317.81 | 41,555.13 |

**(F) Estimation uncertainty relating to the global health pandemic on COVID-19**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, the recoverability of property plant and equipment, receivables, intangible assets, cash and cash equivalent and investments. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

**61.** Previous year figures including those given in the brackets have been re-grouped and/or re-arranged wherever necessary to correspond with current year classification / disclosure.

As per our report of even date

For and on behalf of the Board

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Navindra Kumar Surana
Partner
Membership No.053816

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Place: Kolkata
Dated: 29th June, 2021

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Essel Mining & Industries Limited**

**Independent Auditor's Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **Essel Mining & Industries Limited** ("herein referred to as the " Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which comprise the consolidated balance sheet as at March 31 2021, the consolidated statement of profit and loss, (including the statement of other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associate company as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and associate company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI 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 we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in other matter paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual reports, but does not include the consolidated financial statements and our 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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of management and those charged with the governance for the consolidated financial statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive Income ), consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates respectively and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the Group's financial reporting process and of its associates.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with respect to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other

auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

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

**Other Matters**

- We did not audit the financial statements/financial information of two subsidiaries whose financial statements/ financial information reflect total assets of Rs. 74,828.76 lakhs and net assets Rs. 58,020.05 lakhs as at March 31, 2021 and total revenues of Rs. 54,747.33 lakhs and total comprehensive income of Rs. 8,607.44 lakhs for the year ended on that date and net cash out flow of Rs. 32.87 lakhs as considered in the consolidated financial statements. The statement also includes the Group's share of total comprehensive income of Rs. 2,834.04 lakhs for the year ended March 31, 2021, in respect of one associate, whose financial statements/financial information have not been audited by us. These financial statements have been audited by other auditors whose reports 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 subsidiaries and that of associate and our report in terms of sub-section (3) of Section 143 of the Act is based solely on the reports of the other auditors.

- The consolidated financial statements include the financial statement/ financial information of one subsidiary which have not been audited by their auditors, whose financial statement/ financial information reflect total assets of Rs. NIL lakhs as at March 31, 2021, total revenue of Rs. NIL lakhs, total net profit after tax of Rs. NIL lakhs and total comprehensive income of Rs. NIL lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements have been approved and furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on such unaudited financial statements and other unaudited financial information certified by the management of the Holding company. According to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and management certified financial statements.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries and its associate, as noted in the "Other Matter" paragraph, 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 and report of other auditors.

(c) The consolidated balance sheet, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this

Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with companies (Indian Accounting Standards) rules, 2015 as amended.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2021 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 Group and the operating effectiveness of such controls; refer to our separate Report in "Annexure A".

(g) The group and its associate company has paid /provided for managerial remuneration in accordance with the requisite approval mandated by the provision of section 197 read with schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us;

I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note No. 44 to the consolidated financial statements ;

II. The group and its associates did not have any material foreseeable losses on long-term contracts including derivatives contracts during the year ended March 31, 2021.

III. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India during the year ended March 31, 2021.

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

Sd/-
**(Navindra Kumar Surana)**
Partner
Membership No.053816
UDIN:21053816AAAAGZ7871

Place: Kolkata
Date: August 25, 2021

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of the Essel Mining & Industries Limited on the consolidated financial statements for the year ended March 31, 2021).

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting **of Essel Mining & Industries Limited** ('the Holding Company'), its subsidiary companies and its associates which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company, its subsidiary companies and associate company , to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of adequacy of the internal financial controls over financial reporting with reference to the financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to financial statement and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statement included obtaining an understanding of internal financial controls over financial reporting with reference to financial statement, 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 obtained by us and the audit evidence obtained by other auditors of the subsidiaries and its associate company, which are companies incorporated in India, in terms of their reports referred to in 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls over financial reporting with reference to financial statements.

**Meaning of Internal Financial Controls over financial reporting with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls over financial reporting with reference to financial statement**

Because of the inherent limitations of internal financial controls over financial reporting 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 over financial reporting with reference to financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company, its subsidiary companies and its associates, which are companies incorporated in India have, in all material respects, an adequate internal financial controls over financial reporting system with reference to financial statements and such internal financial controls over financial reporting with reference to financial statement were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding 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.

**Other Matter**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to financial statements in so far as it relates to two subsidiaries and one associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associate companies incorporated in India. Our Opinion is not modified in respect of this matter.

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

Sd/-
**(Navindra Kumar Surana)**
Partner
Membership No.053816
UDIN: 21053816AAAAGZ7871

Place: Kolkata
Date: August 25, 2021

## ESSEL MINING & INDUSTRIES LIMITED AND ITS SUBSIDIARIES
## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021
## CIN: U51109WB1950PLC018728

₹ in Lakhs

| | Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| 1) | **Non-Current Assets** | | | |
| a) | Property, Plant and Equipment | 3(i) | **1,09,292.40** | 87,858.04 |
| b) | Capital Work - in - Progress | 3(ii) | **11,087.36** | 23,147.67 |
| c) | Intangible Assets | 4(i) | **332.14** | 1,133.45 |
| d) | Intangible Assets under Development | 4(ii) | **550.59** | - |
| e) | Right of use - Lease Assets | 4(iii) | **1,862.40** | 1,920.98 |
| f) | Investments in Associates | 5(i) | **59,066.47** | 56,232.44 |
| g) | Financial Assets | | | |
| i) | Other Investments | 5(ii) | **22,02,681.10** | 7,42,247.55 |
| ii) | Loans | 6 | **315.26** | 314.56 |
| iii) | Other Financial Assets | 7 | **10,072.01** | 11,065.34 |
| h) | Deferred Tax Assets | 37 | **15,146.77** | 48,837.20 |
| i) | Other Non-Current Assets | 8 | **4,376.12** | 1,679.41 |
| | | | **24,14,782.62** | 9,74,436.64 |
| 2) | **Current Assets** | | | |
| a) | Inventories | 9 | **18,519.99** | 23,035.70 |
| b) | Financial Assets | | | |
| i) | Investments | 10 | **39,645.81** | 12,183.72 |
| ii) | Loans | 11 | **1,39,764.28** | 45,603.16 |
| iii) | Trade Receivables | 12 | **42,368.48** | 57,772.15 |
| iv) | Cash and Bank Balances | | | |
| | - Cash and Cash Equivalents | 13(i) | **3,314.85** | 5,096.76 |
| | - Bank Balances other than Cash and Cash Equivalents 13 (i) above | 13(ii) | **25,529.99** | 380.57 |
| v) | Other Financial Assets | 14 | **54,496.08** | 6,737.69 |
| c) | Current Tax Assets (Net) | 15 | **10,983.73** | 12,527.69 |
| d) | Other Current Assets | 16 | **18,217.87** | 27,777.09 |
| | | | **3,52,841.08** | 1,91,114.53 |
| | **Total Assets** | | **27,67,623.70** | 11,65,551.17 |
| II | **EQUITY AND LIABILITIES** | | | |
| 1) | **Equity** | | | |
| a) | Equity Share Capital | 17 | **1,95,821.09** | 1,80,757.93 |
| b) | Other Equity | 18 | **21,02,867.50** | 4,96,105.07 |
| | **Equity attributable to Equity holders of the parent** | | **22,98,688.59** | 6,76,863.00 |
| c) | Non-controlling interests | | **22,458.50** | 19,218.85 |
| | **Total Equity** | | **23,21,147.09** | 6,96,081.85 |
| 2) | **Liabilities** | | | |
| i) | **Non-Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | - Borrowings | 19 | **1,63,155.50** | 1,36,979.77 |
| | - Other Financial Liabilities | 20 | **1,294.52** | 1,179.91 |
| b) | Provisions | 21 | **142.17** | 142.17 |
| c) | Other Non-Current Liabilities | 22 | **2,948.27** | 3,010.77 |
| | | | **1,67,540.46** | 1,41,312.62 |
| ii) | **Current Liabilities** | | | |
| a) | Financial Liabilities | | | |
| | - Borrowings | 23 | **1,88,933.34** | 2,18,337.59 |
| | - Trade Payables | 24 | | |
| | Total outstanding dues of micro enterprises and small enterprises | | **123.11** | 66.87 |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | | **41,444.54** | 40,568.63 |
| | - Other Current Financial Liabilities | 25 | **22,240.58** | 37,827.23 |
| b) | Provisions | 26 | **1,601.96** | 1,742.64 |
| c) | Current Tax Liabilities (Net) | 27 | **4,457.02** | 4,115.11 |
| d) | Other Current Liabilities | 28 | **20,135.60** | 25,498.63 |
| | | | **2,78,936.15** | 3,28,156.70 |
| | **Total Liabilities** | | **4,46,476.61** | 4,69,469.32 |
| | **Total Equity and Liabilities** | | **27,67,623.70** | 11,65,551.17 |
| | **Summary of Significant Accounting Policies** | 2.2 | | |

**The accompanying notes are an integral part of the Financial Statements**

As per our report of even date

For and on behalf of the Board

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Navindra Kumar Surana
*Partner*
*Membership No.053816*

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Place: Kolkata
Dated: 25th August, 2021

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary

**ESSEL MINING & INDUSTRIES LIMITED AND ITS SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**
**CIN: U51109WB1950PLC018728**

₹ in Lakhs

| | Income | Note No. | 2020-21 | 2019-20 |
|---|---|---|---|---|
| I. | Revenue from Operations | 29 | **5,13,469.86** | 5,20,271.28 |
| II. | Other Income | 30 | **31,803.44** | 7,720.88 |
| III. | **Total Income - (I + II)** | | **5,45,273.30** | 5,27,992.16 |
| IV. | **Expenses** | | | |
| | Cost of Raw Materials Consumed | 31 | **10,668.66** | 8,214.67 |
| | (Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress | 32 | **3,377.31** | (5,888.76) |
| | Employee Benefits Expenses | 33 | **15,275.24** | 16,516.38 |
| | Transportation and dispatch expenses | | **77,421.42** | 1,01,280.42 |
| | Finance Costs | 34 | **30,949.34** | 51,825.22 |
| | Depreciation & Amortization Expenses | 35 | **13,308.24** | 30,728.41 |
| | Other Expenses | 36 | **1,61,457.00** | 2,05,426.81 |
| | **Total Expenses - (IV)** | | **3,12,457.21** | 4,08,103.15 |
| V. | **Profit / (Loss) Before Share of Profit / (Loss) in Equity Accounted Investments and Tax - V = [(III) - (IV)]** | | **2,32,816.09** | 1,19,889.01 |
| VI. | Add: Share of Profit / (Loss) in Equity Accounted Investments | | **2,804.16** | 3,273.11 |
| VII. | **Profit / (Loss) for the year before Tax - VII = [(V) + (VI)]** | | **2,35,620.25** | 1,23,162.12 |
| VIII. | **Tax Expenses** | | | |
| | 1. Current Tax | 37 | **79,477.34** | 28,652.37 |
| | 2. MAT credit entitlement | 37 | **(482.43)** | (19,500.08) |
| | 3. Deferred Tax charge / (credit) | 37 | **(5,882.18)** | 42,174.93 |
| | 4. For earlier years | | **(434.60)** | (0.42) |
| | **Total Tax Expense / (credit) - (VIII)** | | **72,678.13** | 51,326.80 |
| IX. | **Profit / (Loss) for the year - IX = (VII - VIII)** | | **1,62,942.12** | 71,835.32 |
| X. | **Other Comprehensive Income (OCI)** | | | |
| | **Other Comprehensive Income not to be reclassified to Profit / (Loss) in subsequent periods -** | | | |
| | Fair value Gain / (Loss) on FVTOCI Investments (Net) | | **13,22,070.44** | (7,34,573.22) |
| | Net Gain / (Loss) on disposal of FVTOCI Investments | | **-** | 59,428.09 |
| | Income Tax effect on above | | **(10,041.13)** | (4,638.01) |
| | Re-measurement Gains/ (Losses) on defined benefit plans | | **164.28** | (417.81) |
| | Income Tax effect on above | | **(60.23)** | 143.14 |
| | Share of Other Comprehensive Income of Associate Enterprises | | **29.88** | 7.89 |
| | **Other Comprehensive Income for the year, net of tax - (X)** | | **13,12,163.24** | (6,80,049.92) |
| XI. | **Total Comprehensive Income for the year - [(IX) + (X)]** | | **14,75,105.36** | (6,08,214.60) |
| | **Profit / (Loss) for the year** | | **1,62,942.12** | 71,835.32 |
| | Attributable to: | | | |
| | Owners of the Company | | **1,59,697.34** | 67,787.84 |
| | Non-controlling interests | | **3,244.78** | 4,047.48 |
| | **Other Comprehensive Income for the year** | | **13,12,163.24** | (6,80,049.92) |
| | Attributable to: | | | |
| | Owners of the Company | | **13,12,168.38** | (6,80,037.62) |
| | Non-controlling interests | | **(5.14)** | (12.30) |
| | **Total Comprehensive Income for the year** | | **14,75,105.36** | (6,08,214.60) |
| | Attributable to: | | | |
| | Owners of the Company | | **14,71,865.72** | (6,12,249.78) |
| | Non-controlling interests | | **3,239.64** | 4,035.18 |
| | **Earnings per Equity Share** | 38 | | |
| | (Nominal value of share ₹ 10/- each) | | | |
| | - Basic EPS (₹) | | **8.25** | 3.75 |
| | - Diluted EPS (₹) | | **8.06** | 3.75 |
| | **Summary of Significant Accounting Policies** | 2.2 | | |

**The accompanying notes are an integral part of the Financial Statements**

As per our report of even date

For and on behalf of the Board

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Navindra Kumar Surana
*Partner*
*Membership No.053816*

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Place: Kolkata
Dated: 25th August, 2021

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary

## ESSEL MINING & INDUSTRIES LIMITED AND ITS SUBSIDIARIES
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021
## CIN: U51109WB1950PLC018728

₹ in Lakhs

**(A) Equity Share Capital**

| | Number | Amount |
|---|---|---|
| Equity Shares of ₹ 10/- each issued, subscribed and fully paid | | |
| At 31st March, 2019 | 9,65,979 | 96.60 |
| Issued during the year 2019-20 | 2,38,271 | 23.83 |
| Issued Bonus Shares during the year | 1,80,63,75,000 | 1,80,637.50 |
| At 31st March, 2020 | 1,80,75,79,250 | 1,80,757.93 |
| Issued during the year | 15,06,31,603 | 15,063.16 |
| **At 31st March, 2021** | **1,95,82,10,853** | **1,95,821.09** |

**(B) Other Equity**

| Particulars | Equity Component of compound Financial Instruments (Convertible Debentures) | Reserves and Surplus | | | | | | | | | Items of OCI | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Investment Subsidy Reserve | Capital Reserve | Capital Redemption Reserve | Debenture Redemption Reserve | General Reserve | Amalgamation Reserve | Securities Premium | Retained Earnings | Special Reserve * | Net Gain / (Loss) on FVTOCI Investments | |
| Balance as on 31st March, 2019 | - | 28.90 | 356.75 | 1,49,850.00 | 17,250.00 | 1,87,106.88 | - | 4,60,279.85 | (1,07,034.22) | 4,370.92 | 5,14,449.96 | 12,26,659.04 |
| Profit / (Loss) for the year | - | - | - | - | - | - | - | - | 67,787.84 | - | - | 67,787.84 |
| Impact on adoption of Ind AS 116 - Leases | - | - | - | - | - | - | - | - | (8.11) | - | - | (8.11) |
| Net Gain / (Loss) on FVTOCI Investments | - | - | - | - | - | - | - | - | - | - | (6,79,775.26) | (6,79,775.26) |
| Re-measurement Gains/ (Losses) on defined benefit plans | - | - | - | - | - | - | - | - | (262.37) | - | - | (262.37) |
| Utilised for issue of Bonus Shares during the year | - | - | - | (1,49,600.00) | - | - | - | (31,037.50) | - | - | - | (1,80,637.50) |
| Transferred on account of Amalgamation (Refer note 49) | - | - | - | - | - | 41.06 | - | - | (1,96,671.57) | 429.03 | - | (1,96,201.48) |
| Created on account of Amalgamation (Refer note 49) | - | - | - | - | - | - | 3,393.32 | - | - | - | - | 3,393.32 |
| Transfer to General Reserve | - | - | - | - | (11,875.00) | 11,875.00 | - | - | - | - | - | - |
| Transfer from FVTOCI Reserve | - | - | - | - | - | - | - | - | 54,778.09 | - | (54,778.09) | - |
| Transfer from Retained Earnings | - | - | - | - | 8,125.00 | - | - | - | (8,125.00) | - | - | - |
| Transfer to Reserve Fund under RBI Act, 1934 | - | - | - | - | - | - | - | - | - | - | - | - |
| Premium on issue of Equity Shares | - | - | - | - | - | - | - | 2,55,175.99 | - | - | - | 2,55,175.99 |
| Payment of Cash Dividend for FY 2018-19 | - | - | - | - | - | - | - | - | (21.90) | - | - | (21.90) |
| Payment of Dividend Distribution Tax for FY 2018-19 | - | - | - | - | - | - | - | - | (4.50) | - | - | (4.50) |
| Balance as on 31st March, 2020 | - | 28.90 | 356.75 | 250.00 | 13,500.00 | 1,99,022.94 | 3,393.32 | 6,84,418.34 | (1,89,561.74) | 4,799.95 | (2,20,103.39) | 4,96,105.07 |
| Profit / (Loss) for the year | - | - | - | - | - | - | - | - | 1,59,697.34 | - | - | 1,59,697.34 |
| Net Gain / (Loss) on FVTOCI Investments | - | - | - | - | - | - | - | - | - | - | 13,12,059.19 | 13,12,059.19 |
| Re-measurement Gains/ (Losses) on defined benefit plans | - | - | - | - | - | - | - | - | 109.19 | - | - | 109.19 |
| Equity component of compound Financial Instruments (Compulsorily Convertible Debentures) | 65,606.17 | - | - | - | - | - | - | - | - | - | - | 65,606.17 |
| Transfer to General Reserve | - | - | - | - | (13,500.00) | 13,500.00 | - | - | - | - | - | - |
| Premium on issue of Equity Shares | - | - | - | - | - | - | - | 69,290.54 | - | - | - | 69,290.54 |
| **Balance as on 31st March, 2021** | **65,606.17** | **28.90** | **356.75** | **250.00** | **-** | **2,12,522.94** | **3,393.32** | **7,53,708.88** | **(29,755.21)** | **4,799.95** | **10,91,955.80** | **21,02,867.50** |

* Created pursuant to Section 45 IC of the Reserve Bank of India Act, 1934.

As per our report of even date

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Navindra Kumar Surana
*Partner*
*Membership No.053816*

Place: Kolkata
Dated: 25th August, 2021

For and on behalf of the Board

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary

## ESSEL MINING & INDUSTRIES LIMITED AND ITS SUBSIDIARIES
## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021
## CIN: U51109WB1950PLC018728

₹ in Lakhs

| | | 2020-21 | 2019-20 |
|---|---|---|---|
| **A.** | **Cash Flow from Operating Activities** | | |
| | **Profit / (Loss) before tax** | **2,32,816.09** | 1,19,889.01 |
| | Adjustments to reconcile Profit / (Loss) before tax to net Cash Flows: | | |
| | Depreciation and Amortization | **13,308.24** | 30,728.41 |
| | Loss on sale / discard of Property,Plant & Equipment | **382.07** | (71.59) |
| | Capital Work-in-Progress written off | **-** | 222.23 |
| | Irrecoverable Loans / Debts & Advances written off | **21.33** | - |
| | Contingent provision against Standard Assets | **389.18** | (211.27) |
| | Dividend Income | **(5,180.06)** | (7,382.34) |
| | Unrealised Foreign Exchange Loss / (Gain) | **(10.85)** | 309.43 |
| | Unclaimed Balances written back / Liabilities and Provisions no longer required written back | **(1,936.98)** | (2,157.46) |
| | Finance Costs | **30,949.34** | 51,825.22 |
| | Interest Income | **(14,751.33)** | (6,939.37) |
| | Fair value (Gain) / Loss on financial instruments through Profit or Loss | **(22,626.59)** | 7,900.17 |
| | (Profit) / Loss on sale of Current and Long Term Investments (Net) | **(942.70)** | (910.25) |
| | Working capital adjustments: | | |
| | (Increase)/Decrease in Trade and other Receivables | **(17,419.31)** | (33,708.81) |
| | (Increase)/Decrease in Inventories | **4,515.72** | (6,658.62) |
| | Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions | **(4,252.02)** | 22,337.59 |
| | | **2,15,262.13** | 1,75,172.35 |
| | Income Tax Paid | **(37,967.74)** | (34,325.48) |
| | **Net Cash Flows from / (used in) Operating Activities (A)** | **1,77,294.39** | 1,40,846.87 |
| **B.** | **Cash Flow from Investing Activities** | | |
| | Sale of Fixed Assets | **392.73** | 223.23 |
| | Purchase of Fixed Assets | **(18,955.73)** | (9,079.79) |
| | Purchase of Investments | **(5,37,836.72)** | (6,63,006.53) |
| | Sale of Investments | **3,95,614.68** | 7,01,326.44 |
| | Loans & Inter - Corporate Deposits given | **(4,62,156.00)** | (2,16,920.00) |
| | Loans & Inter - Corporate Deposits received back | **3,67,994.18** | 2,21,288.46 |
| | Fixed Deposits | **(25,185.26)** | (393.13) |
| | Interest received | **6,859.43** | 7,138.80 |
| | Dividend received | **5,180.06** | 7,382.34 |
| | **Net Cash Flows from / (used in) Investing Activities(B)** | **(2,68,092.63)** | 47,959.82 |
| **C.** | **Cash Flow from Financing Activities** | | |
| | Issue of Equity Share Capital (including Securities Premium) | **84,353.70** | 2,55,199.82 |
| | Proceeds from Compulsorily Convertible Debentures | **82,800.00** | - |
| | Proceeds from Non - current borrowings | **1,07,206.87** | 58,325.03 |
| | Repayment of Non - current Borrowings | **(1,21,281.73)** | (3,75,055.85) |
| | Net Increase /(Decrease) in Short - Term Borrowings | **(29,404.25)** | (42,569.36) |
| | Dividend paid on Equity Shares (including Dividend distribution tax) | **-** | (26.40) |
| | Interest paid | **(34,658.26)** | (85,282.83) |
| | **Net Cash Flows from / (used in) Financing Activities ( C)** | **89,016.33** | (1,89,409.59) |
| | **Net increase / (Decrease) in Cash and Cash Equivalents** | **(1,781.91)** | (602.90) |
| | Cash & Cash Equivalents at the beginning of the year | **5,096.76** | 4,422.69 |
| | Add: Cash and Cash Equivalents on account of amalgamation | **-** | 1,276.97 |
| | Cash & Cash Equivalents at the end of the year | **3,314.85** | 5,096.76 |

**D.** For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Balances with Banks:** | | |
| - On Current Accounts | **1,018.86** | 2,911.39 |
| - On Cash Credit Accounts | **1,031.82** | 815.87 |
| Deposit with Original Maturity for less than 3 months | **1,203.59** | 918.09 |
| Cheques, Drafts on hand | **57.95** | 446.02 |
| Cash on hand | **2.63** | 5.39 |
| | **3,314.85** | 5,096.76 |

**ESSEL MINING & INDUSTRIES LIMITED AND ITS SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021**
**CIN: U51109WB1950PLC018728**

E. **Accounting Policy**

Cash flows are reported using the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 of the Companies Act, 2013, 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. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**₹ in Lakhs**

F. **Changes in Liabilities arising from Financing Activities**

| Items | Non-Current Borrowings | Current Borrowings | Accrued Interest but not due | Total |
|---|---|---|---|---|
| Balance as at 31st March, 2019 | 3,54,534.37 | 2,60,896.92 | 11,350.62 | 6,26,781.91 |
| Cash Flow (Net) | (3,16,730.82) | (42,569.36) | (85,282.83) | (4,44,583.01) |
| Non-cash changes | | | | |
| Fair Value changes | (265.94) | - | 97.12 | (168.82) |
| Forex Movement | 984.72 | 10.03 | - | 994.75 |
| Others (Arranger Fees) | (76.47) | - | - | (76.47) |
| Transfer on account of Amalgamation | 1,24,815.06 | | 28,188.75 | 1,53,003.81 |
| Finance Costs Capitalised | - | - | 1,526.07 | 1,526.07 |
| Finance Costs | - | - | 51,825.22 | 51,825.22 |
| | | | | |
| Balance as at 31st March, 2020 | 1,63,260.92 | 2,18,337.59 | 7,704.95 | 3,89,303.46 |
| Cash Flow (Net) including proceeds from Compulsorily Convertible Debentures | 68,725.14 | (29,404.25) | (34,658.26) | 4,662.63 |
| **Non-cash changes** | | | | |
| Fair Value changes | (961.60) | - | 1,088.36 | 126.76 |
| Forex Movement | (935.59) | - | - | (935.59) |
| Others (Arranger Fees) | (249.05) | - | - | (249.05) |
| Finance Costs Capitalised | - | - | 1,387.28 | 1,387.28 |
| Finance Costs | - | - | 30,949.34 | 30,949.34 |
| | | | | |
| **Balance as at 31st March, 2021** | **2,29,839.82** | **1,88,933.34** | **6,471.67** | **4,25,244.83** |
| | | | | |

As per our report of even date

For and on behalf of the Board

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Navindra Kumar Surana
*Partner*
*Membership No.053816*

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Place: Kolkata
Dated: 25th August, 2021

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary

## 1. Corporate information

The consolidated financial statements comprises of financial statements of Essel Mining & Industries Limited (the Company), its subsidiaries (collectively the Group) and its interest in associates for the year ended 31st March, 2021. The Company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act 2013.The registered office of the Company is located at Industry House, 18th Floor, 10, Camac Street, Kolkata-700,017.

