ESL STEEL LIMITED
[Formerly known as Electrosteel Steels Limited]
BALANCE SHEET AS AT March 31, 2021

Particulars		Note No.	As at March 31, 2021	As at March 31, 2020
				(Rs. in lakhs)
ASSETS				
Non-current assets				
(a)	Property, Plant and Equipment	5	4,76,305.09	4,98,169.05
(b)	Capital work-in-progress	6	83,465.94	91,011.72
(c)	Other Intangible Assets	7	425.97	139.39
(d)	Financial Assets:			
	(i) Loans	8	53.89	52.15
	(ii) Other Financial Assets	9	1,058.28	505.78
(e)	Non Current Tax Assets (net)	10	1,286.10	2,206.34
(f)	Deferred Tax Assets (net)	48	2,75,228.77	-
(g)	Other Non-Current Assets	11	233.31	27.69
	Total Non-Current Assets		**8,38,057.35**	**5,92,112.12**
Current assets				
(a)	Inventories	12	63,552.34	87,074.83
(b)	Financial Assets:			
	(i) Investments	13	40,889.96	1,10,046.33
	(ii) Trade Receivables	14	10,289.77	17,172.51
	(iii) Cash and Cash Equivalents	15	12,082.00	17,077.62
	(iv) Bank Balances other than (iii) above	16	27,256.07	11,352.41
	(v) Other Financial Assets	17	1,25,525.74	1,262.99
(c)	Other Current Assets	18	15,401.37	3,984.44
	Total Current Assets		**2,94,997.25**	**2,47,971.13**
TOTAL ASSETS			**11,33,054.60**	**8,40,083.25**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity Share Capital	19	1,84,903.02	1,84,903.02
(b)	Other Equity	20	4,37,530.37	1,64,380.20
	Total Equity		**6,22,433.39**	**3,49,283.22**
Liabilities				
Non-current liabilities				
(a)	Financial Liabilities:			
	Borrowings	21	2,86,247.91	3,31,581.57
	Lease Liability	39	478.16	451.92
(b)	Provisions	22	21,869.42	671.79
	Total Non-Current Liabilities		**3,08,595.49**	**3,32,705.28**
Current liabilities				
(a)	Financial Liabilities:			
	(i) Operational Buyers' Credit / Suppliers' Credit	46	26,925.27	45,826.78
	(ii) Trade Payables	23		
	- Total Outstanding dues of micro enterprises and small enterprises		11,002.84	4,488.44
	- Total Outstanding dues of creditors other than micro enterprises and small enterprises		54,109.21	38,422.15
	(iii) Other Financial Liabiities	24	78,007.94	56,350.93
(b)	Other Current Liabilities	25	31,264.72	12,600.50
(c)	Provisions	26	715.74	405.95
	Total Current Liabilities		**2,02,025.72**	**1,58,094.75**
	Total Liabilities		**5,10,621.21**	**4,90,800.03**
TOTAL EQUITY AND LIABILITIES			**11,33,054.60**	**8,40,083.25**

Significant accounting policies and other accompanying notes (1 to 49) form an integral part of the financial statements

As per our report of even date

For Lodha & Co,
Chartered Accountants

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2021

For and on behalf of the Board of Directors

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

Pankaj Malhan — Whole time Director
(DIN : 08516185)

Mahesh Iyer — Chief Financial Officer

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

ESL STEEL LIMITED BOKARO

ESL STEEL LIMITED

[Formerly known as Electrosteel Steels Limited]

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations			
Sale of Products	27	4,66,804.69	4,29,403.99
Other Operating Income	28	10,338.08	8,346.82
Total Revenue from Operations		**4,77,142.77**	**4,37,750.81**
Other Income	29	12,780.64	10,364.45
Total Income		**4,89,923.41**	**4,48,115.26**
Expenses			
Cost of Materials Consumed	30	2,68,286.00	2,82,423.70
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	31	13,058.66	(14,222.62)
Employee Benefits Expense	32	15,440.21	16,181.47
Finance Costs	33	37,652.67	38,413.55
Depreciation and Amortisation Expense	34	34,642.80	30,651.89
Other Expenses	35	95,390.24	96,848.19
Total Expenses		**4,64,470.58**	**4,50,296.18**
Profit/ (Loss) before exceptional items and tax		**25,452.83**	**(2,180.92)**
Exceptional Items	36	**(27,634.25)**	**-**
Profit/ (loss) before tax		**(2,181.42)**	**(2,180.92)**
Tax expense:	48		
(i) Current tax		-	-
(ii) Income Tax for earlier years		(181.26)	-
(iii) Deferred Tax		(2,75,201.36)	-
Profit/ (loss) for the year		**2,73,201.20**	**(2,180.92)**
Other Comprehensive Income:			
(i) Items that will not be reclassified to profit or loss	37	(78.44)	(52.24)
(ii) Income tax relating to items that will not be reclassified to profit or loss	48	27.41	-
Other Comprehensive Income (net of taxes)		**(51.03)**	**(52.24)**
Total Comprehensive Income for the year (comprising of Profit/(Loss) and Other Comprehensive Income for the year)		**2,73,150.17**	**(2,233.16)**
Earning per Equity Share [Face value of Rs. 10 each]:	42		
Basic and Diluted		14.78	(0.12)

Significant accounting policies and other accompanying notes (1 to 49) form an integral part of the financial statements