The Company is principally engaged in iron ore mining and also produces Noble Ferro Alloys. The Company has also operating energy projects in Wind and Solar Power sectors in India. Information on the Group's structure is provided in Note 64. Information on other related party relationships of the Group is provided in Note 59.

## 2. Basis of preparation

### Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rule, 2016, other relevant provisions of the Act and other accounting principles generally accepted in India.

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

The Ministry of Corporate Affairs (MCA) has issued certain amendments in existing Accounting Standards during the year ended 31st March, 2020 -

- **Definition of Material – amendments to Ind AS 1 and Ind AS 8 -** Amendments are made to Ind AS 1 - Presentation of Financial Statements and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, which use a consistent definition of materiality, clarify when information is material and incorporate some of the guidance in Ind AS 1 about immaterial information.

  In particular, the amendments clarify: -
  - that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and

  - the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

- **Definition of a Business – amendments to Ind AS 103 -** The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

- **COVID-19 related concessions – amendments to Ind AS 116 -** Amendments to Ind AS 116 Leases, provides a practical expedient to apply rent concessions occurring as a direct consequence of the COVID-19 pandemic. Lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.
- **Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107 -** The amendments made to Ind AS 109 Financial Instruments, and Ind AS 107 Financial Instruments: Disclosures provide certain reliefs in relation to interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.
- **Ind AS 10 (Events after the Reporting Period) -** An amendment has been made by adding the disclosure for any non- adjusting events.
- **Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) -** An accounting of restructuring

plans has been substituted.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

The consolidated financial statements for the year ended 31st March, 2021 have been approved by the Directors of the Company in their meeting held on 25th August, 2021.

The financial statements have been prepared on a historical cost convention, on accrual basis, except for certain financial assets and liabilities which have been measured at fair value as indicated below:

i) Derivative Financial Instruments measured at fair value

ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) ; and

iii) Employee's Defined Benefit Plan as per actuarial valuation

The consolidated financial statements of the Company have been presented in Indian Rupee (₹) which is the Company's functional currency. All financial information presented in INR have been rounded off to the nearest two decimal of 'Lakhs', unless otherwise stated.

Use of Estimates and Management Judgements while preparing the consolidated financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates & assumptions that affects reported amount of Assets & Liabilities and the disclosure of Contingent Liabilities as at the date of consolidated financial statements and the amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

**Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the Subsidiaries in recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

(c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or Loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 Summary of significant accounting policies

### a) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of associates' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**b) Basis of classification of Current and Non-Current**

Assets and liabilities in the Balance Sheet have been classified as either current or non–current based upon the requirements of Schedule III to the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in the Group's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non–current.

A liability has been classified as current when (a) it is expected to be settled in the Group's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non–current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Group has considered its operating cycle to be 12 months.

**c) Foreign currency Transaction and translation**

**Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**d) Derivative Instruments**:

The Group uses derivative financial instruments, such as forward contracts, interest rate swaps, etc. to hedge its foreign currency risks and interest rate risks and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

**e) Fair value measurement**

The Group measures certain financial instruments at fair value at each reporting date.

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

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

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

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

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

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

**f) Revenue recognition**

The Group derives revenue principally from sale of Iron Ore, Noble Ferro Alloys, Wind & Solar Energy. The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Group considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue. In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Group recognises revenue for such services when the performance obligation is completed.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

For incentives/discount offered to customers, the Group makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

**Export Incentives**

Export incentives are recognised when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

**Sale of service**

Revenue on Mining fees is recognised on quantity of coal jointly measured after taking into account contractually defined terms and condition.

**Interest income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**Dividends**

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

**Others**

Income from Certified Emission Reduction (CER), insurance and other claims etc. is recognised when no uncertainties exist as regard their realization or subsequent utilisation.

One of the subsidiary company follows the prudential norms for income recognition and provides for / write off non-performing assets as per the prudential norms prescribed by the Reserve Bank of India or earlier as ascertained by the management.

**g) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed, whereas, grants whose primary condition is that the Group should purchase, construct or otherwise acquire a non-current asset, are recognised in the balance sheet by setting up the grant as a deferred income.

**h) Taxes**

**Current income tax**

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum Alternate Tax**

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**i) Property, plant and equipment**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on cost. The Group has elected to regard those values as deemed cost at the date of transition.

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

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

The Group identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

**j) Depreciation and Amortization**

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as mentioned below except for assets of a subsidiary company, with gross value of ₹ 36,950.56 Lakhs (31st March, 2020 : ₹ 11,759.51 Lakhs) where Written Down Value method is followed:

| Class of Assets | Useful Lives |
|---|---|
| Temporary Shed | 1 year |
| Factory Buildings | 3 to 60 years |
| Non - Factory Buildings | 3 to 60 years |
| Works Station | 15 years |
| Hostel Accommodation | 15 years |
| Railway Siding | 5 years |
| Plant & Machinery | 5 to 30 years |
| Furniture & Fixtures | 5 to 10 years |
| Computers (included under Furniture & Fixtures) | 1 to 6 years |
| Office Equipment | 3 to 10 years |
| Vehicles | 8 to 10 years |

Leasehold Properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

Depreciation on property, plant and equipment added/disposed of during the year is provided on prorata basis with reference to the date of addition/disposal.

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

**k) Intangible assets**

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Under the previous GAAP (Indian GAAP), Intangible assets were carried in the balance sheet on cost. The Group has elected to regard those values as deemed cost at the date of transition

**l) Borrowing costs**

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

**m) Leases**

a) **The Group as lessor**

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

b) **The Group as lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

c) **Lease Liability**

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

d) **Right of Use (ROU) Assets**

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

**n) Inventories**

a) Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis/transaction moving weightage average method.

b) Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on annual weighted average basis.

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

**o) Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of profit and loss.

**p) Provisions**

**General**

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

Liability towards site restoration costs in respect of land used for mining have been recognized based on land area used for mining but yet to be restored at the year end and quantum of obligations imposed by applicable regulations. Site restoration is carried out side by side with mining activities and related costs are recognized in these financial statements but not separately identifiable.

If the effect of the time value of money is material, provisions are discounted at a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**q) Retirement and other employee benefits**

a) Retirement benefit in the form of provident fund is a defined contribution scheme. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. The Group has no obligation, other than the contribution payable to the provident fund.

b) Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method, at the end of each financial year. Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Such remeasurements are not reclassified to Statement of Profit and Loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:
   (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
   (ii) Net interest expense or income.

   The current and non-current bifurcation is done as per Actuarial report.

c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation, as per projected unit credit method.

**r) Financial instruments**

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

**(A) Financial assets**

***Initial recognition and measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

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

(a) Debt instruments at amortised cost

(b) Debt instruments, derivatives, equity instruments and mutual fund investments at fair value through profit or loss (FVTPL)

(c) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**(a) Debt instruments at amortised cost**

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss.

**(b) Debt instruments, derivatives, equity instruments and mutual fund investments at fair value through profit or loss (FVTPL)**

All derivatives and mutual fund investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**(c) Equity instruments measured at fair value through other comprehensive income (FVTOCI)**

For all equity instruments other than the ones classified as at FVTPL, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e.; removed from the balance sheet) when the rights to receive cash flows from the asset have expired.

**Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e.; all cash shortfalls), discounted at the original EIR.

**(B) Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, financial guarantee contract payables, or derivative instruments.

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

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

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

**Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognized less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries, associates or other body corporates are provided for no compensation, the fair values are accounted for as contribution and recognized as part of the cost of the investment.

**Derivatives financial instruments**

**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Derivative financial instruments are re-measured at fair value at each balance sheet. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

**Derecognition**

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

**Offsetting of financial instruments**

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

***s)*** **Segment Reporting**

**Identification of Segments**

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Group are located.

**Allocation of Common cost**

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenues and Expenses, which relate to the enterprise as a whole and which are not allocable to any segment on a reasonable basis, have been included under the head "Unallocated - Common".

The accounting policies adopted for segment reporting are in line with those of the Group's accounting policies.

**Segment accounting policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

**Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**t) Earnings per share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**u) Contingent liabilities**

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

**v) Cash dividend to equity holders**

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**w) New Standards / Amendments to Existing Standard/ New Pronouncement issued but not yet effective upto the date of issuance of the Company's Financial Statement :**

(A) On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1st April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Rounding Off :** For the purpose of rounding off the figures appearing in the Financial Statements for financial year ending 31st March, 2022 the total income of the Group shall be considered instead of Turnover.

**Additional Disclosure in Notes to Balance Sheet:**

- **Shareholding of Promoter:** The note on Share Capital in the Financial Statements shall mention details of the Shareholding of the Promotes along with changes, if any, during the Financial Year.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading ShortTerm Borrowing.
- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long term Loan & Advances.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specific disclosure for title deeds of Immovable Property not held in name of the Company and disclosure on revaluation of Assets
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Ratios-Following Ratios to be disclosed: - (a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment
- Specific Disclosure Borrowing & Wilful Defaulter

Additional Disclosure in Notes to Profit & Loss Account :

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

(B) The Ministry of Corporate Affairs (MCA) vide Notification dated 18th June, 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable with immediate effect from the date of the notification. Consequently amendments are effective for the financial year ended 31st March, 2022.

**Major amendments notified in the Companies (Ind AS) Amendment Rules, 2021 are provided below:-**

**(a) Ind AS 116 -** ***Leases*** – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from 30th June, 2021 to 30th June, 2022.

**(b) Ind AS 109 -** ***Financial Instruments*** – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

**(c) Ind AS 101 -** ***Presentation of Financial Statements*** – The amendment substitutes the item (d) mentioned in paragraph BI as 'Classification and measurement of financial instruments'. The term 'financial asset' has been replaced with 'financial instruments'.

**(d) Ind AS 102 -** ***Share-Based Payment*** – The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term 'Equity Instrument' which shall be applicable for the annual reporting periods beginning on or after 1st April, 2021.

**(e) Ind AS 103 -*****Business Combinations*** – The amendment substitutes the definition of 'assets' and 'liabilities' in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

**(f) Ind AS 104 -*****Insurance Contracts*** – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.

**(g) Ind AS 105 -*****Non-current assets held for sale and discontinued operations*** – The amendment substitutes the definition of — "fair value less costs to sell" with "fair value less costs of disposal"

**(h) Ind AS 106 -** ***Exploration for and evaluation of mineral resources*** – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.

**(i) Ind AS 107 -** ***Financial Instruments: Recognition, Presentation and Disclosure*** – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like

(i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;

(ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

**(j) Ind AS 111 -*Joint Arrangements*** – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.

**(k) Ind AS 114 - *Regulatory Deferral Accounts*** – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.

**(l) Ind AS 115 -- *Revenue from Contracts with Customers*** – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.

**(m) Ind AS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*** – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.

**(n) Ind AS 16 - *Property, Plant and Equipment*** –The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

**(o) Ind AS 34 *- Interim Financial Reporting*** –The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.

**(p) Ind AS 37 *- Provisions, Contingent Liabilities and Contingent Assets*** – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

**(q) Ind AS 38 - Intangible Assets** – The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**ESSEL MINING & INDUSTRIES LIMITED AND ITS SUBSIDIARIES**
**Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021**
**CIN: U51109WB1950PLC018728**

### 3(i). Property, Plant and Equipment

₹ in Lakhs

| Particulars | Freehold Land (a) | Leasehold Land | Exploration and Evaluation Assets (b) | Road | Buildings (c) | Mining Development | Sedimentation Pond |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| As at 1st April, 2019 | 3,663.10 | 2,207.13 | - | - | 16,240.34 | 224.08 | 3.33 |
| Add: Additions | - | - | - | - | 224.93 | 126.07 | - |
| Less: Transfer/ reclassification | - | (2,207.13) | - | - | - | - | - |
| Less: Disposal | - | - | - | - | - | - | - |
| As at 31st March, 2020 | 3,663.10 | - | - | - | 16,465.27 | 350.15 | 3.33 |
| Add: Additions | - | - | 5,946.39 | 485.26 | 4,218.71 | - | - |
| Less: Disposal | - | - | - | - | - | - | - |
| **As at 31st March, 2021** | **3,663.10** | **-** | **5,946.39** | **485.26** | **20,683.98** | **350.15** | **3.33** |
| **Depreciation & Impairment** | | | | | | | |
| As at 1st April, 2019 | - | 251.11 | - | - | 5,469.55 | 81.62 | 3.28 |
| Add: Charge for the year | - | - | - | - | 1,575.51 | 84.94 | - |
| Less: Transfer/ reclassification | - | (251.11) | - | - | - | - | - |
| Less: Disposal | - | - | - | - | - | - | - |
| As at 31st March, 2020 | - | - | - | - | 7,045.06 | 166.56 | 3.28 |
| Add: Charge for the year | - | - | - | 76.17 | 952.28 | 89.78 | - |
| Less: Disposal | - | - | - | - | - | - | - |
| **As at 31st March, 2021** | **-** | **-** | **-** | **76.17** | **7,997.34** | **256.34** | **3.28** |
| **Net Block** | | | | | | | |
| As at 31st March, 2020 | 3,663.10 | - | - | - | 9,420.21 | 183.59 | 0.05 |
| **As at 31st March, 2021** | **3,663.10** | **-** | **5,946.39** | **409.09** | **12,686.64** | **93.81** | **0.05** |

| Particulars | Electrical Installation | Railway Sidings | Plant & Machinery | Furniture & Fixtures | Office Equipment | Vehicles | Total (d) |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| As at 1st April, 2019 | 99.10 | 639.49 | 1,17,433.05 | 1,377.82 | 901.05 | 897.39 | 1,43,685.88 |
| Add: Additions | 11.99 | 3,535.61 | 2,037.21 | 52.05 | 205.73 | 199.95 | 6,393.54 |
| Less: Transfer/ reclassification | - | - | - | - | - | - | (2,207.13) |
| Less: Disposal | - | - | 380.23 | 6.00 | 6.84 | 140.47 | 533.54 |
| As at 31st March, 2020 | 111.09 | 4,175.10 | 1,19,090.03 | 1,423.87 | 1,099.94 | 956.87 | 1,47,338.75 |
| Add: Additions | 0.99 | - | 23,830.31 | 25.47 | 96.48 | 105.05 | 34,708.66 |
| Less: Disposal | - | - | 3,883.50 | 520.65 | 465.84 | 117.45 | 4,987.44 |
| **As at 31st March, 2021** | **112.08** | **4,175.10** | **1,39,036.84** | **928.69** | **730.58** | **944.47** | **1,77,059.97** |
| **Depreciation & Impairment** | | | | | | | |
| As at 1st April, 2019 | 22.85 | 512.59 | 39,315.97 | 883.04 | 568.18 | 254.07 | 47,362.26 |
| Add: Charge for the year | 10.76 | 1,546.33 | 9,108.98 | 210.68 | 93.75 | 120.51 | 12,751.46 |
| Less: Transfer/ reclassification | - | - | - | - | - | - | (251.11) |
| Less: Disposal | - | - | 300.56 | 4.35 | 5.66 | 71.33 | 381.90 |
| As at 31st March, 2020 | 33.61 | 2,058.92 | 48,124.39 | 1,089.37 | 656.27 | 303.25 | 59,480.71 |
| Add: Charge for the year | 11.86 | 2,116.18 | 8,904.68 | 117.32 | 112.14 | 119.09 | 12,499.50 |
| Less: Disposal | - | - | 3,342.31 | 522.40 | 285.96 | 61.97 | 4,212.64 |
| **As at 31st March, 2021** | **45.47** | **4,175.10** | **53,686.76** | **684.29** | **482.45** | **360.37** | **67,767.57** |
| **Net Block** | | | | | | | |
| As at 31st March, 2020 | 77.48 | 2,116.18 | 70,965.64 | 334.50 | 443.67 | 653.62 | 87,858.04 |
| **As at 31st March, 2021** | **66.61** | **-** | **85,350.08** | **244.40** | **248.13** | **584.10** | **1,09,292.40** |

(a) Including ₹ 103.46 Lakhs (31st March, 2020 : ₹ 103.46 Lakhs) which is yet to be registered in the Company's name.
(b) Includes ₹ 5,870.84 Lakhs (31st March, 2020 : ₹ Nil) towards cost of geologicial report for exploration of Bandha Coal Mine and expenditure towards Exploration and Evaluation Assets ₹ 0.26 Lakhs (31st March, 2020 : ₹ Nil).
(c) Including ₹ 38.83 Lakhs (31st March, 2020 : ₹ 38.83 Lakhs) towards building on Leasehold Land.
(d) Includes following assets (Company's share) which are held under co-ownership with other Companies :

| Particulars | Deemed Cost | | Net Block | |
|---|---|---|---|---|
| | **As at 31st March, 2021** | As at 31st March, 2020 | **As at 31st March, 2021** | As at 31st March, 2020 |
| Freehold land | **207.23** | 207.23 | **207.23** | 207.23 |
| Buildings | **217.13** | 217.13 | **192.63** | 196.71 |
| Plant & Machinery | **15.31** | 15.31 | **1.74** | 1.74 |
| Furniture, Fixtures & Fittings | **13.93** | 13.93 | **4.60** | 6.40 |
| Office Equipment | **11.23** | 11.23 | **1.53** | 2.64 |

(e) For charge created on Property, Plant and Equipment of the Group towards borrowings (Refer Note 19).
(f) A subsidiary of the Company, Pro Minerals Pvt. Ltd., has submitted a request to Odisha Industrial Infrastructure Development Corporation (OIIDC) for surrender of leasehold land (Book value: ₹ 156.19 Lakhs) of Byree Project in view of various constraints.

### 3(ii). Capital Work-in-Progress

₹ in Lakhs

| Particulars | Road | Buildings | Railway Sidings | Plant & Machinery | Office Equipment | Pre-operative Expenses, pending allocation | Total |
|---|---|---|---|---|---|---|---|
| As at 1st April, 2019 | 380.29 | 3,497.06 | 3,014.91 | 13,278.68 | 10.70 | - | 20,181.64 |
| Add: Additions | - | - | - | 6,618.00 | 1.25 | 139.48 | 6,758.73 |
| Less: Transfer to Property, Plant & Equipment ^ | - | - | 3,014.91 | 544.87 | 10.69 | - | 3,570.47 |
| Less: Deductions/ adjustments | - | 43.23 | - | 179.00 | - | - | 222.23 |
| As at 31st March, 2020 | 380.29 | 3,453.83 | - | 19,172.81 | 1.26 | 139.48 | 23,147.67 |
| Add: Additions | 52.71 | 831.74 | - | 13,357.39 | 0.54 | 667.54 | 14,909.92 |
| Less: Transfer to Property, Plant & Equipment ^ | 433.00 | 4,210.85 | - | 22,325.75 | 0.63 | - | 26,970.23 |
| **As at 31st March, 2021** | **-** | **74.72** | **-** | **10,204.45** | **1.17** | **807.02** | **11,087.36** |

^ Represents amount allocated to respective Property, Plant & Equipment during the year.