As per our report of even date

For Lodha & Co,
Chartered Accountants

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2021

For and on behalf of the Board of Directors

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

Pankaj Malhan (DIN : 08516185) — Whole time Director

Mahesh Iyer — Chief Financial Officer

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

ESL STEEL LIMITED BOKARO

ESL STEEL LIMITED
[Formerly known as Electrosteel Steels Limited]
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A. Cash flow from Operating Activities		
Profit/(Loss) before tax	**(2,181.42)**	**(2,180.92)**
Adjustment to reconcile Profit/(Loss) before tax to net cash generated from operating activities		
Provision against Compliance Cost for Environmental Clearence	21,350.95	-
Provision against Capital work in progress	6,283.30	-
Provision for Obsolete and Non-moving Stores and Spares	395.18	761.44
Depreciation and amortization expenses	34,642.80	30,651.89
Loss/(profit) on sale/discard of fixed assets	201.68	140.53
Sundry credit balances written back	(850.46)	(62.47)
Sundry Balances written-off	716.55	4.57
Unrealised (gain)/ Loss on foreign currency translation and transaction	(650.28)	(882.26)
Net gain/(loss) on Derivative Instruments on fair valuation through profit and loss	1,075.57	(1,958.36)
Interest Income	(10,100.44)	(3,833.07)
Net Gain/(loss) on Current Investments on Fair Valuation through profit and loss	(65.14)	(857.27)
Net Gain/(loss) on disposal of Current Investments	(802.80)	(3,505.94)
Impairment Allowance for doubtful debts, Advances and deposits	512.21	261.66
Finance Cost	37,652.67	38,413.55
Operating profit before Working Capital Changes	**88,180.37**	**56,953.35**
Movements in working capital :		
Decrease/(Increase) in Inventories	23,127.32	(3,538.71)
(Decrease)/Increase in Trade Payables, Other financial/Non-Financial liabilities and Provisions	1,113.18	3,477.23
Decrease/(Increase) in Trade Receivables	17,313.91	10,597.40
Decrease/(increase) in loans and advances, Other financial/non-financial asets and other assets	(1,22,811.31)	436.54
Cash generated from / (used in) operations	**6,923.47**	**67,925.81**
Income taxes (paid)/refund (net)	920.23	(635.35)
Net Cash flow generated / (used in) Operating Activities (A)	**7,843.70**	**67,290.46**
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipments including intangible assets and movement in Capital Work in Progress	(5,112.33)	(8,210.26)
Proceeds from sale of Property, Plant and Equipments	1.14	167.27
Movement in Fixed Deposits and other bank balances (having original maturity of more than three months)	(16,445.83)	10,474.31
Investment in mutual funds	(2,34,393.89)	(5,21,293.43)
Sale Proceeds on disposal of mutual funds	3,04,418.19	4,78,286.28
Interest received	2,500.16	3,918.92
Net Cash flow generated / (used in) Investing Activities (B)	**50,967.44**	**(36,656.91)**
Cash flow from Financing Activities		
Payment to Shareholders pursuant to Exit Offer	-	(10,744.85)
Repayment of long-term borrowings (net)	(25,327.31)	-
Payment of Lease Liability	(247.30)	(136.06)
Interest and other borrowing cost paid	(38,232.15)	(38,365.57)
Net Cash flow generated / (used in) Financing Activities (C)	**(63,806.76)**	**(49,246.48)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(4,995.62)	(18,612.93)
Cash and cash equivalents at the beginning of the year	17,077.62	35,690.55
Cash and cash equivalents at the end of the year (Refer Note no. 15)	**12,082.00**	**17,077.62**

ESL STEEL LIMITED BOKARO

Sensitivity: Confidential (C2)

(Rs. in lakhs)

Notes

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

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

Particulars	**As at March 31, 2020**	**Cash flows***	**Non-Cash Flows**	**As at March 31, 2021**
Non-current borrowings [Refer Note no. 21]	3,31,581.57	-	(45,333.66)	2,86,247.91
Current maturities of long term debt [Refer Note no. 24]	25,327.31	(25,327.31)	45,509.16	45,509.16
Finance Lease Liabilities [Refer Note no. 39]	884.86	(247.30)	27,922.22	28,559.78
Interest accrued but not due on borrowings [Refer Note no. 24]	2,800.56	(2,800.56)	1,991.61	1,991.61

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

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

Particulars	**Year Ended March 31, 2021**	**Year Ended March 31, 2020**
Balances with Banks		
In Current Accounts	5,082.00	3,026.67
Cash on hand	-	0.95
Fixed Deposits with original maturity of less than 3 months	7,000.00	14,050.00
Total cash and cash equivalents (Refer Note No. 15)	**12,082.00**	**17,077.62**

Significant accounting policies and other accompanying notes (1 to 49) form an integral part of the financial statements

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

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2021

For and on behalf of the Board of Directors

A Sumathi Non-Executive Director
(DIN : 07147100)

Pankaj Malhan Whole time Director
(DIN : 08516185)

Mahesh Iyer Chief Financial Officer

Manish Kumar Chaudhary Company Secretary
M.No. ACS 23037

ESL STEEL LIMITED
BOKARO

ESL STEEL LIMITED
[Formerly known as Electrosteel Steels Limited]
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH, 31, 2021

(Rs. in lakhs)

A. Equity Share Capital

Particulars	Amount	Amount
Balance as at March 31, 2019		
Equity Share Capital	19,616.73	
Share Suspense	1,76,549.24	1,96,165.97
Less: Balance of Shares Suspense pending allotment as on March 31, 2019		(1,76,555.30)
Add: Shares issued to Shareholders on Amalgamation (Refer Note. 43(a))		1,76,555.30
Less: Shares cancelled pursuant to "Exit Offer" (Refer Note. 43(b))		(11,262.95)
Balance as at March 31 ,2020		**1,84,903.02**
Changes during the year		-
Balance as at March 31 ,2021		**1,84,903.02**

B. Other Equity
As at March 31, 2021

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Reserves and Surplus		Other Comprehensive Income	Total
			Securities premium	Retained earnings	Re-measurement of defined benefit plan	
Balance as at March 31, 2020	9,59,908.68	(1,74,593.58)	1,79,036.44	(7,99,971.34)	-	1,64,380.20
Profit/(Loss) for the Year	-	-	-	2,73,201.20	-	2,73,201.20
Other Comprehensive Income for the year	-	-	-	-	(51.03)	(51.03)
Total comprehensive income for the year	**-**	**-**	**-**	**2,73,201.20**	**(51.03)**	**2,73,150.17**
Transfer to Retained Earning				(51.03)	51.03	-
Capital Reserve on cancellation of Shares pursuant to "Exit Offer" (Refer Note. 43(b))	-	-	-	-	-	-
Balance as at March 31, 2021	**9,59,908.68**	**(1,74,593.58)**	**1,79,036.44**	**(5,26,821.17)**	**-**	**4,37,530.37**

As at March 31, 2020

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Reserves and Surplus		Other Comprehensive Income	Total
			Securities premium	Retained earnings	Re-measurement of defined benefit plan	
Balance as at March 31, 2019	9,59,389.11	(1,74,593.58)	1,79,036.44	(7,97,738.18)	-	1,66,093.79
Profit/(Loss) for the Year	-	-	-	(2,180.92)	-	(2,180.92)
Other Comprehensive Income for the year	-		-	-	(52.24)	(52.24)
Total comprehensive income for the year	**-**		**-**	**(2,180.92)**	**(52.24)**	**(2,233.16)**
Transfer to Retained Earning				(52.24)	52.24	-
Capital Reserve on cancellation of Shares pursuant to "Exit Offer" (Refer Note. 43(b))	519.57	-	-	-	-	519.57
Balance at March 31, 2020	**9,59,908.68**	**(1,74,593.58)**	**1,79,036.44**	**(7,99,971.34)**	**-**	**1,64,380.20**

Refer Note no. 20 for nature and purpose of reserves

Significant accounting policies and other accompanying notes (1 to 49) form an integral part of the financial statements

As per our report of even date

For Lodha & Co,
Chartered Accountants

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2021

For and on behalf of the Board of Directors

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

Pankaj Malhan — Whole time Director
(DIN : 08516185)

Mahesh Iyer — Chief Financial Officer

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

ESL STEEL LIMITED BOKARO

1 CORPORATE INFORMATION

ESL Steel Limited ("ESL" or "the Company") is a public limited company in India having its registered office at, Siyaljori, P.O. Jogidih, O.P. Bangaria, P.S. Chandankyari, Bokaro, PIN: 828 303 Jharkhand and is engaged in the manufacture and supply of Billets, TMT Bars, Wire Rods and Ductile Iron(DI) Pipes and also deals in Pig Iron and Iron and Steel Scrap products generated while manufacturing these products. It also produces Metallurgical Coke, Sinter and Power for captive consumption. The Company caters to the needs of construction, automobile, industrial machinery and equipments and water Infrastructure development. The company is a subsidiary of Vedanta Limited. During the year, the company has changed its name from Electrosteel Steels Limited to ESL Steel Limited and also shifted its registered office from Ranchi to Bokaro.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

i. Statement of Compliance

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

Application of new and revised standards:

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

Effective April 01, 2020, there were certain ammendments in Indian Accounting Standards (Ind AS) vide Companies (Indian Accounting Standards) Amendment Rules, 2020 notifying amendment to existing Ind AS 1 'Presentation of Financial Statements', Ind AS 8 'Accounting Policies, Changes in Estimates and Errors', Ind AS 10 'Events after the Reporting Period', Ind AS 34 'Interim Financial Reporting', Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', Ind AS 103 'Business Combinations', Ind AS 107 'Financial Instruments: Disclosures', Ind AS 109 'Financial Instruments', Ind AS 116 'Leases'.

Ind AS 1 has been modified to redefine the term 'Material' and consequential amendments have been made in Ind AS 8, Ind AS 10, Ind AS 34 and Ind AS 37.

Ind AS 103 dealing with 'Business Combination' has defined the term 'Business' to determine whether a transaction or event is a business combination. Amendment to Ind AS 107 and 109 relate to hedging relationship directly affected by Interest Rate Benchmark reforms. The ammendment among other things requires an entity to assume that Interest Rate Benchmark on which hedged cash flows are based is not altered as a result of Interest Rate Benchmark reforms.

Ind AS 116 dealing with 'Leases' permitted lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequenc of COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

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

ESL STEEL LIMITED
BOKARO

3 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis except for
a) certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period;
b) certain class of Property, Plant and Equipment which on the date of transition i.e. have been fair valued to be considered as deemed costs; and
c) Defined benefit plans- Plan Assets measured at fair value

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

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

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.
The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurements:

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

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

B. PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost on the date of transition i.e. have been fair valued to be considered as deemed costs and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.

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

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

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

ESL STEEL LIMITED BOKARO

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

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

C. LEASES

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

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

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. Direct cost incurred in this respect are added to the said cost and lease incentive if any are deducted therefrom. They are subsequently measured at cost less accumulated depreciation and impairment losses.

D. DEPRECIATION AND AMORTISATION

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

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

ESL STEEL LIMITED BOKARO

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

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

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

Pipe Moulds of 350 MM and above are depreciated over a period of three years. Other such moulds are charged to consumption based on production.

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

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

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

E. INTANGIBLE ASSETS

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

Accordingly, cost of computer software are amortized over the useful life using straight line method over a period of 3-5 years.