**Essel Mining & Industries Limited**
**Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2021**
**CIN: U51109WB1950PLC018728**

### 4(i). Intangible Assets

₹ in Lakhs

| Particulars | Mining Lease & Mining Rights | Software | Total |
|---|---|---|---|
| **Cost** | | | |
| As at 1st April, 2019 | 24,049.03 | 154.48 | 24,203.51 |
| Add: Additions | 639.80 | 9.12 | 648.92 |
| As at 31st March, 2020 | 24,688.83 | 163.60 | 24,852.43 |
| Add: Additions | - | 1.27 | 1.27 |
| **As at 31st March, 2021** | **24,688.83** | **164.87** | **24,853.70** |
| **Amortisation** | | | |
| As at 1st April, 2019 | 5,652.20 | 95.33 | 5,747.53 |
| Add: Charge for the year | 17,950.16 | 21.29 | 17,971.45 |
| As at 31st March, 2020 | 23,602.36 | 116.62 | 23,718.98 |
| Add: Charge for the year | 788.59 | 13.99 | 802.58 |
| **As at 31st March, 2021** | **24,390.95** | **130.61** | **24,521.56** |
| **Net Block** | | | |
| As at 31st March, 2020 | 1,086.47 | 46.98 | 1,133.45 |
| **As at 31st March, 2021** | **297.88** | **34.26** | **332.14** |

### 4(ii). Intangible Assets under Development

| Particulars | Expenditure towards intangible assets under development | Intangible Assets under Development # | Total |
|---|---|---|---|
| As at 1st April, 2019 | - | - | - |
| Add: Additions | - | - | - |
| As at 31st March, 2020 | - | - | - |
| Add: Additions | 64.30 | 486.29 | 550.59 |
| **As at 31st March, 2021** | **64.30** | **486.29** | **550.59** |

# Represent towards cost of geological report for exploration of Radhikapur East Coal Mine.

### 4(iii). Right of use - Lease Assets

| Particulars | Leasehold Land | Right of use - Lease Assets | Total |
|---|---|---|---|
| **Cost** | | | |
| As at 1st April, 2019 | - | - | - |
| Add: Additions | 1,956.02 | 32.96 | 1,988.98 |
| As at 31st March, 2020 | 1,956.02 | 32.96 | 1,988.98 |
| Add: Additions | 10.08 | - | 10.08 |
| **As at 31st March, 2021** | **1,966.10** | **32.96** | **1,999.06** |
| **Amortisation** | | | |
| As at 1st April, 2019 | - | - | - |
| Add: Charge for the year | 66.50 | 1.50 | 68.00 |
| As at 31st March, 2020 | 66.50 | 1.50 | 68.00 |
| Add: Charge for the year | 67.16 | 1.50 | 68.66 |
| **As at 31st March, 2021** | **133.66** | **3.00** | **136.66** |
| Net Block | | | |
| As at 31st March, 2020 | 1,889.52 | 31.46 | 1,920.98 |
| **As at 31st March, 2021** | **1,832.44** | **29.96** | **1,862.40** |

₹ in Lakhs

| | | Face Value ₹ | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|---|
| **5(i).** | **Non-current Investments** | | | |
| | **Investments in Associates** | | | |
| | **Investments at Cost / Deemed Cost** | | | |
| **A** | **Unquoted Equity Shares (Fully paid)** | | | |
| | 77,711 (31st March, 2020: 77,711) Equity Shares of Living Media India Ltd. | 10 | **55,129.81** | 55,129.81 |
| | Add: Proportionate Share of Accumulated Profit / (Loss) # | | **3,936.66** | 1,102.63 |
| | [Includes Goodwill amounting to ₹ 41,041.07 Lakhs (31st March, 2020: ₹ 41,041.07 Lakhs)] | | | |
| | | | **59,066.47** | 56,232.44 |

# Living Media India Ltd., an associate company has restated its previous year's figures impacting the reported profit of the previous year by ₹ 4.90 Lakhs. Consequently to give impact of such restatement, the reported proportionate share in profit of the previous year of ₹ 3,271.58 Lakhs has been restated to ₹ 3,273.11 Lakhs and also the share of other comprehensive Income of Associate Enterprises of ₹ 7.81 Lakhs has been restated to ₹ 7.89 Lakhs in the consolidated financial statements. Carrying value on investment in associates has also been increased by ₹ 1.60 Lakhs.

| | | Face Value ₹ | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|---|
| **5(ii).** | **Non-current Investments** | | | |
| | **Investments in Others** | | | |
| | **Investments at fair value through OCI (FVTOCI)** | | | |
| **A** | **Quoted Equity Shares (Fully paid)** | | | |
| | 5,33,67,810 (31st March, 2020: 4,71,37,810) Equity Shares of Aditya Birla Capital Ltd. | 10 | **63,667.80** | 19,892.16 |
| | 9,38,91,880 (31st March, 2020: 8,50,30,930) Equity Shares of Aditya Birla Fashion and Retail Ltd. | 10 | **1,88,957.41** | 1,30,224.87 |
| | 4,24,30,800 (31st March, 2020: Nil) Equity Shares of Aditya Birla Fashion and Retail Ltd. (PP) $ | 7.50 | **71,665.62** | - |
| | 40,75,28,454 (31st March, 2020: 40,75,28,454) Equity Shares of Vodafone Idea Ltd. (Including right entitlement) | 10 | **37,696.38** | 12,674.13 |
| | 3,79,73,393 (31st March, 2020: 3,36,28,393) Equity Shares of Grasim Industries Ltd. | 2 | **5,50,823.05** | 1,59,869.38 |
| | 1,11,50,000 (31st March, 2020: 1,11,50,000) Equity Shares of Century Textiles & Industries Ltd. * | 10 | **51,853.08** | 32,981.70 |
| | 34,99,63,487 (31st March, 2020: 34,99,63,487) Equity Shares of Hindalco Industries Ltd. | 1 | **11,43,855.66** | 3,34,740.08 |
| | 1 (31st March, 2020: 1) Equity Shares of UltraTech Cement Ltd. * | 10 | **0.07** | 0.03 |
| **B** | **Unquoted Equity Shares (Fully paid)** | | | |
| | 7,000 (31st March, 2020: 7,000) Equity Shares of Birla Management Centre Services Ltd. | 10 | **740.99** | 615.43 |
| | 3,00,00,000 (31st March, 2020: 3,00,00,000) Equity Shares of Haridaspur Paradeep Railway Co. Ltd. | 10 | **3,000.00** | 3,000.00 |
| | 7,200 (31st March, 2020: 7,200) Equity Shares of Keonjhar Infrastructure Development Company Ltd. | 10 | **0.72** | 0.72 |
| | 14,000 (31st March, 2020: 14,000) Equity Shares of Naman Finance and Investments Pvt. Ltd. | 100 | **1,936.71** | 1,250.78 |
| | 1,18,68,000 (31st March, 2020: 1,18,68,000) Equity Shares of Azure Jouel Pvt. Ltd. | 10 | **36,569.33** | 31,362.87 |
| | 15,05,000 (31st March, 2020: 15,05,000) Equity Shares of Birla Family Investments Pvt. Ltd. | 10 | **899.02** | 396.54 |
| | 21,00,001 (31st March, 2020: 21,00,001) Equity Shares of Svatantra Microfin Pvt. Ltd. | 10 | **328.65** | 333.06 |
| | 1,10,40,000 (31st March, 2020: 1,10,40,000) Equity Shares of Svatantra Online Services Pvt. Ltd. | 10 | **-** | - |
| | 2,26,25,000 (31st March, 2020: 2,26,25,000) Equity Shares of Vighnahara Properties Pvt. Ltd. (Formerly Aditya Birla Natural Resources Ltd.) | 10 | **-** | 126.43 |
| | 44,75,000 (31st March, 2020: 44,75,000) Equity Shares of Antimatter Media Pvt. Ltd. | 10 | **-** | - |
| | 15 (31st March, 2020: 15) Equity Shares of Padmavati Investment Ltd. | 10 | **0.08** | 0.08 |
| **C** | **Unquoted Preference Shares (Fully paid)** | | | |
| | 5,69,00,000 (31st March, 2020: Nil) 6% Non Cumulative Compulsory Convertible Preference shares of Svatantra Holdings Private Ltd. | 100 | **49,833.56** | - |

$ A subsidiary of the Company, IGH Holdings Pvt. Ltd., has subscribed to the Rights issue of Aditya Birla Fashion & Retail Ltd. at ₹ 110/- per share (Face value of ₹ 10/- and Premium of ₹ 100/-). Final call amounting ₹ 11,668.47 Lakhs (4,24,30,800 shares at ₹ 27.50 per share) is yet to be made.

* A subsidiary of the Company, IGH Holdings Pvt. Ltd., held 1,11,50,000 Equity Shares of Century Textiles and Industries Ltd. Pursuant to the Scheme of demerger of Cement Division of Century Textiles and Industries Ltd. ("Century Textiles") and its transfer to UltraTech Cement Ltd. ("UltraTech") duly approved by their respective shareholders and creditors and further approved by the Hon'ble National Company Law Tribunal at Mumbai (NCLT) vide its Order dated 3rd July, 2019, the Board of Directors of Ultratech have allotted equity shares of UltraTech to the Shareholders of Century textiles in the ratio of 1 (One) equity share of ₹ 10/- each fully paid up of UltraTech for every 8 (Eight) fully paid equity shares of face value ₹ 10/- each held by shareholders of Century Textiles. Accordingly, the subsidiary of the Company was allotted 13,93,750 equity shares of UltraTech. Based on the Communication received from Century Textiles, since the net worth of Cement Division of Century Textiles was negative at the time of demerger, the Cost allocation in accordance with Section 49 (2C) of the Income Tax Act,1961 for the shares of UltraTech received pursuant to the demerger scheme is determined as ₹ Nil. Subsequently, the subsidiary of the Company sold 13,93,749 equity shares out of the above mentioned shares received by the company and the profit on sale of the same and the corresponding income tax impact has been duly accounted for under Other Comprehensive Income.

| | | Face Value ₹ | As at 31st March, 2021 | ₹ in Lakhs As at 31st March, 2020 |
|---|---|---|---|---|
| | **Investments at fair value through Profit & Loss (FVTPL)** | | | |
| A | **Quoted Equity Shares (Fully paid)** | | | |
| | 85,730 (31st March, 2020: 85,730) Equity Shares of ECE Industries Ltd. | 10 | **289.57** | 198.81 |
| B | **Unquoted Preference Shares (Fully paid)** | | | |
| | 55,00,000 (31st March, 2020: 55,00,000) 6% Cumulative Preference Shares of Keonjhar Infrastructure Development Co. Ltd. | 10 | **173.89** | 142.34 |
| | Nil (31st March, 2020 : 3,79,00,000) 8% Non Cumulative Non Convertible Redeemable Preference shares of Svatantra Holdings Private Ltd. | 100 | **-** | 14,436.84 |
| | 2,00,000 (31st March, 2020: Nil) 8% Non Cumulative Non- Convertible Redeemable Preference shares of Vighanhara Horticulture Private Ltd. | 100 | **82.60** | - |
| | 12,50,000 (31st March, 2020: Nil) 8% Non Cumulative Non- Convertible Redeemable Preference shares of Aditya Birla New Age Private Ltd. | 100 | **305.61** | - |
| | **Investments at Amortised Cost** | | | |
| A | **Government Securities** | | | |
| | 6.17% Govt. of India Loan, 2023 | | **1.00** | 1.00 |
| | National Savings Certificate | | **0.30** | 0.30 |
| | **Total Investments** | | **22,02,681.10** | 7,42,247.55 |
| | Aggregate value of quoted investments | | **21,08,808.57** | 6,90,581.13 |
| | Aggregate value of unquoted investments | | **93,872.53** | 51,666.42 |

| | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| 6. | **Non-current Loans** | | |
| | **At Cost** | | |
| | **Other Loans** | | |
| | - Loans to Employees | | |
| | - Considered good - Unsecured | **3.45** | 2.75 |
| | - Credit impaired | **-** | - |
| | - Which have significant increase in Credit Risk | **-** | - |
| | - Loans to others | | |
| | - Considered good - Unsecured | **311.81** | 311.81 |
| | - Credit impaired | **-** | - |
| | - Which have significant increase in Credit Risk | **-** | - |
| | | **315.26** | 314.56 |
| 7. | **Other Non-current Financial Assets** | | |
| | **At Amortised Cost** | | |
| | **(Unsecured, considered good, unless stated otherwise)** | | |
| | Bank deposits with original maturity for more than 12 months* | **418.43** | 382.59 |
| | Security Deposits | **3,834.02** | 3,780.09 |
| | Derivative assets on Cross currency interest rate Swap | **1,478.87** | 2,414.46 |
| | Claims & Refunds Refundable | **-** | 78.60 |
| | Finance Lease Receivable | **4,262.59** | 4,331.89 |
| | **Interest Accrued on:** | | |
| | - Fixed Deposits | **4.72** | 4.33 |
| | - Loans & Inter-corporate Deposits etc. | **73.38** | 73.38 |
| | | **10,072.01** | 11,065.34 |

* Receipts for ₹ 8.15 Lakhs is lying with mining authorities. These represent deposits towards earmarked accounts. Includes ₹ 406.91 Lakhs is held as margin money for Bank Guarantees given to Government Authorities.

₹ in Lakhs

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **8. Other Non-current Assets** | | |
| **(Unsecured, considered good, unless stated otherwise)** | | |
| Capital Advances | **1,777.22** | 1,678.73 |
| Advances recoverable in cash or in kind or for value to be received | | |
| Considered good | **1,401.30** | 0.68 |
| Doubtful | **67.16** | 67.16 |
| | **1,468.46** | 67.84 |
| Less: Provision for Doubtful Advances | **67.16** | 67.16 |
| | **1,401.30** | 0.68 |
| | **4,376.12** | 1,679.41 |
| **9. Inventories** | | |
| **(At lower of cost and net realisable value unless stated otherwise)** | | |
| Raw Materials | **341.11** | 1,571.85 |
| Work-in-Progress | **599.97** | 961.71 |
| Finished Goods | **14,268.59** | 17,284.16 |
| Stores & Spare Parts | **3,310.32** | 3,217.98 |
| | **18,519.99** | 23,035.70 |

Provision against slow moving & non-moving inventory of stores and spares as on 31st March, 2021 is ₹ 621.43 Lakhs ( Previous year ended 31st March, 2020 : ₹ 1,136.13 Lakhs). Impact of provision against slow moving & non-moving has been adjusted with carrying value of inventory as on 31st March, 2021 & 31st March, 2020 respectively. Reversal of provision during the year against slow moving & non-moving inventory of stores and spares is amounting to ₹ 514.70 Lakhs ( Previous year ended 31st March, 2020 : ₹ 78.85 lakhs ) has been adjusted with the consumption.

Inventories are hypothecated against the borrowings obtained by the Group as referred in Note 23.

| **10. Current Investments** | **Face Value ₹** | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **Investments at fair value through Profit & Loss (FVTPL)** | | | |
| **Mutual Funds** | | | |
| 4,92,380 units (31st March, 2020: Nil) ABSL Overnight Fund Direct Growth | 100 | **5,479.87** | - |
| 16,91,989 units (31st March, 2020: Nil) ABSL Savings Fund Direct Growth | 100 | **7,222.02** | - |
| 7,40,832 units (31st March, 2020: Nil) ABSL Floating Rate Fund Direct Growth | 100 | **2,005.31** | - |
| 5,65,898 units (31st March, 2020: Nil) ABSL Floating Rate Fund Regular Growth | 10 | **1,504.25** | - |
| 19,04,564 units (31st March, 2020: Nil) ABSL Money Manager Fund Direct Growth | 100 | **5,469.36** | - |
| 84,283 units (31st March, 2020: Nil) DSP Liquidity Fund Direct Growth | 1,000 | **2,478.89** | - |
| 32,561 units (31st March, 2020: Nil) Kotak Liquid Fund Direct Growth | 1,000 | **1,354.22** | - |
| 20,144 units (31st March, 2020: Nil) IDFC Cash Fund Direct Growth | 1,000 | **500.78** | - |
| 82,603 units (31st March, 2020: Nil) LIC Mutual Fund Liquid Fund Direct Growth | 1,000 | **3,086.78** | - |
| 2,315 units (31st March, 2020: Nil) LIC MF Liquid Fund Regular Plan Growth | 1,000 | **85.73** | - |
| 26,932 units (31st March, 2020: Nil) L&T Liquid Fund Direct Growth | 1,000 | **759.20** | - |
| 1,64,342 units (31st March, 2020: Nil) ICICI Pru Liquid Fund Direct Growth | 100 | **500.81** | - |
| 66,983 units (31st March, 2020: Nil) Nippon India Liquid Fund Direct Growth | 1,000 | **3,370.98** | - |
| 30,70,910 units (31st March, 2020: Nil) Kotak Equity Arbitrage Fund Direct Plan Growth | 10 | **929.91** | - |
| 40,945 units (31st March, 2020: Nil) Invesco India Money Market Fund Direct Plan Growth | 1,000 | **1,001.07** | - |
| 28,88,161 units (31st March, 2020: 12,92,190 units) Sundram Money Fund Regular Plan Growth | 10 | **1,245.41** | 538.09 |
| Nil (31st March, 2020: 79,798 units) Aditya Birla Sun Life Overnight Fund - Growth Regular Plan | 1,000 | **-** | 860.40 |
| 8,02,728 units (31st March, 2020: 22,11,291 units) Aditya Birla Sun Life Liquid Fund - Growth Direct Plan | 100 | **2,651.22** | 7,066.39 |
| Nil (31st March, 2020: 92,573 units) Aditya Birla Sun Life Overnight Fund - Growth Direct Plan | 1,000 | **-** | 1,000.02 |
| Nil (31st March, 2020: 2,50,971 units) Aditya Birla Sun Life Money Manager Fund - Growth Direct Plan | 100 | **-** | 679.93 |
| Nil (31st March, 2020: 54,432 units) DSP Liquid Fund - Regular Growth Plan | 10 | **-** | 1,536.16 |
| Nil (31st March, 2020: 18,427 units) Invesco India Liquid Fund - Direct Plan Growth | 1,000 | **-** | 502.73 |
| | | **39,645.81** | 12,183.72 |

| | | ₹ in Lakhs |
|---|---|---|
| | **As at 31st March, 2021** | As at 31st March, 2020 |
| **11. Current Loans** | | |
| **At Amortised Cost** | | |
| **(a) Loans to Related Parties** | | |
| - Loan to Subsidiary companies (Interest bearing) | | |
| - Considered good - Secured | **-** | - |
| - Considered good - Unsecured | **290.00** | - |
| - Which have significant increase in Credit Risk | **-** | - |
| - Credit impaired | **-** | - |
| | **290.00** | - |
| **Other Loans** | | |
| - Loans to others | | |
| - Considered good - Unsecured | **166.50** | 215.00 |
| - Which have significant increase in Credit Risk | **-** | - |
| - Credit impaired | **-** | - |
| | **166.50** | 215.00 |
| - Inter Corporate Deposits | | |
| - Considered good - Unsecured | **1,39,298.00** | 45,371.00 |
| - Which have significant increase in Credit Risk | **-** | - |
| - Credit impaired | **7,000.00** | 7,000.00 |
| | **1,46,298.00** | 52,371.00 |
| Less - Provision | **7,000.00** | 7,000.00 |
| | **1,39,298.00** | 45,371.00 |
| - Loans to Employees | | |
| - Considered good - Unsecured | **9.78** | 17.16 |
| | **1,39,764.28** | 45,603.16 |

**12. Trade Receivables**

| | | |
|---|---|---|
| - Considered good - Secured | **-** | - |
| - Considered good - Unsecured | **42,368.48** | 57,772.15 |
| - Which have significant increase in Credit Risk | **-** | - |
| - Credit impaired | **-** | - |
| | **42,368.48** | 57,772.15 |
| Provision for Doubtful Debts | **-** | - |
| | **42,368.48** | 57,772.15 |

a. Trade Receivables are non-interest bearing and generally on terms of 0 to 90 days.

b. Trade Receivables are hypothecated against the borrowings obtained by the Group as referred in Note 23.

c. For ageing analysis of Trade Receivable, Refer Note 69 F.

d. Trade Receivables of a subsidiary of the Company, Bhubaneswari Coal Mining Ltd., includes ₹ 92.08 Lakhs towards water tax withheld by MCL from running sale bills. In this regard the subsidiary company has filed civil suit bearing No. 206 of 2019 before the Court of Civil Judge, Sambalpur challenging its legality and praying for an injuction to be passed for non-deduction of any further sum from the account / bill of the subsidiary company. The matter is pending for hearing.

**13. Cash and Bank Balances**

**13(i). Cash and Cash Equivalents**

| | | |
|---|---|---|
| **Balances with Banks:** | | |
| - On Current Accounts | **1,018.86** | 2,911.39 |
| - On Cash credit account | **1,031.82** | 815.87 |
| Deposit with Original Maturity for less than 3 months | **1,203.59** | 918.09 |
| Cheques, Drafts on hand | **57.95** | 446.02 |
| Cash on hand | **2.63** | 5.39 |
| | **3,314.85** | 5,096.76 |

**13(ii). Other Bank Balances :**

| | | |
|---|---|---|
| Deposit with Original Maturity for more than 3 months but not more than 12 months * | **25,529.99** | 380.57 |
| | **25,529.99** | 380.57 |

* Includes ₹ 116.22 Lakhs is held as margin money for Bank Guarantees given to Government Authorities.

| | | ₹ in Lakhs |
|---|---|---|
| | **As at 31st March, 2021** | As at 31st March, 2020 |
| **14. Other Current Financial Assets** | | |
| **(Unsecured, considered good, unless stated otherwise)** | | |
| **Derivatives not designated as hedges** | | |
| Assets on forward contracts | **-** | 13.76 |
| **Financial assets at amortised cost** | | |
| Security Deposits | **48.74** | 29.24 |
| Claims & Refunds Refundable | **5,590.59** | 3,219.54 |
| Finance Lease Receivable | **69.30** | 62.32 |
| **Deposit with Non-Banking Financial Company (NBFC) with initial maturity more than 3 months** | **37,500.00** | - |
| **Interest Accrued on:** | | |
| - Fixed Deposits | **327.37** | 1.74 |
| - Investments | **0.39** | 0.39 |
| - Loans & Inter-corporate Deposits etc. : | | |
| Considered good | **10,959.69** | 3,410.70 |
| Considered doubtful | **1,066.09** | 1,066.09 |
| | **12,353.54** | 4,478.92 |
| Less: Provision | **1,066.09** | 1,066.09 |
| | **11,287.45** | 3,412.83 |
| | **54,496.08** | 6,737.69 |
| **15. Current Tax Assets (Net)** | | |
| Advance Payment of Income Tax & Tax Deducted at Source (net of Provision for Tax) | **10,983.73** | 12,527.69 |
| | **10,983.73** | 12,527.69 |
| **16. Other Current Assets** | | |
| **(Unsecured, considered good, unless stated otherwise)** | | |
| Advances recoverable in cash or in kind or for value to be received | **1,808.21** | 1,705.16 |
| Pre-paid Expenses | **668.46** | 846.42 |
| Balance with Government Authorities * | **15,741.20** | 25,225.51 |
| | **18,217.87** | 27,777.09 |

* Balance with Government Authorities of a subsidiary of the Company, Bhubaneswari Coal Mining Ltd., includes ₹ 314.27 Lakhs (FY 2014-15 ₹ 146.04 Lakhs & FY 2015-16 ₹ 168.23 Lakhs) for Refund of Works Contract Tax. The subsidiary company has filed a writ petition bearing No. WP(C )20946 of 2016 pending at Hon'ble High Court, Odisha against the order of rejection of refund application passed by Deputy Commissioner of Commercial Tax, Angul Circle, Angul.

₹ in Lakhs

## 17. Share Capital

| Authorised Share Capital | As at 31st March, 2021 | | As at 31st March, 2020 |
|---|---|---|---|
| Authorised : | | | |
| 4,01,00,00,000 (31st March, 2020: 2,01,00,00,000) Equity Shares of ₹10/- each | **4,01,000.00** | # | 2,01,000.00 |
| 29,90,00,000 (31st March, 2020: 29,90,00,000) Preference Shares of ₹100/- each | **2,99,000.00** | | 2,99,000.00 |
| | **7,00,000.00** | | 5,00,000.00 |

**Issued, Subscribed and Fully paid up Equity Share capital**

| | Number | | ₹ in Lakhs |
|---|---|---|---|
| Issued and fully paid Equity Shares of ₹ 10/- each | | | |
| As at 31st March, 2019 | 9,65,979 | | 96.60 |
| Issued during the year | 2,38,271 | | 23.83 |
| Issued Bonus Shares during the year | 1,80,63,75,000 | * | 1,80,637.50 |
| As at 31st March, 2020 | 1,80,75,79,250 | | 1,80,757.93 |
| Issued during the year | 15,06,31,603 | ** | 15,063.16 |
| **As at 31st March, 2021** | **1,95,82,10,853** | | **1,95,821.09** |

**Terms/ rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Holder of each equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended 31st March, 2021, the amount of per share dividend recognized as distribution to Equity Shareholders was ₹ Nil per share (31st March, 2020: ₹ 2/- per share). The Board of Directors, in its meeting on 29th June, 2021, have not recommended any dividend for the financial year ended 31st March, 2021.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

# On 29th September, 2020, the authorised share capital of the Company was increased from 2,01,00,00,000 no. Equity Shares to 4,01,00,00,000 no. Equity shares having face value of ₹10/- per Share.

* During the year FY 2019-20, the Company had allotted 1,806,375,000 no. of equity shares of ₹ 10/- each as bonus shares on 23rd March, 2020 in the ratio of 1500 equity share of ₹ 10/- each for every 1 equity share held as on record date fixed for entitlement of Bonus Shares, by utilising ₹ 149,600.00 Lakhs from Capital Redemption Reserve and ₹ 31,037.50 Lakhs from Securities Premium. Out of the total Bonus Shares allotted, 18,000 shares could not be credited for those shareholders who are holding their existing equity shares in physical form and do not have operative demat account. These Bonus Shares will be transferred once these shareholders open demat account and get their existing equity shares dematerialised.

** During the year FY 2020-21, the Company has allotted 15,06,31,603 no. of equity shares of ₹ 10/- each on right issue basis at a premium of ₹ 46/- each on 25th May, 2020.