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

F. DERECOGNITION OF TANGIBLE AND INTANGIBLE ASSETS

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

ESL STEEL LIMITED BOKARO

G. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

H. FINANCIAL INSTRUMENTS

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

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

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

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

i. **Financial Assets and Financial Liabilities measured at amortised cost**

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

The above Financial Assets and Financial Liabilities comprising of Borrowings, trade and other payables subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability.

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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

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iii. For the purpose of para (i) and (ii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

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

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

v. **Derivative and Hedge Accounting**

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

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

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

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

vi. **Impairment of financial assets**

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

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

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

vii. **Derecognition of financial instruments**

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

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

viii. **Offsetting financial instruments**

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

ix. **Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

I. INVENTORIES

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

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents raw material cost plus costs of conversion, comprising labor costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

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

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

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J. FOREIGN CURRENCY TRANSACTIONS

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

K. EQUITY SHARE CAPITAL

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

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

L. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

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M. EMPLOYEE BENEFITS

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

Short-term Employee Benefits

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

Post-employment Benefit Plans

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

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

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

Other Long-term Employee Benefits (Unfunded)

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

N. REVENUE RECOGNITION

i. REVENUE FROM SALE OF PRODUCT

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

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

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

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

ii. INTEREST, DIVIDEND AND CLAIMS

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

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iii. **EXPORT BENEFITS**

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

O. BORROWING COST

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

P. RESEARCH AND DEVELOPMENT

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

Q. GOVERNMENT GRANTS

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

R. TAXES ON INCOME

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

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

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

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

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

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

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

S. EARNINGS PER SHARE

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

T. SEGMENT REPORTING

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

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

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

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

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

Property, plant and equipment, ROU and intangible assets are depreciated/amortized on straight-line basis over the estimated useful lives in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be recognised is estimated by reference to the estimated value in use or recoverable amount of the respective assets. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the future cash flows are estimated based on assumptions involving future projections and profitability which are inherently uncertain and are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

During the year ended March 31, 2018 the company determined the recoverable amount of the CGU based on value in use (i.e. the transaction price in terms of approved resolution plan) and impairment with respect to carrying value of the assets was provided. This has been reviewed based on the assumptions and adjustments for forecasts wich may vary subsequently. According to such review, no further adjustment in the carrying value thereof has been considered essential. There are uncertainities involved in assumptions and estimations and actual impact thereof may be different than estimated.

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

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

c) **Impairment loss on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

d) **Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date. In earlier year, the company subsequent to approval of ARP by Hon'ble NCLT had credited the amount of Equity Share Capital issued against non-sustainable debt and reduced thereafter to Capital Reserve in accordance with ARP. The management does not expect any tax liability in this respect based on independent professional advises received in this respect.

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

e) **Going Concern assumption**

As indicated in Note no. 44 of the financial statements, renewal of Consent to Operate (CTO) and Envoirmental Clearence (EC) has been denied by the respective authorities and the matter had been referred to Hon'ble High Court of Jharkhand whereby a stay had been granted till further hearing. However, such stay was vacated by Hon'ble High Court beyond Septemebr 23, 2020 and the company had to file a SLP before Hon'ble Supreme Court of India consequent to which permission has been granted to operate till further order. Even though EC has not yet been received and there is a uncertainity in this respect on this date, pending final decision and considering the effective steps are being taken towrads required clearences, regularisation and compliance of TOR to secure EC, the financial statement has been prepared on a Going Concern basis.

f) **Defined benefit obligation (DBO)**

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government securities that have terms to maturity approximating the terms of the related defined benefit obligation. Other key assumptions for obligations are based on current market conditions

g) **Provisions and Contingencies**

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

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

In accordance with ARP, contingent liability prior to the effective date of NCLT Order has been extinguished which being further substantiated based on various judicial pronouncements including those of Hon'ble Supreme Court of India. Although there can be no assurance with regard to final outcome of the legal proceeding, the company does not expect to have an adverse impact in this respect. Disclosure in this respect have been made in Note no. 40(B) of the financial statements.

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(Rs. in lakhs)

5 PROPERTY, PLANT AND EQUIPMENT:

As at March 31, 2021											
Particulars	**Freehold land**	**Buildings**	**ROU - Land Leasehold**	**ROU - Building Leasehold**	**ROU - Equipments Leasehold**	**Plant and Equipment**	**Furniture and Fixtures**	**Vehicles**	**Office Equipments**	**Railway Siding**	**Total**
Gross Block											
As at March 31, 2020	66,455.73	1,99,589.11	5,531.76	360.90	661.70	8,00,919.59	592.68	389.29	3,478.05	20,046.13	10,98,024.94
Additions	-	20.72	6,611.69	4.31	196.99	8,964.38	37.83	8.71	91.85	-	15,936.48
Disposal	-	-	-	-	-	(467.97)	-	(8.46)	(3.18)	(5.84)	(485.45)
Other Adjustments	(25,326.12)	-	25,326.12	(45.57)	(93.54)	-	-	-	-	-	(139.11)
As at March 31, 2021	**41,129.61**	**1,99,609.83**	**37,469.57**	**319.64**	**765.15**	**8,09,416.00**	**630.51**	**389.54**	**3,566.72**	**20,040.29**	**11,13,336.86**
Accumulated Depreciation											
As at March 31, 2020	-	34,415.31	1.67	101.36	70.89	1,39,891.64	265.00	247.98	1,218.62	4,353.81	1,80,566.28
Charge for the period	-	3,872.72	2,281.81	105.85	295.00	26,314.29	33.36	12.53	910.04	766.24	34,591.84
Disposal	-	-	-	-	-	(101.86)	-	(5.23)	(2.52)	(2.07)	(111.68)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	**-**	**38,288.03**	**2,283.48**	**207.21**	**365.89**	**1,66,104.07**	**298.36**	**255.28**	**2,126.14**	**5,117.98**	**2,15,046.44**
Impairment											
As at March 31, 2020	19,848.34	77,522.21	-	-	-	3,12,899.17	156.95	62.55	1,113.49	7,686.90	4,19,289.61
Charge for the period	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	(148.54)	-	(2.28)	(0.63)	(2.02)	(153.47)
Other Adjustments	-	-	-	-	-	2,849.19	-	-	-	-	2,849.19
As at March 31, 2021	**19,848.34**	**77,522.21**	**-**	**-**	**-**	**3,15,599.82**	**156.95**	**60.27**	**1,112.86**	**7,684.88**	**4,21,985.33**
Net carrying amount											
As at March 31, 2021	**21,281.27**	**83,799.59**	**35,186.09**	**112.43**	**399.26**	**3,27,712.11**	**175.20**	**73.99**	**327.72**	**7,237.43**	**4,76,305.09**

As at March 31, 2020											
Particulars	**Freehold land**	**Buildings**	**ROU - Land Leasehold**	**ROU - Building Leasehold**	**ROU - Equipments Leasehold**	**Plant and Equipment**	**Furniture and Fixtures**	**Vehicles**	**Office Equipments**	**Railway Siding**	**Total**
Gross Block											
As at March 31, 2019	66,453.85	1,99,524.70	-	-	-	7,93,542.31	589.45	390.39	3,410.94	20,029.67	10,83,941.31
Additions	1.88	64.41	5,531.76	360.90	661.70	8,160.75	6.88	31.00	67.74	16.46	14,903.48
Disposal	-	-	-	-	-	(783.47)	(3.65)	(32.10)	(0.63)	-	(819.85)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**66,455.73**	**1,99,589.11**	**5,531.76**	**360.90**	**661.70**	**8,00,919.59**	**592.68**	**389.29**	**3,478.05**	**20,046.13**	**10,98,024.94**
Accumulated Depreciation											
As at March 31, 2019	-	30,553.80	-	-	-	1,14,558.84	225.44	260.75	1,001.77	3,589.42	1,50,190.02
Charge for the period	-	3,861.51	1.67	101.36	70.89	25,534.88	41.39	11.78	217.32	764.39	30,605.19
Disposal	-	-	-	-	-	(202.08)	(1.83)	(24.55)	(0.47)	-	(228.93)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**-**	**34,415.31**	**1.67**	**101.36**	**70.89**	**1,39,891.64**	**265.00**	**247.98**	**1,218.62**	**4,353.81**	**1,80,566.28**
Impairment											
As at March 31, 2019	19,848.34	77,522.21	-	-	-	3,13,176.65	158.06	66.99	1,113.60	7,686.90	4,19,572.75
Charge for the period	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	(277.48)	(1.11)	(4.44)	(0.11)	-	(283.14)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**19,848.34**	**77,522.21**	**-**	**-**	**-**	**3,12,899.17**	**156.95**	**62.55**	**1,113.49**	**7,686.90**	**4,19,289.61**
Net carrying amount											
As at March 31, 2020	**46,607.39**	**87,651.59**	**5,530.09**	**259.54**	**590.81**	**3,48,128.78**	**170.73**	**78.76**	**1,145.94**	**8,005.42**	**4,98,169.05**

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

5.2 Gross block of Railway siding includes Rs. 120,70.19 lakhs (March 31, 2020: Rs 12,070.19 lakhs), incurred for construction of Railway siding ownership of which does not vest with the company.

5.3 ROU Land Leasehold includes:-

a)Rs. 5,461.16 lakhs in respect of 325.19 acres which are under process of regularisation by conversion to leasehold land (including Rs.4,144.74 lakhs being demand for such conversion) against which Rs. 3,315.79 lakhs has been paid. Pending execution of lease deed such Leasehold land has been accounted for as "ROU- Land Leasehold".

b) 455.35 acres amounting to Rs. 31,935.00 lakhs (on proportionate basis) including demand of Rs. 23,552.55 lakhs against which Rs. 2,295.98 lakhs has been paid and to provide non-forest land in exchange thereof. The title deed for such land pertain to forest department pending compliances pertaining to requirement of afforestation etc. and approval from respective authorities. Necessary steps are being taken for regularisation etc., as detailed in Note no. 44 in respect of above land and execution of lease deed in this respect is subject to necessary approval from relevant authorities and charge holders.

c) As per the Stage 1 clearence, the company apart from afforestation cost was required to provide non-forest land in exchange of the land used by the company for Steel Plant and Rs. 23,552.55 lakhs was provided in earlier year as cost estimated to be incurred in this respect. Since, there is restricition on use of such land the same has been transferred from Freehold to ROU- Land Leasehold included under other adjustments. Further, Rs. 6,611.69 lakhs being the NPV for area under utilisation by the Steel Plant as per the report of EIA consultant has been capitalised during the year as detailed in Note no. 44.

d) Pending execution of lease deed and necessary approval in this respect, the above ROU Land Leasehold has been amortised considering a period of thirty years from the date of demand/capitalisation as the case may be.

5.4 Freehold land includes 229.42 acres amounting to Rs. 1,615.99 lakh covered under The Chota Nagpur Tenancy Act, 1908 and as such registration in favour of the company could not be executed.

5.5 In earlier years, the Company had carried out the Impairment testing determining the Fair Value of Property, Plant and Equipment (including those lying under Capital Work in Progress) less cost to Sale and Value in Useof the Cash Generating Unit. The said Valuation was been carried out by an Independent Valuer appointed in this respect.