**Details of shareholders holding more than 5% shares in the Company**

| Name of the Shareholder | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Number | % holding in the class | Number | % holding in the class |
| **Equity Shares of ₹ 10 each fully paid :** | | | | |
| Surya Abha Investments Pte. Ltd. | **95,94,34,697** | **49.00%** | 88,56,32,028 | 49.00% |
| Birla Group Holdings Pvt.Ltd. | **39,07,35,348** | **19.95%** | 29,65,42,063 | 16.41% |
| Umang Commercial Company Pvt. Ltd. | **30,59,71,854** | **15.63%** | 20,77,54,911 | 11.49% |
| Manav Investment & Trading Co. Ltd. | **13,56,25,000** | **6.93%** | 13,52,53,609 | 7.48% |

As per records of the Company the above shareholding represents legal ownership of shares.

| | | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| **18.** | **Other Equity** | | **₹ in Lakhs** |
| **(i)** | **Investment Subsidy Reserve** | | |
| | Balance as per last Financial Statements | **28.90** | 28.90 |
| **(ii)** | **Capital Reserve** | | |
| | Balance as per last Financial Statements | **356.75** | 356.75 |
| **(iii)** | **Capital Redemption Reserve** | | |
| | Balance as per last Financial Statements | **250.00** | 1,49,850.00 |
| | Less: Utilised for issue of Bonus Shares during the year | **-** | 1,49,600.00 |
| | | **250.00** | 250.00 |
| **(iv)** | **Debenture Redemption Reserve** | | |
| | Balance as per last Financial Statements | **13,500.00** | 17,250.00 |
| | Less: Transferred to General Reserve | **13,500.00** | 11,875.00 |
| | | **-** | 5,375.00 |
| | Add: Transferred from Retained Earnings | **-** | 8,125.00 |
| | | **-** | 13,500.00 |
| **(v)** | **General Reserve** | | |
| | Balance as per last Financial Statements | **1,99,022.94** | 1,87,106.88 |
| | Add: Transferred on account of Amalgamation (Refer note 49) | **-** | 41.06 |
| | Add: Transferred from Debenture Redemption Reserve | **13,500.00** | 11,875.00 |
| | | **2,12,522.94** | 1,99,022.94 |
| **(vi)** | **Amalgamation Reserve** | | |
| | Balance as per last Financial Statements | **3,393.32** | - |
| | Add: Transferred on account of Amalgamation (Refer note 49) | **-** | 3,393.32 |
| | | **3,393.32** | 3,393.32 |
| **(vii)** | **Securities Premium** | | |
| | Balance as per last Financial Statements | **6,84,418.34** | 4,60,279.85 |
| | Add: Premium on issue of Equity Shares during the year | **69,290.54** | 2,55,175.99 |
| | | **7,53,708.88** | 7,15,455.84 |
| | Less: Utilised for issue of Bonus Shares during the previous year | **-** | 31,037.50 |
| | | **7,53,708.88** | 6,84,418.34 |
| **(viii)** | **Retained Earnings** | | |
| | Balance as per last Financial Statements | **(1,89,561.74)** | (1,07,034.22) |
| | Add: Profit/(Loss) for the year | **1,59,697.34** | 67,787.84 |
| | Less: Transferred on account of Amalgamation (Refer note 49) | **-** | 1,96,671.57 |
| | Less: Impact on adoption of Ind AS 116 - Leases | **-** | 8.11 |
| | Less: Actuarial Losses on defined benefit obligation , net of taxes | **(109.19)** | 262.37 |
| | Add: Realised Gain / (Loss) of FVTOCI on Equity transfer from FVTOCI Reserve | **-** | 54,778.09 |
| | **Less: Appropriations:** | | |
| | Equity Dividend (₹ Nil per share) [31st March, 2020: ₹ 2/- per share] | **-** | 21.90 |
| | Tax on Equity Dividend | **-** | 4.50 |
| | Transfer to Debenture Redemption Reserve | **-** | 8,125.00 |
| | **Total Appropriations** | **-** | 8,151.40 |
| | **Closing Balance** | **(29,755.21)** | (1,89,561.74) |
| **(ix)** | **Special Reserve** | | |
| | **Reserve Fund under RBI Act, 1934** | | |
| | Balance as per last Financial Statements | **4,799.95** | 4,370.92 |
| | Add: Transferred on account of Amalgamation (Refer note 49) | **-** | 429.03 |
| | | **4,799.95** | 4,799.95 |
| **(x)** | **FVTOCI Reserve** | | |
| | Balance as per last Financial Statements | **(2,20,103.39)** | 5,14,449.96 |
| | Net Gain / (Loss) on FVTOCI Investments | **13,12,059.19** | (7,34,553.35) |
| | Net Gain / (Loss) on disposal of FVTOCI Investments | **-** | 54,778.09 |
| | Less: Realised Gain / (Loss) of FVTOCI on Equity transfer to Retained Earnings | **-** | 54,778.09 |
| | | **10,91,955.80** | (2,20,103.39) |
| **(xi)** | **Equity component of compound Financial Instruments (Compulsorily Convertible Debentures)** | | |
| | Balance as per last Financial Statements | **-** | - |
| | Changes during the Year [Refer Note:19(v) & (vi)] | **65,606.17** | - |
| | | **65,606.17** | - |
| | **Total** | **21,02,867.50** | 4,96,105.07 |

**Notes:**

**Capital Reserve**

This reserve is created on acquisition of Electrotherm Renewables Private Ltd., Bharat Trading International and Pro Minerals Pvt. Ltd. in earlier years.

**Capital Redemption Reserve**

This reserve was created upon redemption of Preference Shares issued and on the event of buyback of Equity Shares in earlier years.

**Debenture Redemption Reserve**

This reserve is created upon redemption of Non Convertible Debentures, from time to time as per requirement of Companies Act.

**General Reserve**

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Amalgamation Reserve**

The difference between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the Transferor companies has been transferred to capital reserve captioned as "Amalgamation Reserve" and is presented separately from other Capital Reserves.

**Securities Premium**

This reserve has been created on issue of shares by way of preferential issue and right issue.

**Retained Earnings**

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

**Special Reserve - Reserve Fund under RBI Act, 1934**

Represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

**FVTOCI Reserve**

The Group has elected to recognise changes in the fair value of certain instruments in equity securities and debt instruments in Other Comprehensive Income. These changes are accumulated with the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

**Equity component of compulsorily convertible debentures**

The above covers the equity component of the issued compulsorily convertible debentures. Each debentures shall be compulsorily convertible into 1,35,000 (One Lakh Thirty Five Thousand) equity shares of face value of ₹ 10/- (Rupees Ten) and the price at which Equity Shares will be issued upon conversion (the "Conversion Price") will be ₹ 74.07 (Rupees Seventy Four and paisa Seven Only) including premium of ₹ 64.07 (Rupees Sixty Four and paisa Seven Only), for each Equity Share. The same also includes deferred tax assets created on the timing difference of interest on the above compulsorily convertible debentures.

**₹ in Lakhs**

| **19. Borrowings** | **Non-current** | | **Current Maturities (Refer note 25)** | |
|---|---|---|---|---|
| | **As at 31st March, 2021** | As at 31st March, 2020 | **As at 31st March, 2021** | As at 31st March, 2020 |
| **Debentures** | | | | |
| **Unsecured and privately placed** | | | | |
| Nil (31st March, 2020: 1,300), 7.93% Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each | **-** | - | **-** | 13,000.00 |
| Nil (31st March, 2020: 850), 7.90% Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each | **-** | - | **-** | 8,500.38 |
| Nil (31st March, 2020: 1,500), 9.15% Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each | **-** | 14,970.64 | **-** | - |
| Nil (31st March, 2020: 1,750), 9.15% Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each | **-** | 17,465.34 | **-** | - |
| 780 (31st March, 2020: Nil) 6% Unsecured Compulsorily Convertible Debentures of ₹ 100.00 Lakhs each (Series "H") - Partly paid up | **2,360.77** | - | **-** | - |
| 750 (31st March, 2020: Nil) 6% Unsecured Compulsorily Convertible Debentures of ₹ 100.00 Lakhs each (Series "I") | **22,699.67** | - | **-** | - |
| **Term Loans (Secured)** | | | | |
| **From Banks** | | | | |
| Rupee Loan | **1,27,729.56** | 30,875.96 | **7,621.68** | 2,152.51 |
| Foreign Currency Loan | **7,917.50** | 11,482.03 | **2,639.92** | 2,628.26 |
| Working Capital Term Loan under Guaranteed Emergency Credit Line ECLGS 2.0 | **2,448.00** | - | **52.00** | - |
| **Term Loans (Unsecured)** | | | | |
| **From Banks** | | | | |
| Rupee Loan | **-** | 62,185.80 | **-** | - |
| **Total** | **1,63,155.50** | 1,36,979.77 | **10,313.60** | 26,281.15 |

(i) 7.93% (31st March, 2020: 7.93% p.a.) Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each was repaid on 24th April, 2020. The debentures carried an effective interest rate of 7.93% p.a.(31st March, 2020: 7.93% p.a.).

(ii) 7.90% (31st March, 2020: 7.90% p.a.) Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each was repaid on 13th April, 2020. The debentures carried an effective interest rate of 7.91% p.a.(31st March, 2020: 7.91% p.a.).

(iii) 9.15% (31st March, 2020: 9.15%) Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each was prepaid on 28th December, 2020. The debentures carried an effective interest rate of 9.26% p.a.(31st March, 2020: 9.26% p.a.).

(iv) 9.15% (31st March, 2020: 9.15%) Unsecured Redeemable Non Convertible Debentures of ₹ 10 Lakhs each was prepaid on 15th January, 2021. The debentures carried an effective interest rate of 9.25% p.a.(31st March, 2020: 9.25% p.a.).

(v) 6% (31st March, 2020: Nil) Unsecured Compulsorily Convertible Debentures (Series H) of ₹ 100.00 Lakhs each shall be automatically and compulsorily converted on 12th October, 2027 other than such Series H CCDs which remain partly paid up. Any such Series H CCDs that remain unconverted upon expiry of 7 (Seven) years from the date of allotment shall be automatically and compulsorily converted into equity shares upon such Series H CCDs being fully paid up. The debentures carry an effective interest rate of 7.95% p.a.(31st March, 2020: Nil). Each Series H - CCD shall be converted into 1,35,000 (One Lakh Thirty Five Thousand) equity shares of face value of ₹ 10/- and the price at which Equity Shares will be issued upon conversion will be ₹ 74.07 (Rupees Seventy Four and paisa Seven Only) including premium of ₹ 64.07 (Rupees Sixty Four and paisa Seven Only), for each Equity Share.

(vi) 6% (31st March, 2020: Nil) Unsecured Compulsorily Convertible Debentures (Series I) of ₹ 100.00 Lakhs each shall be automatically and compulsorily converted on 12th October, 2027. The debentures carry an effective interest rate of 7.95% p.a.(31st March, 2020: Nil). Each Series I - CCD shall be converted into 1,35,000 (One Lakh Thirty Five Thousand) equity shares of face value of ₹ 10/- and the price at which Equity Shares will be issued upon conversion will be ₹ 74.07 (Rupees Seventy Four and paisa Seven Only) including premium of ₹ 64.07 (Rupees Sixty Four and paisa Seven Only), for each Equity Share.

(vii) (a) Rupee / Rupee equivalent loan from a bank is secured by First Pari Passu Floating charge on the Current Assets of the Company. The loan is payable in 5 annual instalments starting 21st December, 2023. The loan carried an effective interest rate of 8.02% p.a. (31st March, 2020: Nil). The lender has unconditional put option at the end of 3rd, 4th and 5th year (from the date of 1st disbursement) for 33.33% of the facility amount on each occasion (adjusted for the repayments already made till such date). Company has entered into a Rupee Term Loan Facility with Bank with FCTL as a sub-limit. Loan was disbursed to the Company in fully hedged FCTL which will be replaced with Rupee Term Loan at the end of tenure. The loan is repayable in INR in 5 annual instalments starting 21st December, 2023, hence the outstanding balance of the term loan as on 31st March, 2021 is classified as rupee loan.

(b) Rupee / Rupee equivalent loan from a bank is secured by First Pari Passu Floating charge on the Current Assets of the Company. The loan is payable in 4 annual instalments starting 19th November, 2022. The loan carried an effective interest rate of 8.03% p.a. (31st March, 2020: Nil). Company has entered into a Rupee Term Loan Facility with bank with FCNR (B) as a sub-limit. Part loan was disbursed to the Company as fully hedged FCNR (B) which will be replaced with Rupee Term Loan at the end of tenure. The loan is repayable in INR in 4 annual instalments starting 19th November, 2022, hence the outstanding balance of the term loan as on 31st March, 2021 is classified as rupee loan.

**₹ in Lakhs**

(vii) (c) Rupee loan from a bank is secured by exclusive first charge on all the immovable and movable assets & current assets, both present and future, pertaining to Company's 22 MW Solar Power project at Bhadla, Rajasthan. The loan is repayable in 51 equal quarterly instalments from 30th September, 2014. The loan carried an effective interest rate of 9.05% p.a. (31st March, 2020: 9.05% p.a.). The loan has been fully repaid on 5th April, 2021.

(d) Rupee Loan of ₹ 30,531.88 Lakhs (31st March, 2020: ₹ 25,825.03 Lakhs) taken by a subsidiary of the Comany, Pro Minerals Pvt. Ltd., from a bank is secured by creation of first charge on the movable (excluding current assets) and immovable assets including leasehold land both present and future and carries effective interest @ 12M MCLR+10 bps payable at monthly intervals.The rate will be reset every 12 months. Presently rate for RTL-1 is 7.85% p.a. and RTL- 2 is 7.65% p.a. (31st March, 2020: RTL - 1 - 8.80% p.a. and RTL - 2 - 8.65% p.a.). The tenure of the loan is 10 years including moratorium period of 24 months from the date of first disbursement, with put call option at the end of 6 years from the date of first disbursement basis and repayable in 32 equal quarterly instalments @ 3.125% of the availed limits.The first instalment shall be due at the end of 27th month from date of first disbursement. The loan is also secured by way of Corporate Guarantee given by the Holding Company.

(viii) Foreign currency loan from a bank is secured by first ranking exclusive charge on all the present and future immovable properties and movable fixed assets pertaining to Company's 38.5 MW (DC) Solar Power project at Achampet, Kalwakurthy, Peddashankarampet and Mustyal in Andhra Pradesh. The above Loan carried interest of 6 month Libor + 236 bps and is repayable in 19 half yearly un-equal instalments from 3rd February, 2015. The loan carried an effective interest rate of 10.83% p.a. (31st March, 2020: 10.83% p.a.). The effective interest rate includes the effects of related cross currency interest rate swap.

(ix) Working Capital Term Loan under Emergency Credit Line Guarantee Scheme (ECLGS 2.0) is taken by a subsidiary of the Company, Pro Minerals Pvt. Ltd., and is secured by creation of second charge over existing primary and collateral security available for WC and TL facilities. It carries effective interest @ 3M MCLR payable at monthly intervals.The rate will be reset every 3 months. Present rate is 7.30% p.a. (31st March, 2020: Nil). The tenure of the loan is 5 years including moratorium period of 12 months from the date of first disbursement and repayable in 48 equal monthly instalments @ 2.08% per month of the sanctioned / availed limits.The first instalment shall be due at the end of 12th month from date of first disbursement.

(x) Rupee Term loans from banks are unsecured and repayable after 3 years 4 months as bullet repayment in FY 2021-22. The loans carry an average effective interest rate of 8.29% p.a. (31st March, 2020: 8.58% p.a.) and and was fully pre-paid within 31st March, 2021.

| | **As at 31st March, 2021** | As at 31st March, 2020 |
|---|---|---|
| **20. Other Non-current Financial Liabilities** | | |
| (At amortised cost) | | |
| Deposits | **1,258.81** | 1,143.49 |
| Right of use - Lease Rent Liability | **51.28** | 40.41 |
| Less : Current maturity of Lease Rent Liability (Refer note 25) | **15.57** | 3.99 |
| | **35.71** | 36.42 |
| | **1,294.52** | 1,179.91 |
| **21. Long Term Provisions** | | |
| Provision for Site Restoration * | **142.17** | 142.17 |
| | **142.17** | 142.17 |

* The activities of the Company involve mining of land taken under lease. In terms of the provisions of relevant statutes and lease deeds, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing, etc. The management of the Company has estimated such future expenses based on directions of relevant authorities and due provision thereof has been made in the accounts in terms of relevant statute. The movements in site restoration expenses during the year is as follows :

| | | |
|---|---|---|
| At the beginning of the year | **142.17** | 142.17 |
| Addition during the year | **-** | - |
| At the end of the year | **142.17** | 142.17 |
| **22. Other Non-current Liabilities** | | |
| Export Obligations (Deferred Income) | **2,823.27** | 2,823.27 |
| **Government Grant** | | |
| At the beginning of the year | **187.50** | 250.00 |
| Less: Recognized in the Statement of Profit & Loss * | **62.50** | 62.50 |
| **At the end of the year** | **125.00** | 187.50 |
| | **2,948.27** | 3,010.77 |

* ₹ 62.50 Lakhs (31st March, 2020 :₹ 62.50 Lakhs) have been adjusted against Depreciation and Amortisation expenses.

₹ in Lakhs

| 23. Short Term Borrowings | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **Secured** | | |
| **From Banks** | | |
| Cash Credits | **433.34** | 361.66 |
| PCFC Loan | **-** | 4,000.00 |
| **Unsecured** | | |
| **From Banks** | | |
| Short Term Loan | **-** | 76,600.00 |
| **Unsecured** | | |
| **Commercial Paper** | | |
| From Banks | **-** | 9,875.93 |
| **Inter Corporate Deposits** | | |
| From Others | **1,88,500.00** | 1,27,500.00 |
| **Total** | **1,88,933.34** | 2,18,337.59 |

(i) Cash Credit is secured by hypothecation of inventories & book debts ranking pari-passu amongst banks. Cash Credit and Bank Overdraft carries effective interest @ 6.80% p.a. to 8.30% p.a.(31st March, 2020: 7.80% p.a. to 9.20% p.a.).

Cash credit from HDFC bank (secured)
A subsidiary of the Comany, Rajmahal Coal Mining Ltd., has a sanctioned cash credit limit of ₹ 2,500.00 Lakhs from HDFC Bank against which utilisation as on 31st March, 2021 is ₹ 426.13 Lakhs (31st March, 2020: ₹ 1.67 Lakhs debit balance). The same is secured by way of first charge on pari passu basis on the stock in trade, book debts and receivables of the subsidiary company & carries interest @ 7.55 % p.a i.e. 1 Year MCLR + 35 bps. The interest rate will be reset at every anniversary from the date of release of overdraft. WCDL/Short term loan - The rate of interest for tranche would be stipulated by the bank at the time of disbursement of each tranche.

Cash credit from IndusInd Bank (secured)
A subsidiary of the Comany, Rajmahal Coal Mining Ltd., has taken a cash credit limit of ₹ 500.00 Lakhs (31st March, 2020: ₹ Nil ) from IndusInd Bank against which there is debit balance of ₹ 1.33 Lakhs as on 31st March, 2021 (31st March, 2020: ₹ 0.41 debit balance). The same is secured by way of first charge on pari passu basis on the current assets, present and future, of the subsidiary company & carries interest @ 9.20 % p.a i.e. 1 Year MCLR + 55 bps. The interest rate will be reset at every anniversary from the date of release of overdraft. WCDL/Short term loan - The rate of interest for tranche would be stipulated by the bank at the time of disbursement of each tranche.

A subsidiary of the Comany, Rajmahal Coal Mining Ltd., has taken ₹ 6,000.00 Lakhs of non fund based limit from IndusInd bank which is secured by way of exclusive charge on the moveable fixed assets of the subsidiary company.

Cash Credit of a subsidiary of the Company, Pro Minerals Pvt. Ltd., is secured by creation of exclusive charge on the entire current assets, present and future and exclusive second charge on the entire fixed assets, moveable and immovable property, present and future. It carries effective interest @ 3M MCLR + 20 bps payable at monthly intervals.The rate will be reset every 3 months. Present rate is 7.50% p.a. (31st March, 2020: 8.016% p.a.) and the loan is repayable on demand.

A subsidiary of the Company, Bhubaneswari Coal Mining Ltd. has availed working capital facilities from HDFC Bank which is secured by first exclusive charge on the current assets of the subsidiary company.

(ii) Packing Credit Loan is secured by hypothecation of inventories & book debts ranking pari-passu amongst banks and it carries effective interest @ 1.59% p.a. on the principal amount denominated in USD (31st March, 2020: 2.52% to 2.82%. for USD denominated Loan).

(iii) Short-Term Loan from a bank carries effective interest @ 5.40% p.a. to 9.00% p.a. (31st March, 2020: 6.92% p.a. to 9.50% p.a.).

(iv) Commercial papers represent short term loans and carries effective interest @ 4.50% p.a. to 7.00% p.a. (31st March, 2020: 6.50% p.a. to 7.75% p.a)

(v) Inter Corporate Deposits of ₹ 1,88,500.00 Lakhs taken by a subsidiary of the Company, IGH Holdings Pvt. Ltd., carries effective interest @ 7.90% p.a. to 10.15% p.a. (31st March, 2020: 9.00% p.a. to 12.00% p.a.)

| 24. Current Trade Payables | | |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer Note 45) | **123.11** | 66.87 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | **41,444.54** | 40,568.63 |
| | **41,567.65** | 40,635.50 |

Trade Payables are non-interest bearing and normally settled on 0 to 45 days terms.

₹ in Lakhs

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **25. Other Current Financial Liabilities** | | |
| **Financial Liabilities at Fair value through Profit or Loss** | | |
| **Derivatives not designated as hedges** | | |
| - Liability on Foreign Exchange Forward Contract | **108.12** | - |
| **Financial Liabilities at amortised costs** | | |
| Current maturities of Long Term Borrowings (Refer note 19) | **10,313.60** | 26,281.15 |
| Current maturities of Lease Rent Liability (Refer note 20) | **15.57** | 3.99 |
| Deposits | **745.56** | 1,555.54 |
| Interest accrued but not due on borrowings | **5,810.37** | 7,704.95 |
| Payable against purchase of Property, Plant & Equipment | **5,247.36** | 2,281.60 |
| | **22,240.58** | 37,827.23 |
| **26. Short Term Provisions** | | |
| Provision for Leave Benefits | **1,029.72** | 1,013.75 |
| Provision for Gratuity | **102.00** | 647.84 |
| Contingent provision against Standard Assets | **470.24** | 81.05 |
| | **1,601.96** | 1,742.64 |
| **27. Current Tax Liabilities** | | |
| Provision for Taxation (Net of Advance Tax) | **4,457.02** | 4,115.11 |
| | **4,457.02** | 4,115.11 |
| **28. Other Current Liabilities** | | |
| Contract Liability | **7,017.26** | 2,611.21 |
| Statutory dues Payable | **7,457.85** | 4,154.84 |
| Interest payable on income tax | **661.30** | - |
| Customer refund Liability * | **4,596.75** | 18,245.90 |
| Other Miscellaneous | **402.44** | 486.68 |
| | **20,135.60** | 25,498.63 |

* Customer refund liability are recognized for discount payable to customers.