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

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

5.6 During the year ended March 31, 2019, the management had appointed an External Agency for physical verification of fixed assets and review of useful life and residual value of the Property, Plant and Equipment. Provision for discrepancies with respect to Property, Plant and Equipment being physically not traceable amounting to Rs.14,277.91 lakhs (Net Block) as made in that year has been continued in this year.

5.7 Refer note. No. 21 in respect of charge created against borrowings. This includes 325.19 acres of land to be converted to leasehold land as stated in Note no. 5.3(a) above.

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(Rs. in lakhs)

6 CAPITAL WORK-IN-PROGRESS

	Particulars	**Refer Note No.**	**As at Mar 31, 2021**	**As at** March 31, 2020
(a)	Capital Work in Progress	6.1	95,301.02	96,776.15
(b)	Project Development Expenditure	6.2	68,832.61	71,469.15
(c)	Impairment	5.5	(74,384.39)	(77,233.58)
(d)	Less: Provision	6.1	(6,283.30)	-
			83,465.94	**91,011.72**

6.1 The project undertaken in earlier years for enhancing the production capacity from 1.5MTPA to 2.57MTPA mainly consisting of one Blast Furnace, Horizontal Coke Oven and other related equipments and facilities and selection of vendors etc, for the project is under advanced stage of consideration. Accordingly, Rs. 83,465.94 lakhs being cost of various plant and equipment acquired for the project in earlier years has been carried forward as capital work in progress. Detailed physical verification of project equipments is being undertaken by an independent firm of professionals. Pending completion of exercise as an interim measure provision of Rs. 6,283.30 lakhs towards discrepancies observed on such verification has been made in these financial statements. This will be followed by the technical evaluation and study of various equipments etc., so carried forward as capital work in progress. Review of adjustments finally needed in this respect will be undertaken and given effect to on determination thereof on completion of the entire exercise.

6.2 Project Development Expenditure

'Project Development Expenditure' as given below represents proportionate Interest and other pre-operative expenditure related to the above project accounted pending allocation to the respective assets and/or otherwise to be adjusted on completion of the project:

Project Development Expenditure Account (Included under Capital Work-in-Progress)

Particulars	**As at Mar 31, 2021**	**As at March 31, 2020**
Balance brought forward	**71,469.15**	71,469.15
Less: Allocated/Transferred during the year to Property, Plant and Equipment	(2,636.54)	-
Total Project development expenditure carried forward	**68,832.61**	**71,469.15**

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7. OTHER INTANGIBLE ASSETS

(Rs. in lakhs)

As at March 31, 2021

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

As at March 31, 2020

Particulars	Gross Block				Amortisation				Impairment				Net carrying amount
	As at March 31, 2019	Additions	Other Adjustments	As at March 31, 2020	As at March 31, 2019	Charge for the period	Other Adjustments	As at March 31, 2020	As at March 31, 2019	For the period	Other Adjustments	As at March 31, 2020	As at March 31, 2020
Computer Softwares	380.46	116.12	-	496.58	255.83	46.70	-	302.53	54.66	-	-	54.66	139.39

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

(Rs. in lakhs)

8 LOANS

	Particulars	**Refer Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	Security Deposit			
	Unsecured, considered good		53.89	52.15
	Unsecured, Credit Impaired		840.81	853.94
	Less: Impairment Allowance for doubtful deposit	8.1	(840.81)	(853.94)
			53.89	**52.15**

8.1 Movement of Impairment Allowances for doubtful deposits

Particulars	**For the Year ended March 31, 2021**	**For the Year ended March 31, 2020**
Balance at the beginning of the year	853.94	856.55
Recognised during the year	-	-
Reversal during the year	(13.13)	(2.61)
Balance at the end of the year	**840.81**	**853.94**

9 OTHER FINANCIAL ASSETS

	Particulars	**Refer Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	Fixed Deposits with Banks (having original maturity of more than 12 months)	16.2	1,036.14	493.98
(b)	Interest receivable on fixed deposits	16.2	22.14	11.80
			1,058.28	**505.78**

10 NON-CURRENT TAX ASSETS (NET)

Particulars	**Refer Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
Advance Income Tax including Tax deducted at source (net of provision)		1,286.10	2,206.34
		1,286.10	**2,206.34**

11 OTHER NON-CURRENT ASSETS

	Particulars	**Refer Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	Capital advances			
	Considered good		17.51	20.78
	Considered Doubtful		2,656.72	3,010.03
	Less: Impairment Allowance for doubtful Advances	11.1	(2,656.72)	(3,010.03)
(b)	Prepaid Expenses		156.97	-
(c)	Gratuity Fund Receivable		58.83	6.91
			233.31	**27.69**

11.1 Movement of Impairment Allowances for doubtful advances

Particulars	**For the Year ended March 31, 2021**	**For the Year ended March 31, 2020**
Balance at the beginning of the year	3,010.03	3,044.85
Recognised during the year	-	-
Reversal during the year	(353.31)	(34.82)
Balance at the end of the year	**2,656.72**	**3,010.03**

12 INVENTORIES

	Particulars	**Refer Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	Raw Materials	12.2	31,608.38	42,277.36
(b)	Raw Materials in transit		2,028.56	196.50
(c)	Semi Finised Goods/ Work In Progress		6,630.96	5,973.64
(d)	Finished Goods		4,286.65	17,610.81
(e)	Finished Goods in transit		479.41	2,049.18
(f)	Stores and Spares	12.1	18,499.05	19,474.50
	Less: Provision for Obsolete and Non-moving Stores and Spares	12.3	(4,239.70)	(3,803.50)
(g)	Stores and Spare Parts in transit		430.67	686.95
	Less: Provision for Obsolete and Non-moving Stores and Spares	12.3	-	(41.02)
(h)	Scrap and By Products		3,828.36	2,650.41
			63,552.34	**87,074.83**

12.1 Stores and Spares stock includes stock of DI Pipe Mould of size 350 mm and above amounting to Rs. 1,156.04 lakhs (March 31, 2020: Rs.1,692.06 lakhs).

12.2 Raw Materials includes Nil (March 31, 2020: Rs. 359.41 lakhs) being Stock of ROM Coal to be used in Power Plant and shown as Power and Fuel expense.

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(Rs. in lakhs)

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

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Balance at the beginning of the year	3,844.52	3,083.08
Recognised during the year	395.18	761.44
Reversal during the year	-	s
Balance at the end of the year	**4,239.70**	**3,844.52**

12.4 Also refer Note no. 45 in respect of charge created against borrowings

13 INVESTMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
Investments measured at fair value through Profit and Loss	**Units**	**Amount**	**Units**	**Amount**
Investment in Mutual Funds (quoted)				
(a) Kotak Money Market Fund- Direct Plan- Growth Option (Face Value: Rs. 1,000)	-	-	6,34,789.84	21,031.10
(b) NIPPON India Liquid Fund- Direct Plan- Growth Option (LFAGG) (Face Value: Rs. 1,000)	3,24,548.21	16,333.19	-	-
(c) UTI Liquid Cash Plan - Direct- Growth Plan (Face Value: Rs. 1,000)	3,86,559.56	13,028.94	-	-
(d) Aditya Birla Sunlife Savings Fund- Direct Plan- Growth Option (Face Value: Rs. 100)	-	-	52,23,019.97	20,935.38
(e) HDFC Money Market Fund- Direct Plan - Growth Option (Face Value: Rs. 10)	-	-	4,74,118.97	20,007.05
(f) ICICI Prudential Money Market Fund- Direct Plan - Growth Option (Face Value: Rs. 100)	-	-	16,36,636.32	4,570.55
(g) ICICI Prudential Liquid Fund- Direct Plan- Growth Option (Face Value: Rs. 100)	37,82,886.68	11,527.83	-	-
(h) L&T Ultra Short Term Fund- Direct Plan- Growth Option (Face Value: Rs. 10)	-	-	5,16,74,375.58	17,274.64
(i) TATA Liquid Fund- Direct Plan- Growth Option (Face Value: Rs. 1,000)	-	-	66,790.78	2,091.88
(j) NIPPON India Money Market Fund- Direct Plan- Growth Option (Formerly Reliance Money Market Fund - Direct Plan- Growth Option) (Face Value: Rs. 1,000)	-	-	6,82,429.53	20,832.24
(k) AXIS Liquid Fund- Direct Plan- Growth Option (CFDGG) (Face Value: Rs. 1,000)	-	-	1,49,863.12	3,303.49
		40,889.96		**1,10,046.33**

13.1 Aggregate amount of quoted Investments in Mutual Funds	40,889.96	1,10,046.33
13.2 Aggregate amount of NAV of Investments in Mutual Funds	40,889.96	1,10,046.33

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

13.4 Also refer Note no. 45 in respect of charge created against borrowings

14 TRADE RECEIVABLES

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Unsecured			
Considered good	14.1	9,690.20	16,759.38
Considered good, having significant increase in Credit Risk	14.1	599.57	413.13
Credit Impaired		1,920.90	1,920.90
Less: Impairment Allowance for doubtful debts	14.2	(1,920.90)	(1,920.90)
		10,289.77	**17,172.51**

ESL STEEL LIMITED BOKARO

(Rs. in lakhs)

14.1 Ageing of Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Within the credit period	6,441.64	5,381.53
0 - 90 days	757.04	5,811.27
91 - 180 days	2,318.91	4,214.65
More than 180 days	772.18	1,765.06
	10,289.77	**17,172.51**

14.2 Movement of Impairment Allowances for doubtful debts

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,920.90	1,755.49
Recognised during the year	-	165.41
Reversal during the year	-	-
Balance at the end of the year	**1,920.90**	**1,920.90**

14.3 Also refer Note no. 45 in respect of charge created against borrowings

15 CASH AND CASH EQUIVALENTS

	Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
(a)	**Balances with Banks:**			
	- In Current Accounts		5,082.00	3,026.67
(b)	Cash on hand		-	0.95
(c)	Fixed Deposits with original maturity of less than 3 months		7,000.00	14,050.00
			12,082.00	**17,077.62**

15.1 Also refer Note no. 45 in respect of charge created against borrowings

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
(a)	**Balances with Banks:**			
	- In Current Accounts	16.3	5,177.66	1,499.29
(b)	Fixed Deposits with Banks (having original maturity of more than 3 months)	16.2	22,078.41	9,853.12
			27,256.07	**11,352.41**

16.1 Refer Note no. 45 in respect of charge created against borrowings

16.2 Fixed Deposits with banks includes:

a) Rs. 22,913.69 lakhs (March 31, 2020: Rs. 6,982.44 lakhs) (including Rs. 1028.87 lakhs (March 31, 2020: Rs. 275.72 Lakhs) disclosed under other non-current assets) which have been lodged with bank as margin money against Letter of Credit/Bank Guarantees/OD facilities issued/granted by them;

b) Rs. 55.90 lakhs (March 31, 2020: Rs. 264.66 lakhs) (including Rs. 7.27 lakhs (March 31, 2020: Rs. 217.56 lakhs) disclosed under other non-current assets) lying with Customers/ Vendors/ Government Authorities in term of agreement/orders; and

c) Nil (March 31, 2020: Rs. 3,100.00 lakhs) lying with Banks as per the Interest Service Account in term of facilities granted as detailed in Note no. 21.