**₹ in Lakhs**

| 29. Revenue from Operations | 2020-21 | 2019-20 |
|---|---|---|
| **Sale of Products** | | |
| **Domestic** | | |
| Finished Goods | **3,16,770.11** | 3,28,314.27 |
| Power | **11,145.79** | 11,979.16 |
| **Export** | | |
| Finished Goods | **82,380.03** | 83,318.14 |
| | **4,10,295.93** | 4,23,611.57 |
| **Other Operating Revenue** | | |
| Mining fees on coal production | **86,069.57** | 83,942.66 |
| Income from Financial Services | **15,859.12** | 10,920.64 |
| Certified Emission Reduction (CER) Credits | **29.15** | 43.05 |
| Finance Lease Rentals | **934.75** | 949.55 |
| Lease Rent from Operating Lease | **81.59** | 88.40 |
| Sale of Scrap | **176.89** | 333.88 |
| Other Operating Income | **22.86** | 381.53 |
| | **1,03,173.93** | 96,659.71 |
| | **5,13,469.86** | 5,20,271.28 |
| **a) Reconciliation of the Revenue Recognised with the contract price -** | | |
| Contract Price | **4,10,295.93** | 4,52,946.40 |
| Less: Adjustment for Discount | **-** | 29,334.83 |
| **Revenue from Operations (Gross)** | **4,10,295.93** | 4,23,611.57 |

b) Refer Note No.60 for disaggregated revenue information.

c) The Group recognises revenue at point in time.

| 30. Other Income | 2020-21 | 2019-20 |
|---|---|---|
| Profit on sale of Current Investments (Net) | **942.70** | 910.25 |
| Profit on Property, Plant & Equipment sold/discarded (Net) | **-** | 71.59 |
| Unspent Liabilities, Provision no longer required and Unclaimed balances adjusted | **1,936.98** | 2,157.46 |
| Claims | **116.51** | 78.05 |
| Foreign Exchange Fluctuations (Net) | **4.30** | - |
| Fair value Gain on financial instruments through Profit or Loss (Net) | **23,589.60** | - |
| Contingent provision against Standard Assets no longer required written back | **-** | 211.27 |
| Dividend Income on: | | |
| - Non-current Investments | **0.79** | 2.14 |
| Interest Income on: | | |
| - Non-current Investments | **88.79** | 0.06 |
| - Inter-Corporate Loans | **2,999.07** | 2,443.54 |
| - Debts, Deposits & Advances, etc. | **983.62** | 955.33 |
| Miscellaneous Income | **1,141.08** | 891.19 |
| | **31,803.44** | 7,720.88 |

**₹ in Lakhs**

| | | **2020-21** | | 2019-20 | |
|---|---|---|---|---|---|
| **31.** | **Cost of Raw Materials Consumed** | | | | |
| | Inventory at the beginning of the year | **1,571.85** | | 1,929.68 | |
| | Add: Purchases | **11,293.40** | **12,865.25** | 7,856.84 | 9,786.52 |
| | Less: Inventory at the end of the year | | **341.11** | | 1,571.85 |
| | Less: Inventory Consumed for Pellet Plant - Trial Run | | **1,855.48** | | - |
| | | | **10,668.66** | | 8,214.67 |
| **32.** | **(Increase) / Decrease in Inventories** | | | | |
| | **Inventories at the beginning of the year** | | | | |
| | Work-in-Progress | **961.71** | | 1,721.99 | |
| | Finished Goods | **17,284.16** | | 10,537.12 | |
| | Saleable Scrap | **-** | **18,245.87** | 98.00 | 12,357.11 |
| | **Less: Inventories at the end of the year** | | | | |
| | Work-in-Progress | **599.97** | | 961.71 | |
| | Finished Goods | **14,268.59** | | 17,284.16 | |
| | Saleable Scrap | **-** | **14,868.56** | - | 18,245.87 |
| | | | **3,377.31** | | (5,888.76) |
| **33.** | **Employee Benefits Expenses** | | | | |
| | Salaries, Wages and Bonus [Includes ₹ 539.69 Lakhs (Previous year: ₹ 1,016.87 Lakhs) to contractors] | | **13,766.73** | | 14,709.65 |
| | Contribution to Provident & Other Funds (including Administrative charges) | | **704.43** | | 758.39 |
| | Gratuity Expense (Refer Note 58) | | **259.15** | | 245.82 |
| | Employee Welfare Expenses | | **544.93** | | 802.52 |
| | | | **15,275.24** | | 16,516.38 |
| **34.** | **Finance Costs** | | | | |
| | Interest Expenses [Net of interest expenses Capitalised during the year ₹ 1,478.78 Lakhs (Previous year: ₹ 1,526.07 Lakhs)] | | **29,295.88** | | 51,405.44 |
| | Interest Expenses on Lease liability | | **3.28** | | 3.34 |
| | Interest on Income Tax | | **661.30** | | 30.90 |
| | Bank charges | | **988.88** | | 385.54 |
| | | | **30,949.34** | | 51,825.22 |
| **35.** | **Depreciation and Amortization Expenses** | | | | |
| | Depreciation on Tangible assets | | **12,568.16** | | 12,819.46 |
| | Amortization of Intangible assets | | **802.58** | | 17,971.45 |
| | | | **13,370.74** | | 30,790.91 |
| | Less: Government grant (Refer Note 22) | | **62.50** | | 62.50 |
| | | | **13,308.24** | | 30,728.41 |

₹ in Lakhs

| | 2020-21 | 2020-21 | 2019-20 | 2019-20 |
|---|---|---|---|---|
| **36. Other Expenses** | | | | |
| Iron ore raising (excavation & transport) | | **2,257.24** | | 6,546.26 |
| Explosive consumed | | **3,185.40** | | 2,549.29 |
| Consumption of stores, chemicals and spares [Including ₹ 750.00 Lakhs (Previous year: ₹ 870.59 Lakhs) for Drilling & Blasting] | | **8,157.63** | | 12,642.98 |
| Power and fuel | | **29,269.98** | | 24,227.40 |
| Overburden removal expenses | | **610.14** | | 1,722.26 |
| Royalty on iron ore | | **56,461.24** | | 71,768.48 |
| Dead rent and surface rent | | **12.84** | | 23.42 |
| Screening charges | | **2,791.37** | | 4,521.59 |
| Export duty | | **6,263.56** | | 4,218.01 |
| Repairs and Maintenance: | | | | |
| - Buildings | **110.27** | | 552.99 | |
| - Plant & machinery | **11,826.10** | | 12,302.69 | |
| - Others | **1,110.85** | **13,047.22** | 1,756.75 | 14,612.43 |
| Rent & hire charges (Net) | | **2,157.98** | | 4,484.47 |
| Insurance | | **505.88** | | 393.39 |
| Rates and taxes | | **272.69** | | 209.08 |
| Sales tax / GST / Entry tax | | **-** | | 2,290.55 |
| Commission - Others | | **19.03** | | 9.48 |
| Payment to auditors (Refer details below) | | **82.38** | | 88.15 |
| Legal, professional and consultancy fees | | **2,663.38** | | 2,817.63 |
| Crushing and Conveying Charges | | **2,188.54** | | 2,182.05 |
| Rehabilitation & Resettlement | | **501.08** | | 653.02 |
| Quality Claims | | **508.22** | | 558.80 |
| Claims Paid [Refer Note 44B(k)] | | **542.16** | | 1,581.04 |
| Travelling and conveyance | | **1,112.74** | | 1,758.46 |
| Foreign Exchange Fluctuations (Net) | | **-** | | 309.46 |
| Charity and donations | | **2,555.86** | | 7,463.31 |
| Contribution to District Mineral Fund / National Mineral Exploration Trust | | **18,033.79** | | 22,910.93 |
| Loss on Property, Plant & Equipments sold/discarded (Net) | | **382.07** | | - |
| Irrecoverable Loans / Debts & Advances written off | | **21.33** | | - |
| Capital Work-in-Progress written off | | **-** | | 222.23 |
| Fair value loss on Financial Instruments at fair value through Profit & Loss | | **963.01** | | 7,900.17 |
| Directors' sitting fees | | **22.54** | | 11.43 |
| Contingent provision against Standard Assets | | **389.18** | | - |
| Periphery Development Expenses | | **1,110.87** | | 488.32 |
| Miscellaneous expenses | | **5,367.65** | | 6,262.72 |
| | | **1,61,457.00** | | 2,05,426.81 |

**Payment to Auditors**

| | 2020-21 | 2019-20 |
|---|---|---|
| As Auditor: | | |
| - Audit Fees | **49.01** | 51.18 |
| In Other Capacity: | | |
| - For Tax Audit Fees | **8.54** | 7.45 |
| - For Certificates and Other Services | **24.80** ** | 28.13 * |
| - For Reimbursement of Expenses | **0.03** | 1.39 |
| | **82.38** | 88.15 |

* Including Half yearly audit / Limited review fees of ₹ 8.06 Lakhs.
** Including Limited review fees of ₹ 10.65 Lakhs.

**37. Deferred Tax and Income Tax** **₹ in Lakhs**

**a) Deferred Tax**
**Deferred Tax relates to the following:**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Deferred Tax Assets | **20,149.13** | 52,569.92 |
| Deferred Tax Liabilities | **(5,002.36)** | (3,732.72) |
| **Total** | **15,146.77** | 48,837.20 |

| Particulars | As at 31st March, 2020 | Recognised in Profit and Loss | Effect due to Amalgamation | Recognised in Other Comprehensive Income | Recognised directly in Equity | Recognised MAT Credit / (Utilized/ Adjusted) | As at 31st March, 2021 |
|---|---|---|---|---|---|---|---|
| **A.Deferred Tax Assets** | | | | | | | |
| Expenditures falling under section 43B of Income Tax Act, 1961 | **501.83** | **(131.13)** | **-** | **-** | **-** | **-** | **370.70** |
| Fair valuation of FVTOCI investments | **62,206.89** | **-** | **-** | **(72,218.89)** | **-** | **-** | **(10,012.00)** |
| Fair valuation of FVTPL investments | **64,028.95** | **(4,694.75)** | **(59,520.87)** | **-** | **-** | **-** | **(186.67)** |
| Fair valuation of cross currency interest rate swap | **(388.65)** | **326.93** | **-** | **-** | **-** | **-** | **(61.72)** |
| Fair valuation of Financial Liabilities | **596.08** | **(502.68)** | **-** | **-** | **-** | **-** | **93.40** |
| Fair valuation of Loans, Advances and other Financial Assets | **903.85** | **15.87** | **-** | **-** | **-** | **-** | **919.72** |
| Contingency provision against Standard Assets | **20.40** | **97.95** | **-** | **-** | **-** | **-** | **118.35** |
| Provision for doubtful debts and advances | **396.00** | **-** | **-** | **-** | **-** | **-** | **396.00** |
| Interest on Compound Financial Instruments | **-** | **(478.33)** | **-** | **-** | **9,235.45** | **-** | **8,757.12** |
| Provision for site restoration | **49.68** | **-** | **-** | **-** | **-** | **-** | **49.68** |
| Unrealised profit on stock | **-** | **2,550.24** | **-** | **-** | **-** | **-** | **2,550.24** |
| Carried forward unabsorbed depreciation and business losses | **4,509.88** | **(36.26)** | **-** | **-** | **-** | **-** | **4,473.62** |
| Others | **65.39** | **15.59** | **-** | **-** | **-** | **-** | **80.98** |
| MAT credit entitlement | **51,306.41** | **-** | **-** | **-** | **-** | **(38,706.70)** * | **12,599.71** |
| | **1,84,196.71** | **(2,836.57)** | **(59,520.87)** | **(72,218.89)** | **9,235.45** | **(38,706.70)** | **20,149.13** |
| Less: Net Deferred Tax Assets not recognised ** | **1,31,626.79** | **(9,899.03)** | **(59,520.87)** | **(62,206.89)** | **-** | **-** | **-** |
| **Total - A** | **52,569.92** | **7,062.46** | **-** | **(10,012.00)** | **9,235.45** | **(38,706.70)** | **20,149.13** |
| **B. Deferred Tax Liabilities** | | | | | | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting | **3,590.14** | **1,179.12** | **-** | **-** | **-** | **-** | **4,769.26** |
| Fair valuation of FVTOCI investments | **142.96** | | **-** | **29.25** | **-** | **-** | **172.21** |
| Re-measurement Gains/ (Losses) on defined benefit plans- FVTOCI | **-** | **1.66** | **-** | **60.23** | **-** | **-** | **61.89** |
| Others | **(0.38)** | **(0.50)** | **-** | **(0.12)** | **-** | **-** | **(1.00)** |
| **Total - B** | **3,732.72** | **1,180.28** | **-** | **89.36** | **-** | **-** | **5,002.36** |
| | | | | | | | |
| **Net Deferred Tax Assets / (Liabilities) [A-B]** | **48,837.20** | **5,882.18** | **-** | **(10,101.36)** | **9,235.45** | **(38,706.70)** | **15,146.77** |

* Represents MAT credit entitlement adjusted with current tax liability on utilisation / adjustment.
** In the absence of probability of sufficient future taxable income, few subsidiaries of the Company has recognised deferred tax assets only to the extent of deferred tax liabilities as at 31st March, 2021.

| Particulars | As at 31st March, 2019 | Recognised in Profit and Loss | Effect due to Amalgamation | Recognised in Other Comprehensive Income | Recognised directly in Equity | Recognised MAT Credit / (Utilized/ Adjusted) | As at 31st March, 2020 |
|---|---|---|---|---|---|---|---|
| **A.Deferred Tax Assets** | | | | | | | |
| Expenditures falling under section 43B of Income Tax Act, 1961 | 507.22 | (5.39) | - | - | - | - | 501.83 |
| Fair valuation of FVTOCI investments | 20,095.68 | 42,111.21 | - | - | - | - | 62,206.89 |
| Fair valuation of FVTPL investments | 61,092.63 | 2,936.32 | - | - | - | - | 64,028.95 |
| Fair valuation of cross currency interest rate swap | (44.55) | (344.10) | - | - | - | - | (388.65) |
| Fair valuation of Financial Liabilities | (38.48) | 634.56 | - | - | - | - | 596.08 |
| Fair valuation of Loans, Advances and other Financial Assets | 894.51 | 9.34 | - | - | - | - | 903.85 |
| Contingency provision against Standard Assets | 81.33 | (60.93) | - | - | - | - | 20.40 |
| Provision for doubtful debts and advances | 396.00 | - | - | - | - | - | 396.00 |
| Provision for site restoration | 49.68 | - | - | - | - | - | 49.68 |
| Payment under voluntary retirement scheme | 39.62 | (39.62) | - | - | - | - | - |
| Carried forward unabsorbed depreciation and business losses | 53,297.37 | (48,787.49) | - | - | - | - | 4,509.88 |
| Others | 32.96 | 32.43 | - | - | - | - | 65.39 |
| MAT credit entitlement | 31,806.33 | - | - | - | - | 19,500.08 | 51,306.41 |
| | 1,68,210.30 | (3,513.67) | - | - | - | 19,500.08 | 1,84,196.71 |
| Less: Net Deferred Tax Assets not recognised ** | 87,678.06 | 43,948.73 | - | - | - | - | 1,31,626.79 |
| **Total - A** | 80,532.24 | (47,462.40) | - | - | - | 19,500.08 | 52,569.92 |
| **B. Deferred Tax Liabilities** | | | | | | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting | 9,172.53 | (5,582.39) | - | - | - | - | 3,590.14 |
| Fair valuation of FVTOCI investments | - | 154.95 | - | (11.99) | - | - | 142.96 |
| Others | 2.79 | (3.17) | - | - | - | - | (0.38) |
| **Total - B** | 9,175.32 | (5,430.61) | - | (11.99) | - | - | 3,732.72 |
| | | | | | | | |
| **Net Deferred Tax Assets / (Liabilities) [A-B]** | 71,356.92 | (42,031.79) | - | 11.99 | - | 19,500.08 | 48,837.20 |

** In the absence of probability of sufficient future taxable income, few subsidiaries of the Company has recognised deferred tax assets only to the extent of deferred tax liabilities as at 31st March, 2020.

**₹ in Lakhs**

i) The Group has not recognised deferred tax on temporary differences relating to depreciation that originates and reverses during the tax holiday periods.

ii) The Group has not recognised deferred tax assets on following long-term & short term capital loss, unabsorbed depreciation and business loss as presently it is not probable of recovery:

| Description | AY | Amount | Tax Impact | Year of Expiry |
|---|---|---|---|---|
| Long Term Capital Loss | 2013-14 | 1,906.77 | 444.20 | 2021-22 |
| Long Term Capital Loss | 2014-15 | 252.10 | 58.73 | 2022-23 |
| Unabsorbed Depreciation | 2014-15 | 3,780.85 | 1,321.03 | Indefinite Period |
| Business Loss | 2014-15 | 262.28 | 91.64 | 2022-23 |
| Unabsorbed Depreciation | 2015-16 | 3,122.31 | 1,090.93 | Indefinite Period |
| Business Loss | 2015-16 | 5,151.49 | 1,799.93 | 2023-24 |
| Long Term Capital Loss | 2016-17 | 739.14 | 172.19 | 2024-25 |
| Unabsorbed Depreciation | 2016-17 | 1,762.75 | 615.90 | Indefinite Period |
| Business Loss | 2016-17 | 3,320.28 | 1,160.11 | 2024-25 |
| Long Term Capital Loss | 2017-18 | 234.46 | 54.62 | 2025-26 |
| Unabsorbed Depreciation | 2017-18 | 1,443.72 | 504.43 | Indefinite Period |
| Business Loss | 2017-18 | 731.07 | 255.44 | 2025-26 |
| Long Term Capital Loss | 2018-19 | 33,778.73 | 7,869.09 | 2026-27 |
| Unabsorbed Depreciation | 2018-19 | 1,223.49 | 427.49 | Indefinite Period |
| Business Loss | 2018-19 | 1,554.76 | 543.23 | 2026-27 |
| Business Loss | 2018-19 | 3.61 | 0.91 | 2026-27 |
| Business Loss | 2019-20 | 13,573.11 | 3,416.08 | 2027-28 |
| Unabsorbed Depreciation | 2019-20 | 1,048.14 | 366.22 | Indefinite Period |
| Business Loss | 2019-20 | 8,559.51 | 2,990.69 | 2027-28 |
| Long Term Capital Loss | 2019-20 | 694.44 | 161.78 | 2027-28 |
| Unabsorbed Depreciation | 2020-21 | 940.02 | 328.13 | Indefinite Period |
| Business Loss | 2020-21 | 3,122.37 | 1,079.82 | 2028-29 |
| Unabsorbed Depreciation | 2021-22 | 4,657.89 | 1,627.47 | Indefinite Period |
| Business Loss | 2021-22 | 3,002.74 | 1,049.16 | 2029-30 |
| | | **94,866.03** | **27,429.22** | |

**b) Income Tax**

The major components of income tax expense for the years ended 31st March, 2021 and 31st March, 2020 are:

| | **2020-21** | 2019-20 |
|---|---|---|
| Current Income Tax : | | |
| Current income tax charge | 79,477.34 | 28,652.37 |
| MAT credit Entitlement | (482.43) | (19,500.08) |
| For earlier years | (434.60) | (0.42) |
| Deferred Tax : | | |
| Relating to origination and reversal of temporary differences | (5,882.18) | 42,174.93 |
| Income tax expense reported in the statement of Profit or Loss | 72,678.13 | 51,326.80 |

Section 115BAA of the Income Tax Act,1961 gives the corporate assessee an option to apply a lower tax rate with effect from 1st April, 2019 subject to certain conditions specified therein. The Company has assessed the impact of the same and believes that it will continue to remain in the existing tax structure for the foreseeable future based on its forecasted profits. Accordingly, no effect in this regard has been considered in measurement of tax expenses for the purpose of these financial statements. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expenses when there is reasonable certainty to avail the lower rate of tax.

Some subsidiaries of the Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 to compute the income tax at lower rate of 22% (plus applicable surcharge and cess) instead of normal tax rate of 30% (plus applicable surcharge and cess) from the current financial year and resultant impact has been shown in the financial statements.

**38. Earning per share**

The following reflects the profit and Share data used in the basic and diluted EPS computations:

| | 2020-21 ₹ in Lakhs | 2019-20 ₹ in Lakhs |
|---|---|---|
| **Profit / (Loss) after tax attributable to equity holders for basic earnings** | **1,59,697.34** | 67,787.84 |
| Add: Interest on Convertible Debentures (Net of Tax) | **623.65** | - |
| **Net Profit / (Loss) after tax** | **1,60,320.98** | 67,787.84 |
| | **2020-21 No. of Shares** | 2019-20 No. of Shares |
| Weighted average number of Equity Shares | **1,93,59,25,630** | 1,80,74,75,563 |
| **Effect of Dilution:** | | |
| Weighted average number of Equity Shares issued / to be issued on the conversion of Debentures | **5,23,68,164** | - |
| **Weighted average number of Equity shares adjusted for the effect of dilution** | **1,98,82,93,794** | 1,80,74,75,563 |
| Basic Earning per Share (₹) | **8.25** | 3.75 |
| Diluted Earning per Share (₹) | **8.06** * | 3.75 |
| (Nominal value of share ₹ 10/-) | | |

* Without considering the impact of conversion of Convertible Debenture (anti-dilutive effect).

**39.** Iron ore leases namely Jilling, Langalota Iron and Manganese Mines and Kasia Iron & Dolomite Mines has expired on 31st March, 2020 as per Sec 8A(6) of MMDR Amendment Act, 2015. As per Rule 12(1)(gg) of The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 six months' time had been prescribed for removing and dispatching the stock of mineral excavated during the currency of the lease and thereafter handing over the mines to State Government after considering the additional one month provide under the rules 12(1)(hh) of the said rules. Accordingly, dispatches of material and removal of items continued till October, 2020 and lease handed over to the State Government .

**40.** The Company had participated in the competitive bidding process invited by Andhra Pradesh Mineral Development Corporation Limited (APMDC) from experienced Mine Developers and Operators for planning, engineering, financing, construction, development, operation and maintenance on 19th March, 2018. The Company after a competitive bidding process emerged as the successful bidder and agreement to execute the project was signed on 8th March, 2019.

The life of the project is 33 years. This being a greenfield project, the development period as per contract is 840 days. The project is located in Korba district of Chhattisgarh.

The Company plans to develop the mines and operate with latest technology mining machines and equipment. Currently, project team is in process of facilitating regulatory clearances such as Environmental Clearances, Forest Clearances, etc. which is required to be undertaken in the development period. Expenses incurred ₹ 136.30 Lakhs during the year (31st March, 2020: ₹ 76.07 Lakhs) of development of the project are treated as "Pre-operative expenses, pending allocation" and shown as Capital Work-in Progress.

**41.** The Company had participated in the auction process of Bunder Diamond Block (Mining Lease) in Chhatarpur District of Madhya Pradesh and won the block through competitive bidding. Letter of Intent for Grant of Mining Lease has been issued by Government of Madhya Pradesh in favour of the Company on 19th December, 2019.

Bunder Diamond Block is a Greenfield Mining Project covering an area of 364 Ha in Buxwaha Protected Forest and located near Village Sagoria of Buxwaha Tehsil in Chhatarpur District of Madhya Pradesh. The project is about 80 Kms. from Chhatarpur, the district headquarter and 260 Kms. from Bhopal the state capital. The estimated resources in the block is around 53.70 Million Tonne of Kimberlite Ore containing about 34 Million Carats of rough Diamonds.

The Company plans to develop a fully mechanized opencast mine and state of the art processing plant for recovery of Diamonds and is currently in the process of obtaining various regulatory clearances such as approval of Mine Plan, Environment & Forest clearances etc. required for execution of mining lease. Expenses incurred ₹ 531.23 Lakhs during the year (31st March, 2020: ₹ 63.41 Lakhs) for development of the project are treated as "Pre-operative expenses, pending allocation" and shown as Capital Work-in-Progress.

**42.** The Company through its wholly owned subsidiary, EMIL Mines and Mineral Resources Ltd.("EMMRL"), had participated in the auction of coal blocks for sale of coal conducted by Ministry of Coal, Government of India. EMMRL had emerged as "Successful bidder" for following blocks :
1. Bandha Coal Mine, Madhya Pradesh
2. Radhikpur (East) Coal Mine, Odisha

EMMRL has signed Coal Block Development & Production Agreement (CBDPA) for Bandha Coal Mine and Coal Mine Development & Production Agreement (CMDPA) for Radhikapur (East) Coal Mine on 11th January, 2021.
During development period, EMMRL will have to complete the balance exploration and prepare Geological Report for Bandha Coal Mine and will have to obtain various statutory clearances i.e. Mine plan approval, Environment clearances, Forest clearance etc., land acquisition and Rehabilitation & resettlement, and mine opening permission for both the blocks.
Expenses pertaining to Exploration and evaluation of Bandha Coal Mine incurred during the year is shown under the head "Exploration and Evaluation Assets" amounting to ₹ 5,946.39 Lakhs and expenses pertaining to development of Radhikapur (East) Coal Block incurred during the year is shown as "Intangible assets under development" amounting to ₹ 550.59 Lakhs.

**43.** During the year 2019-20, Mahanadi Coalfields Ltd. (MCL) issued a notice demanding ₹ 23,343.00 Lakhs towards provisional cost of backlog overburden (OB) volume upto 31st March, 2019. A subsidiary of the Company, Bhubaneswari Coal Mines Ltd.(BCML), has filed a writ petition bearing No. WP (C) 16909 of 2019 before the Odisha High Court challenging the said notice, pursuant to which MCL has withdrawn the demand notice. However, MCL has maintained its stand that BCML is required to extract the total stipulated quantity of OB (including backlog OB) within the contract period, failing which there will be a subtractive impact on the mining fee payable to the subsidiary company. Considering that MCL had already levied and deducted penalty from bills for annual shortfall of OB as per the terms of the contract and based on the legal opinion obtained by the subsidiary company in this regard, BCML is of the view that MCL's stand on the backlog of OB removal is not in accordance with the Contract.

**44. Commitments and Contingencies**

| **A. Commitments** | **As at 31st March, 2021 ₹ in Lakhs** | As at 31st March, 2020 ₹ in Lakhs |
|---|---|---|
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances as on 31st March, 2021 : ₹ 7,833.70 Lakhs (31st March, 2020 : ₹ 8,757.98 Lakhs)] | 3,621.52 | 10,767.18 |
| (ii) Estimated amount of contracts remaining to be executed on other commitments and not provided for (net of advances as on 31st March, 2021 : ₹ 1,399.62 Lakhs; 31st March, 2020 : ₹ Nil) | 4,198.86 | - |

(iii) A subsidiary, IGH Holding Pvt. Ltd., of the Company has subscribed to the Rights issue of Aditya Birla Fashion & Retail Ltd. at ₹ 110/- per share (Face value of ₹ 10/- and Premium of ₹ 100/-). Final call amounting ₹ 11,668.47 Lakhs (4,24,30,800 shares at ₹ 27.50 per share) is yet to be made.

| | | **As at 31st March, 2021 ₹ in Lakhs** | As at 31st March, 2020 ₹ in Lakhs |
|---|---|---|---|
| **B (i).** | **Contingent liabilities not provided for in respect of :** | | |
| a. | Unredeemed Bank Guarantees | **34,762.10** | 31,017.80 |
| b. | Excise Duty/Sales Tax matters under dispute | | |
| | (1). Order passed u/s 43 of the OVAT Act, dated 31st August, 2017, by the JCCT, Jajpur Road, for the period 2012-2014 imposing tax and penalty of ₹ 94.69 Lakhs and ₹ 189.38 Lakhs respectively, on so called receipt of minerals from lease hold mines against payment of royalty, treating the same as purchase/receipt from unregistered dealer, i.e., Government of Odisha. Writ petition filed before High Court of Orissa which has stayed the demand. | **284.07** | 284.07 |
| | (2). Order passed u/s 12 of the OVAT Act, dated 25th October, 2018, by the DCCT, Barbil, for the period 01.04.2016 to 30.06.2017 imposing tax and penalty of ₹ 21.72 Lakhs and ₹ 5.43 Lakhs, on so called receipt of minerals from lease hold mines against payment of royalty, treating the same as purchase/receipt from unregistered dealer, i.e., Government of Odisha. Appeal filed before the Additional CCT (Appeal) is yet to be disposed off. | **27.15** | 27.15 |
| | (3). Matters relating to Orissa Entry tax with sales tax authorities pending with the Odisha Sales Tax Tribunal | **101.73** | 101.73 |
| c. | Service Tax matters under dispute (Including penalty but excluding interest) | | |
| | (1) Appeal filed before Appellate Tribunal u/s 86(1) of Finance Act, 1994 (Customs, Excise and Service Tax Appellate Tribunal, Kolkata) appeal against rejection of appeal before Commissioner (Appeals), CGST & Central Excise filled u/s 85 of Finance Act, 1994 against notice of demand under section 73(2),75,77(2) &78 of the Finance Act 1994, against which ₹ 4.29 Lakhs (31st March, 2020: ₹ 4.29 Lakhs) has been paid. | **86.49** | 86.49 |
| | (2). Order passed by Joint commissioner of Central tax GST & Central Excise Rourkela dated 22nd February, 2018 for ₹ 121.68 Lakhs along with penalty of ₹ 0.80 Lakhs and penalty of equivalent amount u/s 78(1) of Finance Act in respect of non-payment of Service tax under RCM in respect of services availed from GTA; Non-payment of Service tax on TIELS benefit given by Indian railways, which is passed on to the Notice by their customers. Appeal filed before CESTAT is pending for disposal. | **244.16** | 244.16 |
| | (3). Demand confirmed by Commissionerate of CT and GST, Odisha (Cuttack) towards short-payment of GST on reverse charge basis on Royalty, DMF NMET paid to State Government for the period 1st April, 2018 to 31st December, 2018 amounting to ₹ 6,117.20 Lakhs u/s 73(8) of OGST Act 2017 along with interest of ₹ 1,564.57 Lakhs and penalty of ₹ 611.72 Lakhs. | **8,293.49** | - |
| | (4). Demand towards non-payment of Service Tax on “Scientific or Technical Consultancy Services” received from foreign supplier. The matter is pending before the CESTAT Kolkata on the ground that the activities undertaken by foreign entities on account of technical and due diligence in relation to mining opportunities/proposed acquisition of mines situated outside India will fall under the ambit of “Mining Services” and thereby the Place of Provision of Service would be outside the taxable territory and hence not liable to Service Tax. | **605.56** | 605.56 |
| | (5). Service tax input credit disallowed U/S 14 of the Cenvat Credit Rules,2004 read with Sec 11A(4) of the Central Excise Act,1944 for the period 1st April, 2011 to 28th January, 2014. | **228.31** | 228.31 |
| d. | Claims against the Company by service providers not acknowledged as debt | **139.21** | 274.41 |
| e. | Custom Duty on Import under EPCG Scheme against which Export obligation is to be fulfilled | **92.96** | 92.26 |
| f. | Corporate Guarantee/Undertaking given for Loans taken by others (net of entitlements) | **79,000.00** | 60,000.00 |
| g. | Demand from Railways towards Land Licensing Fees (Refer Note 52) | **3,151.53** | 2,557.77 |
| h. | Income Tax demands contested by the Company | **14,000.62** | 14,000.62 |
| | Appeal filed before CIT (Appeals-3) against assessment u/s 154 and notice of demand u/s 156 of Income Tax Act, against which ₹ 1.25 Lakhs already has been paid | **6.22** | 6.22 |
| | Appeal filed before CIT (Appeals) against assessment u/s 143(3) for AY 2017-18. | **24.21** | 24.21 |
| i. | Demand from Department of Steel & Mines towards Shortages, Royalty etc. (Refer Note 50) | **17,507.04** | 17,507.04 |
| j. | Guarantee obligations towards site restoration | | |
| | Financial assurance given to Indian Bureau of Mines in the form of bank guarantee as per Rule 25 towards area put to use for mining and allied activities. | **228.81** | 1,330.23 |
| | Mahanadi Coalfields Limited (MCL) issued a show cause notice demanding ₹ 5,492.00 Lakhs towards excess payment by MCL towards power component during the period from 01.04.2012 to 30.06.2020. A subsidiary of the Company, Bhubaneswari Coal Mining Ltd. has filed a writ petition bearing No. WP(C)/0020932/2020 dated 24th August, 2020 before the Odisha High Court challenging the alleged excess payment of ₹ 5,492.00 Lakhs. | **5,492.00** | - |
| | Asst. Commissioner, GST & Central Excise, Angul Division issued a demand cum show cause notice demanding ₹ 5.67 Lakhs towards irregular availment of transitional CGST Credit through TRAN-1. A subsidiary of the Company, Bhubaneswari Coal Mining Ltd. has filed an appeal before the Addl. Commissioner (Appeals), GST, Central Excise & Customs, Revenue Building, & other forums against the said notice, however the payment of ₹ 5.67 Lakhs has been made. | **5.67** | - |

k. The Transferor Companies (Refer note 49) had sold on 28th March, 2019 all the equity shares (i.e. 367,60,80,070 Equity Shares) held in Aditya Birla Retail Ltd.("ABRL") in terms of Share Purchase Agreement dated 19th September, 2018 (SPA) executed between Kanishtha Finance and Investment Pvt. Ltd.(Kanishtha), RKN Retail Pvt. Ltd.(RKN), Witzig Advisory Services Pvt. Ltd.(Purchaser) and More Retail Ltd. (formerly known as Aditya Birla Retail Ltd.). In terms of Clause 9 of the SPA, the Transferor Companies had agreed to indemnify jointly & severally the Purchaser for an amount not exceeding ₹ 4,000.00 Lakhs against any loss suffered by the Purchaser or More Retail Ltd. towards Operational Warranties mentioned in the SPA.

During the previous year, the Transferor Companies were in receipt of a Claim Notice dated 15th May, 2020 from the Purchaser under Clause 9 of the SPA (herein after referred as "Notice") claiming ₹ 2,108.05 Lakhs towards estimated differential minimum wages payable to employees of More Retail Ltd. pursuant to Karnataka Government's notification dated 30th December, 2017 which notification was upheld by the Hon'ble Karnataka High Court vide its order dated 13th April, 2020.

In terms of the said clause of the SPA, the management was principally of the view that the above claim was maintainable, subject to certain clarification and information sought from the Purchaser and finalisation of the settlement amount. Pending final settlement, on a prudent basis, the management had estimated total claim liability of ₹ 1,581.04 Lakhs (75% of the Claim amount) which has been provided for in the books in the previous year. However, final claim amount as per the Settlement agreement dated 21st January, 2021 is ₹ 2,123.20 Lakhs. Hence, the difference amount of ₹ 542.16 Lakhs has been charged to Statement of Profit and Loss in the current year.

The Transferor Companies are now in receipt of a Claim Notice dated 24th March, 2021 from the Purchaser under Clause 9 of the SPA (herein after referred as "Notice") claiming ₹ 1,045.00 Lakhs towards Breach or misrepresentation of Operational Warranties by the Transferor Companies. On receipt of the notice, the subsidiary of the Company has started deliberations and has sought certain clarification and information sought from the Purchaser. These deliberations are at an initial stage and therefore the amount of ₹ 1,045.00 Lakhs is considered as Contingent Liability as on 31st March, 2021.

l. Demands of tax under Orissa Rural Infrastructure and Socio-Economic Development Act, 2004 for the years 2004-05 and 2005-06 stand at ₹ 7,377.40 Lakhs. The petition filed by the Eastern Zone Mining Association on behalf of mining companies against the imposition of above tax has been decided in favour of the mining companies by the Hon'ble Orissa High Court vide its order dated 5th December, 2005. However, the department has filed appeal against the said order with Hon'ble Supreme Court of India, which is pending disposal for last several years, as a nine judge's constitutional bench is to be constituted to hear the matter.

(ii) The Government of Odisha has raised a demand of ₹ 21,355.92 Lakhs for Kasia mines for undertaking mining in absence of executed lease deed during the period 2012-13. The demand has been challenged before the Revisional Authority and the same is pending for adjudication.

(iii) The Company had received demands of ₹ 2,75,539.57 Lakhs during the year 2013-14 towards stamp duty pursuant to the enactment of the Indian Stamp (Odisha Amendment) Act, 2013 w.e.f. 10th May, 2013 in respect of Company's Mining Leases. The Company has filed writ petition before Hon'ble High Court of Odisha challenging the constitutional validity of the aforesaid demands and interim stay has been granted by the Hon'ble High Court vide its order dated 9th July, 2013. In view of above and favourable legal opinion obtained by the Company, the management believes that the Company does not have any existing obligation in this regard.

(iv) The Company has received a notice from the Joint Director of Mines, Joda vide Letter No.745 / Mines dated 8th February, 2021, wherein the Company has been directed to deposit ₹ 38,413.09 Lakhs towards cost price as compensation on the excess production during the period October, 2019 to March, 2020 in respect of Kasia mines, under Sec.21(5) of MMDR Act, 1957. The said demand has been raised based on the cost price for the difference between the actual production and permissible production computed based on lowest of the proportionate production for the period of operations as per the Mining Plan, Consent to Operate and Environmental clearance. Such computation of permissible production by proportionate method based on period of operation in not prescribed in any of the Act / Rules. The Company has preferred Revision application before Mines Tribunal, New Delhi, challenging the order of Joint Director of Mines. The matter is pending before Mines Tribunal, New Delhi for listing. The Company believes such a demand is not tenable as per law.

(v) During the year a subsidiary of the Company, Rajmahal Coal Mining Ltd., received a demand of ₹ 5,559.93 Lakhs towards dispute of sales tax on utilisation of HSD for the financial years 2017-18 to 2020-21 (Q1 & Q2) from the Commercial tax department of Jharkhand State. Also ₹ 108.74 Lakhs collected by the Commercial tax department of Jharkhand State on 31st March, 2021 by way of bank attachment against the above Demand Orders. The subsidiary of the Company has filed an appeal to the Joint Commissioner (Appeal) against these orders and a favorable appeal order dated 2nd June, 2021 obtained from the office of Joint Commissioner (Appeal).

**C. Leases**

**(i) Group as a lessee**

Short term lease payments during the year

Certain office premises, machineries, etc. are obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the Group. There are no restrictions imposed by lease agreements and are cancellable. There are no subleases.

**₹ in Lakhs**

| Particulars | Year ended 2020-21 | Year ended 2019-20 |
|---|---|---|
| Lease rentals recognized during the year | 1,589.80 | 2,882.48 |

**(ii) Group as a lessor - Finance Lease**

The Group has leased out certain renewable energy assets to third party under finance lease arrangement. The Group recognizes a receivable in the amount of the net investment in the lease.The lease payments made by the lessees are split into an interest component and a principal component using the effective interest rate method. The lease receivable is reduced by the principal received. The interest component of the payments is recognized as finance income in the Statement of Profit and Loss. The following table shows how the amount of the net investment in a finance lease is determined:

| | **Year ended 2020-21 ₹ in Lakhs** | Year ended 2019-20 ₹ in Lakhs |
|---|---|---|
| Minimum Lease Payments | **14,539.44** | 15,536.52 |
| Unguaranteed residual value | **-** | - |
| Gross Investment | **14,539.44** | 15,536.52 |
| Unearned Finance Income | **10,207.55** | 11,142.31 |
| Net Investment (Present Value of the Minimum Lease Payments) | **4,331.89** | 4,394.21 |
| Operating rents recognised and included as income under the head "Finance Lease Rentals" in the year | **81.59** | 88.40 |

**Following table presents the Gross Investment amounts and the present value of Minimum Lease Payments**

| | **As at 31st March, 2021** | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | **₹ in Lakhs** | **₹ in Lakhs** | ₹ in Lakhs | ₹ in Lakhs |
| **Maturity** | **Gross Investment** | **Present value of Minimum lease payment** | Gross Investment | Present value of Minimum lease payment |
| (i) not later than one year; | **990.05** | **69.30** | 997.08 | 62.32 |
| (ii) later than one year and not later than five years; | **3,888.50** | **380.68** | 3,917.33 | 333.65 |
| (iii) later than five years. | **9,660.89** | **3,881.91** | 10,622.11 | 3,998.24 |
| | **14,539.44** | **4,331.89** | 15,536.52 | 4,394.21 |

**45. Details relating to Micro, Small and Medium Enterprises :**

| | | **As at 31st March, 2021 ₹ in Lakhs** | As at 31st March, 2020 ₹ in Lakhs |
|---|---|---|---|
| (i). | The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year. | **123.11** | 66.87 |
| (ii). | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with amount of the payment made to the supplier beyond the appointed day during each accounting year. | **-** | - |
| (iii). | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | **-** | - |
| (iv). | The amount of interest accrued and remaining unpaid at the end of accounting year; and | **-** | - |
| (v). | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006. | **-** | - |

**46.** During the current year, donations include contribution of ₹ 2,000.00 Lakhs (Previous year: ₹ 6,750.00 Lakhs) which was made through Electoral Bond Scheme, 2018 notified by Government of India.

**47. Repairs & Maintenance of Plant & Machinery includes :**

| | **As at 31st March, 2021 ₹ in Lakhs** | As at 31st March, 2020 ₹ in Lakhs |
|---|---|---|
| Operation & Maintenance charges for Wind Power Mills | **308.98** | 950.74 |
| Operation & Maintenance charges for Solar Power Plant | **491.25** | 368.07 |
| Consumption of Spare Parts | **78.96** | 501.86 |

**48.** Expenditure incurred on Corporate Social Responsibility activities, included in Miscellaneous Expenses in the Statement of Profit and Loss is ₹ 437.41 Lakhs (31st March, 2020: ₹ 426.14 Lakhs).
The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March, 2020 is ₹ 431.18 Lakhs (31st March, 2020 : ₹ 420.07 Lakhs) i.e.; 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

**49. Scheme of Amalgamation :**

(i) The respective Board of Directors of the subsidiary companies, Kanishtha Finance and Investment Pvt. Ltd. ("Transferor Company 1"), RKN Retail Pvt. Ltd. (“Transferor Company 2”) and IGH Holdings Pvt. Ltd. ("Transferee Company") had approved the Scheme of Amalgamation ("Scheme") of Transferor Company 1 and Tranferor Company 2 with Transferee Company and their respective shareholders pursuant to Section 230 to 232 and other applicable provisions of The Companies Act, 2013. The Appointed Date of the Scheme is 1st April, 2019. As required by law, the Company had filed an application with the Hon’ble National Company Law Tribunal, Mumbai Bench (NCLT) in connection with the aforesaid amalgamation which has been approved by NCLT vide its Order dated 15th February, 2021.

(ii) Pursuant to the Scheme sanctioned by the NCLT vide its order dated 15th February, 2021, all the assets, rights, obligations, liabilities, etc and entire business of each of the aforesaid Transferor Companies were transferred to and vested at book value in the Transferee Company on 14th June, 2021 (Effective Date i.e. the date of filing of the certified copy of the order dated 15th February, 2021 in Form No. INC - 28 with the Registrar of Companies by IGH Holdings Pvt. Ltd. and the Transferor Companies) as a going concern with effect from 1st April, 2019 (Appointed Date) and accordingly the sanctioned Scheme has been given effect to in these financial statements for FY 2019-20.

(iii) All the equity shares of Transferor Companies were held by the Transferee Company. Thus, Transferor Companies were direct wholly owned subsidiaries of the Transferee Company and therefore no issue of shares has been done by the Transferee Company as consideration for the amalgamation of the Transferor Companies with the Transferee Company. On effectiveness of this Scheme, all equity shares of the Transferor Companies held by the Transferee Company inter se have been cancelled without any further application, act or deed. There has been no change in the issued Equity Share Capital of the Transferee Company.

(iv) There has been a change in the Authorised Equity Share Capital of the Transferee Company. The Authorised Equity Share Capital of the Transferor Companies amounting to ₹ 6,550.00 Lakhs has been added to the existing Authorised Equity Share Capital of ₹ 5,250.00 Lakhs of the Transferee Company. Thus, the final total Authorised Equity Share Capital of the Transferee Company w.e.f. 1st April, 2019 is ₹ 11,800.00 Lakhs.

(v) There has been a change in the Authorised Preference Share Capital of the Transferee Company. The Authorised Preference Share Capital of the Transferor Companies amounting to ₹ 611.00 Lakhs has been added to the existing Authorised Preference Share Capital of ₹ 30,250.00 Lakhs of the Transferee Company. Thus, the final total Authorised Preference Share Capital of the Transferee Company w.e.f. 01.04.2019 is ₹ 30,861.00 Lakhs.

(vi) The difference between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the Transferor Companies amounting to ₹ 3,393.32 Lakhs has been transferred to capital reserve and is presented separately from other capital reserves (captioned as "Amalgamation reserve") with disclosure of its nature and purpose in the note.

(vii) The Transferee Company has accounted for the amalgamation of the Transferor Companies in its books of account under pooling of interest method in accordance with Appendix C to Indian Accounting Standard - 103 prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Further, in accordance with Ind AS 103 ‘Business Combinations’, the subsidiary of the Company has restated the financial statements for the previous year presented in these financial statements even though the title, obligations and compliances related to these balances till the effective date remain with Transferor Companies.

**50.** The Company had received demands of ₹ 17,507.04 Lakhs during the year 2011-12 from Department of Steels & Mines, Government of Odisha for the years 2000-01 to 2010-11 towards shortages, royalty, etc. which has been stayed by the Mines Tribunal of the Central Government by its interim order dated 5th September, 2012 till the disposal of revision petition filed by the Company. Pending disposal of the said revision petition, the Company's obligation, if any, is not ascertainable at this stage. On 5th September, 2012, injunction order for not to take any coercive action till disposal of the matter was issued. The matter is pending adjudication.

**51.** Trade Payable includes ₹ 10,014.47 Lakhs for liability provided during the year 2010-11 towards stacking charges demand from South Eastern Railways, which has been stayed by the Hon'ble High Court of Calcutta vide its order dated 20th December, 2011. Pending final decision of the Hon'ble High Court of Calcutta, the said liability is continued in the books by the Company.

**52.** The Company had received demands of ₹ 3,677.60 Lakhs (including ₹ 542.13 Lakhs for the period 1st April, 2019 to 31st March, 2021during the year) from South Eastern Railway towards land licensing fees for railway siding at its Mining Unit. The Company had approached the Railway Authorities to revise these demands based on the prevailing land rates at respective localities, which are much lower than the land rates considered in the above demands. Further, the Company has filed a writ petition before the Hon'ble High Court of Calcutta against the circular published by the Railway Authorities in 2008 imposing such higher rates. Hon'ble High Court has directed to make payment at old rates as per 2005 circular vide its Order dated 18th December, 2014 till the disposal of the above writ petition. During the year the Company has submitted bank guarantee for ₹ 1,592.75 Lakhs to South Eastern Railway towards such land licensing fees. In the opinion of the management, provision of ₹ 526.07 Lakhs made in the books of account is sufficient to meet the balance liabilities.

**53.** The Writ W.P(C) 1599 / 2019 pertaining to stamp duty for Koira mining lease filed challenging the notice issued by Sub-Registrar, Bonai dated 13th December, 2018 wherein ₹ 2,559.57 Lakhs was demanded purportedly towards deficit stamp duty and registration fee in respect of Supplementary Lease deed dated 15th July, 2016. The Company was granted stay in the matter on 24th January, 2019 and the writ is disposed with a direction to Sub-registrar, Bonai to hear the matter on merits and disposed of the same, hearing is awaited.

**54.** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and 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.

**55.** A subsidiary of the Company, IGH Holdings Pvt. Ltd. ("company") is registered with the Reserve Bank of India (RBI) as a Non Deposit taking Non Banking Financial Company. The company has negative Net Owned Funds (NOF) as at 31st March, 2021 and the company's investments / loans to group companies is in excess of the limits prescribed by the RBI. However, at the same time, the company is a Systemically Important Core Investment Company (CIC) as per the provisions of Core Investment Companies (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India vide Notification dated 25th August, 2016. The company is in compliance with all the parameters applicable to a CIC. In this respect, the company had made an application on 23.10.2019 to the Reserve Bank of India (RBI) for registration as a Core Investment Company (CIC). In this respect, RBI has sought certain information and the company is in the process of providing the same.

**56.** During the previous year Kanishtha Finance and Investment Pvt. Ltd. and RKN Retail Pvt. Ltd. became the 100% subsidiary of IGH Holdings Pvt. Ltd.(wholly owned subsidiary of the Company) with effect from 30th November, 2019 accordingly the consolidated financial statements for the previous year ended 31st March, 2020 were prepared after giving the impact of acquired subsidiaries effective 30th November, 2019. The IGH Holdings Pvt. Ltd. filed a scheme of arrangement with NCLT for merger of Kanishtha Finance and Investment Pvt. Ltd. and RKN Retail Pvt. Ltd. with IGH Holdings Pvt. Ltd. with appointed date 1st April, 2019. The scheme has been approved by the NCLT and certified copy of the order has been filed with ROC Mumbai. To give impact of the approved scheme the IGH Holdings Pvt. Ltd. has restated its financial statements for the period 1st April, 2019 to 31st March, 2020 considering business combination under Common Control as per Ind AS 103 "Business Combination". Consequently the consolidated financial statements for the previous year ended 31st March, 2020 have been restated. The impact of the restatement on assets & liabilities are given below.

**₹ in Lakhs**

| Particulars | Amount reported as on 31st March, 2020 as per audited financial statements | Restated amount as on 31st March, 2020 |
|---|---|---|
| Non-Current Assets | **9,74,435.69** | **9,74,435.04** |
| Current Assets | **1,91,114.80** | **1,91,114.53** |
| **Total Assets** | **11,65,550.49** | **11,65,549.57** |
| Equity (Including Other Equity & Non-Controlling Interest) | **6,96,081.09** | **6,96,080.25** |
| Non-Current Liabilities | **1,41,312.62** | **1,41,312.62** |
| Current Liabilities | **3,28,156.78** | **3,28,156.70** |
| **Total Equity & Liabilities** | **11,65,550.49** | **11,65,549.57** |

**57. Significant accounting judgements, estimates and assumptions**

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

(i) **Judgements**

The management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**Deferred tax assets on unused tax losses**

Deferred tax assets are recognised on unused tax losses to the extent that it is probable that taxable profit will be available against which losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(ii) **Estimates and assumptions**

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

a) **Defined benefit plans**

The cost of the employment benefits such as gratuity and leave are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, an employee benefit liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

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

Further details about gratuity obligations are given in Note 58.

b) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 61 and 69 for further disclosures.

c) **Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

d) **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) **Significant judgments when applying Ind AS 115**

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and price concessions, if any, as specified in the contract with the customer. The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

f) **Provisions and Contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

### 58. Gratuity and other post-employment benefit plans

The Group has a defined benefit gratuity plan in India. Every employee who has completed 5 years or more of service is entitled to Gratuity on terms not less favourable than provisions of the The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company. The following tables summarize the components of net benefit and expenses recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the Gratuity Plan.

₹ in Lakhs

| | **As at 31st March, 2021** | As at 31st March, 2020 |
|---|---|---|
| Defined benefit assets / (obligations) | (102.00) | (647.84) |
| | (102.00) | (647.84) |

**Changes in the defined benefit obligation and fair value of plan assets as at 31st March, 2021:**

₹ in Lakhs

| | **Gratuity Cost charged to the Statement of Profit or Loss** | | | | | **Remeasurement gains/(losses) in other Comprehensive Income** | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **As at 31st March, 2020** | **On acquisition of a subsidiary** | **Service cost** | **Net interest expense** | **Sub-total included in Profit or Loss (Note 33)** | **Benefits paid** | **Return on plan assets (excluding amounts included in net interest expense)** | **Actuarial changes arising from changes in financial assumptions** | **Experience adjustments** | **Sub-total included in OCI** | **Contributions by employer** | **As at 31st March, 2021** |
| Defined benefit obligation | **(3,311.63)** | **-** | **(238.10)** | **(206.06)** | **(444.16)** | **(719.95)** | **-** | **91.13** | **26.60** | **117.73** | **-** | **(2,918.11)** |
| Fair value of Plan Assets | **2,663.79** | **-** | **-** | **185.01** | **185.01** | **719.95** | **36.67** | **-** | **-** | **36.67** | **650.59** | **2,816.11** |
| **Benefit Liability** | **(647.84)** | **-** | | | **(259.15)** | | | | | **154.40** | **650.59** | **(102.00)** |

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020:

| | **Gratuity Cost charged to the Statement of Profit or Loss** | | | | | **Remeasurement gains/(losses) in other Comprehensive Income** | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **As at 31st March, 2019** | **On acquisition of a subsidiary** | **Service cost** | **Net interest expense** | **Sub-total included in Profit or Loss (Note 33)** | **Benefits paid** | **Return on plan assets (excluding amounts included in net interest expense)** | **Actuarial changes arising from changes in financial assumptions** | **Experience adjustments** | **Sub-total included in OCI** | **Contributions by employer** | **As at 31st March, 2020** |
| Defined benefit obligation | (2,543.09) | - | (252.24) | (162.41) | (414.65) | (174.12) | - | (178.03) | (349.98) | (528.01) | - | (3,311.63) |
| Fair value of Plan Assets | 2,553.58 | - | - | 168.83 | 168.83 | 174.12 | 110.21 | - | - | 110.21 | 5.29 | 2,663.79 |
| **Benefit Liability** | 10.49 | - | | | (245.82) | | | | | (417.80) | 5.29 | (647.84) |

The major categories of plan assets of the fair value of the total plan assets are as follows:

**₹ in Lakhs**

| | **As at 31st March, 2021** | As at 31st March, 2020 |
|---|---|---|
| Government of India Assets | **1,066.02** | 834.64 |
| Corporate Bonds | **1,419.79** | 1,395.48 |
| Life Insurance Corporation of India | **63.08** | 60.59 |
| Others | **267.22** | 373.08 |
| | **2,816.11** | 2,663.79 |

The principal assumptions used in determining gratuity liability are shown below:

| | **As at 31st March, 2021** | As at 31st March, 2020 |
|---|---|---|
| Discount rate | **6.94%** | 6.58% |
| Future salary increases | **6.00%** | 6.00% |
| Expected average remaining working lives (in years) | **14** | 11 |
| Withdrawal rate (based on grade and age of employees) | **Varying between 1 per thousand and 10 per thousand employees depending upon duration and age of the employees** | Varying between 1 per thousand and 10 per thousand employees depending upon duration and age of the employees |

A quantitative sensitivity analysis for significant assumption is as shown below:

| | **As at 31st March, 2021** | | As at 31st March, 2020 | |
|---|---|---|---|---|
| **Assumptions** | **Discount rate** | | Discount rate | |
| Sensitivity level | **0.5 % increase** | **0.5 % decrease** | 0.5 % increase | 0.5 % decrease |
| Impact on Gratuity | **2,787.93** | **3,054.98** | 3,161.92 | 3,471.20 |
| **Assumptions** | **Future Salary Movement** | | Future Salary Movement | |
| Sensitivity level | **0.5 % increase** | **0.5 % decrease** | 0.5 % increase | 0.5 % decrease |
| Impact on Gratuity | **3,053.40** | **2,791.91** | 3,467.15 | 3,164.07 |
| **Assumptions** | **Withdrawal** | | Withdrawal | |
| Sensitivity level | **0.5 % increase** | **0.5 % decrease** | 0.5 % increase | 0.5 % decrease |
| Impact on Gratuity | **2,833.61** | **2,834.20** | 3,252.24 | 3,250.94 |
| **Assumptions** | **Mortality** | | Mortality | |
| Sensitivity level | **10% increase** | **10% decrease** | 10% increase | 10% decrease |
| Impact on Gratuity | **2,833.67** | **2,834.15** | 3,254.97 | 3,248.21 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

| | **As at 31st March, 2021** | As at 31st March, 2020 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | **339.19** | 331.52 |
| Between 2 and 5 years | **914.26** | 865.33 |
| Between 6 and 10 years | **1,293.62** | 1,839.95 |
| Beyond 10 years | **3,954.83** | 4,105.97 |
| Total undiscounted payments related to past service | **6,501.90** | 7,142.77 |
| Less: Discount for Interest | **3,583.79** | 3,831.14 |
| **Total expected payments** | **2,918.11** | 3,311.63 |

**59. Related Parties Disclosures**

**a) As per Ind AS 24, the disclosure of transactions with the related parties are given below:**

List of related parties where control exists and also related parties with whom transactions have taken place and relationship:

| Names of the related parties | Relationship |
|---|---|
| Living Media India Ltd.<br>Surya Abha Investments Pte. Ltd.<br>(In respect of which the Company is an investee) | Associates |
| Shri Ashwin Kumar Kothari<br>Shri Sunil Kumar Daga<br>Shri Manish Kumar Newar<br>Shri Nagendra Chandra Shah<br>Shri Giriraj Maheswari<br>Ms. Kalpana Vasantrai Unadkat<br>Ms. Anita Ramachandran | Directors |
| Shri Tuhin Kumar Mukherjee - Managing Director<br>Shri Rajendra Prasad Pansari - Senior President | Key Management Personnel |

**b) Related Party Transactions** **₹ in Lakhs**

| Particulars | Key Management Personnel | | Associate Companies | | Total | |
|---|---|---|---|---|---|---|
| | **Transactions during 2020-21** | Transactions during 2019-20 | **Transactions during 2020-21** | Transactions during 2019-20 | **Transactions during 2020-21** | Transactions during 2019-20 |
| **Interest Expenses** | | | | | | |
| Surya Abha Investments Pte. Ltd. | **-** | - | **868.32** | - | **868.32** | - |
| **Directors Sitting Fees** | | | | | | |
| Shri Ashwin Kumar Kothari | **2.75** | 0.65 | **-** | - | **2.75** | 0.65 |
| Shri Sunil Kumar Daga | **4.40** | 1.90 | **-** | - | **4.40** | 1.90 |
| Shri Manish Kumar Newar | **0.95** | - | **-** | - | **0.95** | - |
| Shri Nagendra Chandra Shah | **2.85** | 1.23 | **-** | - | **2.85** | 1.23 |
| Shri Giriraj Maheswari | **3.60** | 1.33 | **-** | - | **3.60** | 1.33 |
| Ms. Kalpana Vasantrai Unadkat | **0.80** | 0.28 | **-** | - | **0.80** | 0.28 |
| Ms. Anita Ramachandran | **0.80** | - | **-** | - | **0.80** | - |
| **Salary & Other Allowances (Short Term) *** | **858.51** | 909.21 | **-** | - | **858.51** | 909.21 |

* Excludes provision for gratuity and leave encashment recognised on the basis of actuarial valuation for Company as a whole and consequently separate figures are not available.

**c) Related Party Balances** **₹ in Lakhs**

| Particulars | Associate Companies | | Total | |
|---|---|---|---|---|
| | **As on 31st March, 2021** | As on 31st March, 2020 | **As on 31st March, 2021** | As on 31st March, 2020 |
| **Interest Accrued but not due on Borrowings** | | | | |
| Surya Abha Investments Pte. Ltd. | **552.10** | - | **552.10** | - |
| **Investments made** | | | | |
| Living Media India Ltd.<br>Equity Shares # | **55,129.81** | 55,129.81 | **55,129.81** | 55,129.81 |

# Excluding proportionate share of accumulated Profit / (Loss).

**60. Segment Information**

For management purposes, the Group is organised into business units based on its products and has following reportable business segments:
1.The Iron-ore segment extracts superior quality Iron-ore with high Fe (Iron) content from its mines.
2. Noble Ferro Alloys segment produces superior quality Noble Ferro-Alloys consisting of Ferro-Molybdenum, Ferro-Vanadium, Ferro-Titanium, Ferro Alloys Powders and Un-fused Vanadium Pentoxide.
3. Wind Power and Solar Power segments generate power through its Wind Power & Solar Power plants respectively.
4. Financial Services is engaged in the activity of granting of loan/making of investments.
5. Contract Mining business is engaged as Mine Developer and Operator (MDO).
6. Pro Minerals Pvt. Ltd. (PMPL) is engaged in iron-ore beneficiation and pelletisation etc.
7. Aditya Birla Aerospace and Defence Pvt. Ltd. is incorporated for the purpose of providing services pertaining to research and development, design, fabricating, assembling & manufacturing and dealing in all types of aircrafts, helicopters, commercial aeroplanes, spacecraft, etc.
8. EMIL Mines And Mineral Resources Ltd is incorporated as a wholly Owned Subsidiary for participating in various project opportunities for mineral concessions including commercial mining with support of Holding Company's Net worth, Technical Knowhow and Experience.

**₹ in Lakhs**

| **Year ended 31st March, 2021** | **Iron Ore** | **Noble Ferro-Alloys** | **Wind Power Mill** | **Financial Services** | **Contract Mining** | **Solar Power** | **Iron Ore Beneficiation & Pelletisation** | **Total** |
|---|---|---|---|---|---|---|---|---|
| **REVENUE (GROSS)** | | | | | | | | |
| REVENUE FROM OPERATIONS | 3.91.604.46 | 12.993.44 | 1.609.74 | 15.859.12 | 86.092.43 | 10.581.99 | 6.359.98 | 5.25.101.16 |
| Inter Segment Revenue | (11.631.30) | - | - | - | - | - | - | (11.631.30) |
| **REVENUE FROM EXTERNAL CUSTOMERS** | 3.79.973.16 | 12.993.44 | 1.609.74 | 15.859.12 | 86.092.43 | 10.581.99 | 6.359.98 | 5.13.469.86 |
| **Income/Expenses** | | | | | | | | |
| Segment Results / Segment Profit /(Loss) | 2.09.320.99 | 1.360.92 | 810.70 | 37.285.47 | 10.930.07 | 8.094.32 | (928.19) | 2.66.874.28 |
| Unallocated corporate expenses net of unallocated income | | | | | | | | 7.181.12 |
| Operating Profit | | | | | | | | 2.59.693.16 |
| Finance Costs | | | | | | | | 30.949.34 |
| Interest & Dividend Income | | | | | | | | 4.072.27 |
| **Profit / (Loss) from ordinary activities before Tax and Share of Profit / (Loss) in Equity Accounted Investments** | | | | | | | | 2,32,816.09 |
| Share of Profit / (Loss) in Equity Accounted Investments | | | | | | | | 2.804.16 |
| Income Taxes | | | | | | | | |
| - Current Tax | | | | | | | | 79.477.34 |
| - MAT | | | | | | | | (482.43) |
| - Deferred Tax | | | | | | | | (5.882.18) |
| - For earlier years | | | | | | | | (434.60) |
| **Profit / (Loss) from ordinary activities** | | | | | | | | 1.62.942.12 |
| **OTHER INFORMATION** | | | | | | | | |
| Segment Assets | 46,455.70 | 4,127.03 | 7,129.01 | 23,62,364.41 | 55,799.14 | 48,008.65 | 45,871.26 | 25,69,755.20 |
| Unallocated Corporate Assets | | | | | | | | 1,97,868.50 |
| **TOTAL ASSETS** | | | | | | | | 27,67,623.70 |
| Segment Liabilities & Provisions | 41,478.10 | 1,546.33 | 1,768.68 | 1,141.24 | 18,861.56 | 350.86 | 4,766.81 | 69,913.58 |
| Unallocated Corporate Liabilities | | | | | | | | 3,76,563.03 |
| **TOTAL LIABILITIES** | | | | | | | | 4,46,476.61 |
| **Other Disclosures** | | | | | | | | |
| Capital Expenditure (Including Work-in-progress) | 155.00 | 310.19 | 167.44 | - | 10.693.70 | 135.29 | 4.430.81 | 15.892.43 |
| Unallocated Capital Expenditure | | | | | | | | 7,317.85 |
| Depreciation/Amortization for the year | 4,010.67 | 71.90 | 320.00 | - | 4,552.66 | 1,704.29 | 2,612.07 | 13,271.59 |
| Unallocated Depreciation | | | | | | | | 99.15 |
| Investments in Associates and a Joint Venture | | | | | | | | 59,066.47 |
| **GEOGRAPHICAL SEGMENTS** | | | | | | | | |
| **REVENUE FROM OPERATIONS (GROSS)** | | | | | | | | |
| India | | | | | | | | 4,42,721.13 |
| Overseas | | | | | | | | 82,380.03 |
| **CARRYING AMOUNT OF SEGMENT ASSETS** | | | | | | | | |
| India | | | | | | | | 25.60.100.74 |
| Overseas (Represents Debtors pertaining to Overseas Revenue) | | | | | | | | 9,654.46 |

**Other Informations :**
a) Total amount of revenues from customer, exceeding 10% of total revenues of the Group is ₹ 44,827.98 Lakhs (Previous Year: ₹ 52,288.37 Lakhs) represented by one customer and related to Iron Ore segment.

b) Details of Country wise overseas sales :

| | **2020-21** | 2019-20 |
|---|---|---|
| Singapore | 58,678.90 | 56,826.71 |
| Hong Kong | 21,930.75 | 17,201.28 |
| Dubai | - | 2,532.67 |
| Switzerland | - | 3,003.68 |
| Netherlands | 560.12 | 1,194.72 |
| United Arab Emirates - Sharjah | - | 318.98 |
| United Arab Emirates - Ajman | 1,089.20 | 964.17 |
| Belgium | - | 1,260.40 |
| Oman | 100.72 | 15.53 |
| China | 16.77 | - |
| Thailand | 3.57 | - |
| | **82,380.03** | 83,318.14 |

₹ in Lakhs

**Year ended 31st March, 2020**

| | Iron Ore | Noble Ferro-Alloys | Wind Power Mill | Financial Services | Contract Mining | Solar Power | Iron Ore Beneficiation & Pelletisation | Total |
|---|---|---|---|---|---|---|---|---|
| **REVENUE (GROSS)** | | | | | | | | |
| REVENUE FROM OPERATIONS | 3,99,320.29 | 13,877.82 | 2,524.63 | 10,920.64 | 84,361.58 | 10,535.52 | 10.01 | 5,21,550.49 |
| Inter Segment Revenue | (1,279.21) | - | - | - | - | - | - | (1,279.21) |
| **REVENUE FROM EXTERNAL CUSTOMERS** | 3,98,041.08 | 13,877.82 | 2,524.63 | 10,920.64 | 84,361.58 | 10,535.52 | 10.01 | 5,20,271.28 |
| **Income/Expenses** | | | | | | | | |
| Segment Results/ Segment Profit / (Loss) | 1,53,917.28 | (428.25) | 1,174.61 | 1,591.64 | 19,048.27 | 8,202.80 | (2,233.55) | 1,81,272.80 |
| Unallocated corporate expenses net of unallocated income | | | | | | | | 12,959.64 |
| Operating Profit | | | | | | | | 1,68,313.16 |
| Finance Costs | | | | | | | | 51,825.22 |
| Interest & Dividend Income | | | | | | | | 3,401.07 |
| **Profit / (Loss) from ordinary activities before Tax and Share of Profit / (Loss) in Equity Accounted Investments** | | | | | | | | 1,19,889.01 |
| Share of Profit / (Loss) in Equity Accounted Investments | | | | | | | | 3,273.11 |
| Income Taxes | | | | | | | | |
| - Current Tax | | | | | | | | 28,652.37 |
| - MAT | | | | | | | | (19,500.08) |
| - Deferred Tax | | | | | | | | 42,174.93 |
| - For earlier years | | | | | | | | (0.42) |
| **Profit / (Loss) from ordinary activities** | | | | | | | | 71,835.32 |
| **OTHER INFORMATION** | | | | | | | | |
| Segment Assets | 90,459.04 | 3,916.10 | 6,472.96 | 8,12,811.82 | 44,000.67 | 51,480.52 | 38,834.25 | 10,47,975.36 |
| Unallocated Corporate Assets | | | | | | | | 1,17,575.81 |
| **TOTAL ASSETS** | | | | | | | | 11,65,551.17 |
| Segment Liabilities & Provisions | 48,910.59 | 1,559.34 | 1,452.97 | 2,224.64 | 13,960.31 | 223.87 | 4,170.78 | 72,502.50 |
| Unallocated Corporate Liabilities | | | | | | | | 3,96,966.82 |
| **TOTAL LIABILITIES** | | | | | | | | 4,69,469.32 |
| **Other Disclosures** | | | | | | | | |
| Capital Expenditure (Including Work-in-progress) | 2,009.27 | 294.35 | 167.44 | - | 1,974.78 | 98.03 | 5,347.12 | 9,890.99 |
| Unallocated Capital Expenditure | | | | | | | | 339.73 |
| Depreciation/Amortization for the year | 22,003.06 | 56.20 | 307.26 | - | 5,011.77 | 1,702.26 | 1,620.45 | 30,701.00 |
| Unallocated Depreciation | | | | | | | | 89.91 |
| Investments in Associates and a Joint Venture | | | | | | | | 56,232.44 |
| **GEOGRAPHICAL SEGMENTS** | | | | | | | | |
| **REVENUE FROM OPERATIONS (GROSS)** | | | | | | | | |
| India | | | | | | | | 4,38,232.35 |
| Overseas | | | | | | | | 83,318.14 |
| **CARRYING AMOUNT OF SEGMENT ASSETS** | | | | | | | | |
| India | | | | | | | | 10,28,692.54 |
| Overseas (Represents Debtors pertaining to Overseas Revenue) | | | | | | | | 19,282.82 |

**61. Fair values**

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**₹ in Lakhs**

| | 31st March, 2021 | | | | |
|---|---|---|---|---|---|
| | **FVTPL** | **FVTOCI** | **Amortized cost** | **Total** | **Carrying value** |
| **Financial Assets** | | | | | |
| Investments * | **40,497.48** | **22,01,828.13** | **1.30** | **22,42,326.91** | **22,42,326.91** |
| Cross currency interest rate swap | **1,478.87** | **-** | **-** | **1,478.87** | **1,478.87** |
| Claims & Refunds Refundable | **-** | **-** | **95.50** | **95.50** | **95.50** |
| **Total** | **41,976.35** | **22,01,828.13** | **96.80** | **22,43,901.28** | **22,43,901.28** |
| **Financial Liabilities** | | | | | |
| Borrowings | | | **1,73,469.10** | **1,73,469.10** | **1,73,469.10** |
| Forward contracts | **108.12** | **-** | **-** | **108.12** | **108.12** |
| **Total** | **108.12** | **-** | **1,73,469.10** | **1,73,577.22** | **1,73,577.22** |

| | 31st March, 2020 | | | | |
|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortized cost | Total | Carrying value |
| **Financial Assets** | | | | | |
| Investments * | 26,961.71 | 7,27,468.26 | 1.30 | 7,54,431.27 | 7,54,431.27 |
| Cross currency interest rate swap | 2,414.46 | - | - | 2,414.46 | 2,414.46 |
| Claims & Refunds Refundable | - | - | 178.60 | 178.60 | 178.60 |
| Forward contracts | 13.76 | - | - | 13.76 | 13.76 |
| **Total** | 29,389.93 | 7,27,468.26 | 179.90 | 7,57,038.09 | 7,57,038.09 |
| **Financial Liabilities** | | | | | |
| Borrowings | - | - | 1,63,260.92 | 1,63,260.92 | 1,63,260.92 |
| **Total** | - | - | 1,63,260.92 | 1,63,260.92 | 1,63,260.92 |

* Excludes investments measured at cost / deemed cost [Refer note 5(i)]

The management assessed that cash and cash equivalents, security deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair values of the quoted equity shares are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

2) The fair values of the unquoted equity shares, preference shares and bonds have been estimated using a Discounted Cash Flow (DCF) model or Net Asset Value (NAV), as considered appropriate. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments. In case of instruments having option to convert with the Group, the management has assigned probable likelihood of conversion depending on equity stake in the target entity, domain of operation and liquidity. Wherever, the probability is low, valuation has been done based on redemption assumptions. In case of instruments where option to convert is with issuer, redemption has been assumed.

3) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps and foreign exchange forward contracts are valued using valuation received from banks as on the period end.

4) The fair values of the Group's interest-bearing and non-interest bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March, 2021 and 31st March, 2020 are as shown below:

**Description of significant unobservable inputs to valuation:**

| Particulars | Valuation Technique | Significant unobservable inputs | Range | Sensitivity of the input to fair value |
|---|---|---|---|---|
| Investments in unquoted Debt Instruments (Preference Shares) | DCF method | Discount rate | 31st March, 2021: 9.84%<br>31st March, 2020: 11.36% | 1% Increase in the discount rate would decrease the fair value by ₹ 45.62 Lakhs (31st March, 2020 - ₹ 1,109.90 Lakhs).<br>1% Decrease in the discount rate would increase the fair value by ₹ 52.40 Lakhs (31st March, 2020 - ₹ 1,214.10 Lakhs) |
| Investments in Equity Instruments (Preference Shares) | DCF method | Discount rate | 31st March, 2021: 9.84%<br>31st March, 2020: 11.36% | 1% Increase in the discount rate would decrease the fair value by ₹ 4,161.14 Lakhs (31st March, 2020 - ₹ Nil).<br>1% Decrease in the discount rate would increase the fair value by ₹ 4,436.45 Lakhs (31st March, 2020 - ₹ Nil) |
| Investments in unquoted Equity Instruments | Combination of DCF method & other methods | Discount rate as per Capital Asset Pricing Model | 31st March, 2021: 14.17% & 20.50%<br>31st March, 2020: 14.44% & 20.10% | 1% Increase in the discount rate would decrease the fair value by ₹ 119.41 Lakhs (31st March, 2020- ₹ 69.31 Lakhs).<br>1% Decrease in the discount rate would increase the fair value by ₹ 131.74 Lakhs (31st March, 2020- ₹ 82.03 Lakhs) |
| Financial Guarantee obligations | DCF method | Commission rate | 31st March, 2021: 0.15%<br>31st March, 2020: 1% | 0.10% increase (decrease) would result in increase (decrease) in fair value by ₹ 152.78 Lakhs [31st March, 2020: 0.25% increase (decrease) would result in increase (decrease) in fair value by ₹ 427.22 Lakhs] |
| | | Discount rate | 31st March, 2021: 10.33%<br>31st March, 2020: 11.73 | 1% Increase in the discount rate would decrease the fair value by ₹ 10.36 Lakhs (31st March, 2020 : ₹ 65.54 Lakhs).<br>1% Decrease in the discount rate would increase the fair value by ₹ 11.06 Lakhs (31st March, 2020 : ₹ 69.78 Lakhs) |

**62. Fair Value Hierarchy**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities. The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than the quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

₹ in Lakhs

**Fair value measurement hierarchy for assets as at 31st March, 2021 :**

| | Date of valuation | Fair value measurement using | | | |
|---|---|---|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| **Investments at fair value through PL** [Note 61, 5(ii) &10] | | | | | |
| Investments in quoted equity shares | 31st March, 2021 | **289.57** | **289.57** | | |
| Investments in unquoted preference shares | 31st March, 2021 | **173.89** | | **173.89** | |
| Investments in unquoted preference shares | 31st March, 2021 | **388.21** | | | **388.21** |
| Investments in Mutual Funds | 31st March, 2021 | **39,645.81** | **33,388.40** | **6,257.41** | |
| **Investments at fair value through OCI Reserve** [Note 61, 5(ii)] | | | | | |
| Investments in quoted equity shares | 31st March, 2021 | **21,08,519.07** | **21,08,519.07** | | |
| Investments in unquoted equity shares | 31st March, 2021 | **3,741.71** | | **3,741.71** | |
| Investments in unquoted equity shares | 31st March, 2021 | **39,733.79** | | | **39,733.79** |
| Investments in unquoted preference shares | 31st March, 2021 | **49,833.56** | | | **49,833.56** |
| **Investments measured at Amortised Cost** [Note 61, 5(ii)] | | | | | |
| Others | 31st March, 2021 | **1.30** | | | **1.30** |
| Cross currency interest rate swap | 31st March, 2021 | **1,478.87** | | **1,478.87** | |
| Claims & Refunds Refundable | 31st March, 2021 | **95.50** | | **95.50** | |

There have been no transfers between Level 1 and Level 2 during the period.

**Fair value measurement hierarchy for liabilities as at 31st March, 2021:**

| | Date of valuation | Fair value measurement using | | | |
|---|---|---|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Liabilities measured at fair value:** | | | | | |
| Liabilities for which fair values are disclosed (Note 61): | | | | | |
| Borrowings | 31st March, 2021 | **1,73,469.10** | | **1,73,469.10** | |
| Forward contracts | 31st March, 2021 | **108.12** | | **108.12** | |

There have been no transfers between Level 1 and Level 2 during the period.

**Fair value measurement hierarchy for assets as at 31st March, 2020 :** ₹ in Lakhs

| | Date of valuation | Fair value measurement using | | | |
|---|---|---|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| **Investments at fair value through PL** [Note 61, 5(ii) &10] | | | | | |
| Investments in quoted equity shares | 31st March, 2020 | 198.81 | 198.81 | | |
| Investments in unquoted preference shares | 31st March, 2020 | 142.34 | | 142.34 | |
| Investments in unquoted preference shares | 31st March, 2020 | 14,436.84 | | | 14,436.84 |
| Investments in Mutual Funds | 31st March, 2020 | 12,183.72 | 4,372.84 | 7,810.88 | |
| **Investments at fair value through OCI Reserve** [Note 61, 5(ii)] | | | | | |
| Investments in quoted equity shares | 31st March, 2020 | 6,90,382.35 | 6,90,382.35 | | |
| Investments in unquoted equity shares | 31st March, 2020 | 3,616.16 | | 3,616.16 | |
| Investments in unquoted equity shares | 31st March, 2020 | 33,469.75 | | | 33,469.75 |
| **Investments measured at Amortised Cost** [Note 61, 5(ii)] | | | | | |
| Others | 31st March, 2020 | 1.30 | | | 1.30 |
| Cross currency interest rate swap | 31st March, 2020 | 2,414.46 | | 2,414.46 | |
| Claims & Refunds Refundable | 31st March, 2020 | 178.60 | | 178.60 | |
| Forward contracts | 31st March, 2020 | 13.76 | | 13.76 | |

There have been no transfers between Level 1 and Level 2 during the period.

**Fair value measurement hierarchy for liabilities as at 31st March, 2020 :**

| | Date of valuation | Fair value measurement using | | | |
|---|---|---|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Liabilities measured at fair value:** | | | | | |
| Liabilities for which fair values are disclosed (Note 61): | | | | | |
| Borrowings | 31st March, 2020 | 1,63,260.92 | | 1,63,260.92 | |

There have been no transfers between Level 1 and Level 2 during the period.

## 63. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.The Group monitors capital using a Current Ratio and Debt Equity ratio.
The Group is not subject to any externally imposed capital requirements.

**₹ in Lakhs**

| Quantitative data | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| Current Assets | **3,52,841.08** | 1,91,114.53 |
| Current Liabilities | **2,78,936.15** | 3,28,156.70 |
| Current Ratio | **1.26** | 0.58 |
| Debt * | **3,62,402.44** | 3,81,598.51 |
| Equity | **23,21,147.09** | 6,96,081.85 |
| Debt Equity Ratio | **0.16** | 0.55 |

* Debt = Non-current Borrowings + Current Borrowings + Current maturities of Long Term Borrowings

In order to achieve this overall objective, the Group's capital management, amongst other things including working capital management, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

## 64. Group Information

**Information about subsidiaries**

The consolidated financial statements of the Group includes Subsidiaries listed in the table below:

| Name | Country of incorporation | % Equity Interest | |
|---|---|---|---|
| | | As at 31st March, 2021 | As at 31st March, 2020 |
| IGH Holdings Pvt. Ltd. | India | **100** | 100 |
| Bhubaneswari Coal Mining Ltd. | India | **74** | 74 |
| Rajmahal Coal Mining Ltd. | India | **85** | 85 |
| Electrotherm Renewables Pvt. Ltd. | India | **100** | 100 |
| Palace Solar Energy Pvt. Ltd. | India | **74** | 74 |
| Aditya Birla Aerospace and Defence Pvt. Ltd. | India | **100** | 100 |
| Pro Minerals Pvt. Ltd. | India | **100** | 100 |
| EMIL Mines And Mineral Resources Ltd.(w.e.f. 27th February, 2020) | India | **100** | 100 |

The consolidated financial statements of the Group includes Associates listed in the table below:

| | | | |
|---|---|---|---|
| Living Media India Ltd. | India | **41.50** | 41.50 |

**65.** The following disclosure is required pursuant to RBI Circular No. RBI/2019-20/170 DOR/ (NBFC).CC.PD. No. 109/ 22.10.106/ 2019-20 dated 13th March, 2020 related to subsidiaries of the Company, IGH Holdings Pvt. Ltd. and Kanistha Finance & Investment Pvt. Ltd. :

₹ in Lakhs

| Asset Classification as per RBI Norms | Asset Classification as per Ind AS 109 | Gross Carrying value as per Ind AS | Loss allowances (Provisions) as required under Ind AS 109 | Net Carrying Value | Provision as per ICARP norms | Difference between Ind AS 109 and provisions as per ICARP norms |
|---|---|---|---|---|---|---|
| (A) | (B) | (C) | (D) | (E) = (C )-(D) | (F) | (G) = (D)-(F) |
| **Performing Assets Standard** | | | | | | |
| **FY 2020-21** | **Stage 1** | **1,17,559.33** | **470.24** | **1,17,089.09** | **470.24** | **-** |
| FY 2019-20 | Stage 1 | 20,263.52 | 81.05 | 20,182.47 | 81.05 | - |

**66.** Disclosure pursuant to RBI notification on "COVID-19 Regulatory Package – Asset Classification and Provisioning" dated 17th April, 2020 related to subsidiaries of the Company, IGH Holdings Pvt. Ltd. :

₹ in Lakhs

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| (i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended | Nil | Nil |
| (ii) Respective amount where asset classification benefits is extended | Nil | Nil |
| (iii) Provisions made during the Q4 FY2019-20 / Q1 FY 2020-21 as per RBI circular dated 17th April, 2020 norms | Nil | Nil |
| (iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions | Nil | Nil |

**67.** Details of loans given, investment made and guarantee given covered under section 186(4) of the Companies Act, 2013:

Details of investments made have been given as part of Note '5(i)' & '5(ii)'.

₹ in Lakhs

| Name of the Company | Relationship | Nature of Transactions | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|---|
| **Details of Loans** | | | | |
| Vighnahara Properties Pvt. Ltd. | Others | Loans | **23,300.00** | 27,800.00 |
| B G H Properties Pvt. Ltd. | Others | Loans | **7,500.00** | - |
| Lend Lease Company (India) Ltd. | Others | Loans | **600.00** | - |
| Keonjhar Infrastructure Development Co. Ltd. | Others | Loans | **166.50** | 215.00 |

**68. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:**

**₹ in Lakhs**

| | | **Net Assets** | | | | **Share in Profit or (Loss)** | | | | **Share in Other Comprehensive Income** | | | | **Share in Total Comprehensive Income** | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **As at 31st March, 2021** | | As at 31st March, 2020 | | **2020-21** | | 2019-20 | | **2020-21** | | 2019-20 | | **2020-21** | | 2019-20 | |
| | **Name of the Entity** | **As % of Consolidated Net Assets** | **Amount** | As % of Consolidated Net Assets | Amount | **As % of Consolidated Profit or (Loss)** | **Amount** | As % of Consolidated Profit or (Loss) | Amount | **As % of Consolidated Profit or (Loss)** | **Amount** | As % of Consolidated Profit or (Loss) | Amount | **As % of Consolidated Profit or (Loss)** | **Amount** | As % of Consolidated Profit or (Loss) | Amount |
| **Parent** | **Essel Mining & Industries Ltd.** | **68.79%** | **15,96,673.48** | 187.52% | 13,05,285.55 | **86.66%** | **1,41,206.86** | 120.09% | 86,268.38 | **0.02%** | **221.20** | 0.04% | (272.53) | **9.59%** | **1,41,428.06** | -14.14% | 85,995.85 |
| **Subsidiaries** | **Indian** | | | | | | | | | | | | | | | | |
| 1 | IGH Holdings Private Ltd. | **86.47%** | **20,07,168.83** | 97.66% | 6,79,772.18 | **9.49%** | **15,464.12** | -41.18% | (29,580.47) | **99.98%** | **13,11,962.41** | 99.95% | (6,79,735.95) | **89.99%** | **13,27,426.53** | 116.62% | (7,09,316.42) |
| 2 | Bhubaneswari Coal Mining Ltd. | **1.85%** | **42,929.43** | 5.25% | 36,547.28 | **3.93%** | **6,396.40** | 10.06% | 7,228.82 | **0.00%** | **(14.25)** | 0.00% | (29.25) | **0.43%** | **6,382.15** | -1.18% | 7,199.57 |
| 3 | Rajmahal Coal Mining Ltd. | **0.85%** | **19,745.18** | 2.61% | 18,146.26 | **0.98%** | **1,600.29** | 6.65% | 4,774.79 | **0.00%** | **(1.36)** | 0.00% | (11.47) | **0.11%** | **1,598.93** | -0.78% | 4,763.32 |
| 4 | Electrotherm Renewables Pvt. Ltd. | **-0.05%** | **(1,184.13)** | -0.14% | (1,007.82) | **-0.11%** | **(174.88)** | -0.24% | (174.75) | **0.00%** | **-** | - | - | **-0.01%** | **(174.88)** | 0.03% | (174.75) |
| 5 | Palace Solar Energy Pvt. Ltd. | **0.44%** | **10,305.60** | 1.19% | 8,268.87 | **1.25%** | **2,034.99** | 2.63% | 1,892.73 | **0.00%** | **0.31** | - | - | **0.14%** | **2,035.30** | -0.31% | 1,892.73 |
| 6 | Aditya Birla Aerospace and Defence Pvt. Ltd. | **0.00%** | **-** | 0.00% | - | **0.00%** | **-** | 0.00% | (0.55) | **0.00%** | **-** | - | - | **0.00%** | **-** | 0.00% | (0.55) |
| 7 | EMIL Mines And Mineral Resources Ltd.(became Subsidiary w.e.f. 27th February, 2020) | **0.00%** | **41.67** | - | (2.25) | **-0.01%** | **(17.08)** | 0.00% | (2.25) | **0.00%** | **-** | - | - | **0.00%** | **(17.08)** | 0.00% | (2.25) |
| 8 | Pro Minerals Pvt. Ltd. | **-0.33%** | **(7,575.84)** | -0.28% | (1,963.37) | **-3.44%** | **(5,612.54)** | -6.52% | (4,682.48) | **0.00%** | **0.07** | 0.00% | 11.58 | **-0.38%** | **(5,612.47)** | 0.77% | (4,670.90) |
| | **Non-controlling interests in all subsidiaries** | **0.97%** | **22,458.50** | 2.76% | 19,218.85 | **1.99%** | **3,244.78** | 5.63% | 4,047.48 | **0.00%** | **(5.14)** | 0.00% | (12.30) | **0.22%** | **3,239.64** | -0.66% | 4,035.18 |
| **Associates** | | | | | | | | | | | | | | | | | |
| 1 | Living Media India Ltd. | **2.54%** | **59,066.47** | 8.08% | 56,232.44 | **1.72%** | **2,804.16** | 4.56% | 3,273.11 | **0.00%** | **-** | - | - | **0.19%** | **2,804.16** | -0.54% | 3,273.11 |
| | Consolidation Eliminations and Adjustments | **-61.54%** | **(14,28,482.10)** | -204.63% | (14,24,416.14) | **-2.46%** | **(4,004.98)** | -1.68% | (1,209.49) | **0.00%** | **-** | - | - | **-0.27%** | **(4,004.98)** | 0.20% | (1,209.49) |
| | **Total** | **100.00%** | **23,21,147.09** | 100.00% | 6,96,081.85 | **100.00%** | **1,62,942.12** | 100.00% | 71,835.32 | **100.00%** | **13,12,163.24** | 100.00% | (6,80,049.92) | **100.00%** | **14,75,105.36** | 100.00% | (6,08,214.60) |

**69. Financial risk management objectives and policies**

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, investments at Fair Value, trade and other receivables, and cash and cash equivalents.

The Group is exposed to market risk and credit risk. The Group's senior management oversees the management of these risks and is supported by professional managers who advise on financial risks and assist in preparing the appropriate financial risk governance framework for the Group. It provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes can be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

**(A) Market risk**

Market risk is the risk when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity price risk. Financial instruments affected by market risk include borrowings, deposits, derivative financial instruments, FVTPL Investments, etc.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions as per it's Forex Risk Management Policy.

**(iii) Commodity price risk**

The Company is affected by the price volatility of key commodities like iron ore, steel, ferro alloys, crude oil, etc. Changes in price of iron ore in international and domestic markets directly impact the realization. The price movement is being closely monitored by each unit for taking timely action.

**(B) Investment Risks**

The Group has investments in both equity and debt instruments. Investments in debt instruments are subject to risks like changes in interest rate, credit risk profile of the investee, etc. Investments in equity market are also subject to above risks coupled with business risks associated with the industry in which the investee is operating. As the Group has significant investments in unlisted entities, there is also marketability/liquidity risks.

**(C) Regulatory risk**

The Group's performance may be impacted due to change in Regulatory Environment. Group is closely monitoring the regulatory developments and risks thereof and proactively implementing course correction for proper compliance commensurate with new regulatory requirements.

**(D) Liquidity Risk**

The Group determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long term needs.

The Group manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risks is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Group has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

**Maturity Analysis**
The Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**Contractual maturities of financial liabilities as at 31st March, 2021 :** **₹ in Lakhs**

| | **Less than 1 year** | **1 year to 2 years** | **2 years to 5 years** | **More than 5 years** | **Total** | **Carrying Value** |
|---|---|---|---|---|---|---|
| Borrowings* | **1,38,752.20** | **69,965.47** | **1,55,449.96** | **63,900.24** | **4,28,067.87** | **3,68,212.81** |
| Other financial liabilities | **-** | **-** | **-** | **1,935.00** | **1,935.00** | **1,294.52** |
| Trade payables | **41,567.65** | **-** | **-** | **-** | **41,567.65** | **41,567.65** |
| | **1,80,319.85** | **69,965.47** | **1,55,449.96** | **65,835.24** | **4,71,570.52** | **4,11,074.98** |

Contractual maturities of financial liabilities as at 31st March, 2020 :

| | Less than 1 year | 1 year to 2 years | 2 years to 5 years | More than 5 years | Total | Carrying Value |
|---|---|---|---|---|---|---|
| Borrowings * | 2,64,025.87 | 74,993.52 | 62,303.75 | 14,238.51 | 4,15,561.65 | 3,89,303.46 |
| Other financial liabilities | - | - | - | 1,935.00 | 1,935.00 | 1,179.91 |
| Trade payables | 40,635.50 | - | - | - | 40,635.50 | 40,635.50 |
| | **3,04,661.37** | **74,993.52** | **62,303.75** | **16,173.51** | **4,58,132.15** | **4,31,118.87** |

* Includes Principal and interest payments, short term borrowings and current portion of Non-current borrowings.

**(E) Estimation uncertainty relating to the global health pandemic on COVID-19**
The Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, the recoverability of property plant and equipment, receivables, intangible assets, cash and cash equivalent and investments. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

**(F) Credit risk**

**Derivative Instruments and Unhedged Foreign Currency Exposure :**

| **(i) Details of Derivative Instruments:** | **Currency** | **As at 31st March, 2021** | **₹ in Lakhs** | As at 31st March, 2020 | ₹ in Lakhs |
|---|---|---|---|---|---|
| **Forward contracts to hedge highly probable forecast transactions in foreign currency :** | | | | | |
| Probable Receivable | US$ | **-** | **-** | 78,41,522 | 5,911.40 |
| Probable Payable | US$ | **19,71,753** | **1,449.33** | 2,92,707 | 220.66 |
| Payable against import of goods | EUR | **30,533** | **26.29** | - | - |
| **Derivative instruments to hedge :** | | | | | |
| Foreign Currency Loan * | US$ | **8,64,50,608** | **63,545.26** | 1,87,68,074 | 14,148.48 |
| Trade Receivables | US$ | **1,30,01,506** | **9,556.72** | 2,51,53,455 | 18,962.16 |
| Trade Receivables | EUR | **-** | **-** | 1,94,516 | 161.54 |
| Trade Payables | EUR | **7,24,192** | **623.38** | 7,18,000 | 596.30 |
| Trade Payables | US$ | **5,27,580** | **387.80** | - | - |
| **(ii) Foreign Currency exposures are hedged through Natural Hedge as on the Balance Sheet Date :** | | | | | |
| Trade Payable | US$ | **1,32,977** | **97.74** | 10,39,186 | 783.40 |
| **(iii) Foreign Currency exposures are not hedged as on the Balance Sheet Date :** | | | | | |
| Trade Receivables | EUR | **-** | **-** | 2,801 | 2.33 |
| Trade Payables # | US$ | **63,439** | **46.63** | 9,22,961 | 695.78 |
| Payable against services | EUR | **-** | **-** | 2,70,890 | 224.97 |
| Payable against import of goods | EUR | **-** | **-** | 41,319 | 34.32 |

* Includes forward contracts amounting to US$ 7,20,55,677.33 to fully hedged Foreign Currency Loan taken by the Company as a sub-limit to the Rupee Term Loan facility. Foreign Currency Loan will be replaced with Rupee Term Loan at the end of tenure [Refer Note No. 19 (vii) (a & b)].

# Natural hedge includes exposures which are netted (i.e. long and short exposures in the same currency).

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Group’s policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment and performance of the customers. Outstanding customer receivables are regularly monitored.

The ageing analysis of the receivables (before provision) has been considered from the date of invoice falls due.

₹ in Lakhs

| **Trade Receivables** | **< 30 days** | **31 - 90 days** | **91 - 180 days** | **> 180 days** | **Total** |
|---|---|---|---|---|---|
| **As at 31st March, 2021** | **30,424.04** | **6,626.88** | **1,642.98** | **3,674.58** | **42,368.48** |
| As at 31st March, 2020 | 47,159.39 | 5,695.99 | 1,556.68 | 3,360.09 | 57,772.15 |

**70.** Previous year figures including those given in the brackets have been re-grouped and/or re-arranged wherever necessary to correspond with current year classification / disclosure.

As per our report of even date

For SINGHI & CO.
Chartered Accountants
Firm Registration Number: 302049E

Sd/-
Navindra Kumar Surana
*Partner*
*Membership No.053816*

Place: Kolkata
Dated: 25th August, 2021

For and on behalf of the Board

Sd/-
Tuhin Kumar Mukherjee
Managing Director
DIN - 01163569

Sd/-
Sunil Kumar Daga
Director
DIN - 00441579

Sd/-
Giriraj Maheswari
Director
DIN - 00796252

Sd/-
Arun Garg
Chief Financial Officer

Sd/-
Dhananjoy Karmakar
Company Secretary