16.3 Balances with banks in current account includes

a) Rs. 2,821.25 lakhs (March 31, 2020: Rs. 1,394.60) and balances with government authorities includes Rs. 148.57 lakhs (March 31, 2020: 148.57) against accounts freezed and amount withheld by commercial tax department against sales tax demand. Matter has since been decided by Hon'ble Supreme Court of India (Refer Note. no. 40(B)).

b) Includes Rs. 2,356.41 (March 31, 2020: Rs. 104.69 lakhs) maintained in terms of agreement with borrowers as detailed in Note no. 21

17 OTHER FINANCIAL ASSETS

	Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
(a)	Earnest Money/ Security Depoits to Vendors			
	Considered good	17.2	1,17,658.08	86.32
	Considered Doubtful		36.08	60.96
	Less: Impairment Allowance for doubtful deposits	17.1	(36.08)	(60.96)
(b)	Earnest Money to Customers			
	Considered good		4.00	4.00
	Considered Doubtful		6.75	6.75
	Less: Impairment Allowance for doubtful debts	17.1	(6.75)	(6.75)
(c)	Derivative Assets at fair value through profit and loss		-	1,034.59
(d)	Interest receivable		7,686.06	96.12
(e)	Export incentive receivables			
	Considered good		177.60	41.96
	Considered doubtful		-	4.55
	Less: Impairment Allowance for doubtful balances	17.1	-	(4.55)
			1,25,525.74	**1,262.99**

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(Rs. in lakhs)

17.1 Movement of Impairment Allowances for doubtful Debts and Deposits

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Balance at the beginning of the year	72.26	42.21
Recognised during the year	-	30.05
Reversal during the year	(29.44)	-
Balance at the end of the year	**42.82**	**72.26**

17.2 Includes Interest bearing security deposit of Rs. 1,17,000 (March 31, 2020: Nil) given to holding company in terms of Agreement with them for facilitating Purchase of Coking Coal and Limestone. This will be refunded on completion of purchase or otherwise on expiration of the agreement along with interest at SBI 1Y MCLR+0.15.

17.3 Refer Note no. 45 in respect of charge created against borrowings

18 OTHER CURRENT ASSETS

	Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
(a)	Balance with Government Authorities			
	Considered good	16.3	914.96	440.21
	Considered doubtful		501.55	-
	Less: Impairment Allowance for doubtful balances	18.1	(501.55)	-
(b)	Advances for supply of goods and services			
	Considered good		10,155.35	2,505.77
	Considered doubtful		1,362.54	1,368.56
	Less: Impairment Allowance for doubtful balances	18.1	(1,362.54)	(1,368.56)
(c)	Prepaid Expenses	18.2	3,386.40	905.70
(d)	Advances against salaries		12.10	9.52
(e)	Stamp papers on hand		10.22	10.22
(f)	MEIS Licences			
	Considered good		578.97	75.97
	Considered doubtful		-	68.80
	Less: Impairment Allowance for doubtful balances	18.1	-	(68.80)
(g)	Others- GST Clearing accounts		343.37	37.05
			15,401.37	**3,984.44**

18.1 Movement of Impairment Allowances for doubtful balances:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,437.36	1,389.15
Recognised during the year	501.56	68.80
Reversal during the year	(74.83)	(20.59)
Balance at the end of the year	**1,864.09**	**1,437.36**

18.2 Includes amount paid to related parties (Refer Note no. 38)

18.3 Refer Note no. 45 in respect of charge created against borrowings

19 EQUITY SHARE CAPITAL

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	**Authorised:**		
	10,02,00,00,000 Equity Shares of Rs. 10/- each (March 31, 2020: 10,02,00,00,000 Equity Shares)	10,02,000.00	10,02,000.00
		10,02,000.00	**10,02,000.00**
(b)	**Issued, Subscribed and Fully Paid Up:**		
	1,84,90,30,224 Equity Shares of Rs. 10/- each (March 31, 2020: 1,84,90,30,224 Equity Shares)	1,84,903.02	1,84,903.02
		1,84,903.02	**1,84,903.02**

19.1 Reconciliation of the number of Equity Shares Outstanding:

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
No. of shares as at the beginning		1,84,90,30,224	19,61,67,342
Shares issued to Shareholders of erstwhile VSL on Amalgamation	43(a)	-	1,76,55,53,040
Shares cancelled pursuant to Exit Offer	43(b)	-	(11,26,90,158)
No. of shares as at the end		**1,84,90,30,224**	**1,84,90,30,224**

19.2 Shareholders holding more than 5% Shares Equity Shares:

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	Nos	% holding	Nos	% holding
Vedanta Limited	1,76,55,53,040	95.49%	1,76,55,53,040	95.49%

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(Rs. in lakhs)

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

19.4 Consequent to the amalgamation of Erstwhile Vedanta Star Limited (VSL), the immediate holding company w.e.f. October 01, 2018 i.e. the Appointed Date pursuant to the Scheme of Amalgamation approved by Hon'ble NCLT, Kolkata, the existing shares held by VSL stands cancelled and new shares have been allotted to the shareholders of erstwhile VSL i.e. Vedanta Limited on March 25, 2020 in exchange of their holding in VSL. (Refer Note no. 43(a) of the financial statement)

20 OTHER EQUITY

	Particulars		**As at March 31, 2021**	**As at March 31, 2020**
(a)	Capital Reserve	20.1		
	As per last Balance Sheet		9,59,908.68	9,59,389.11
	On Cancellation of Equity Shares pursuant to Exit Offer to the equity shareholders of the company		-	519.57
			9,59,908.68	**9,59,908.68**
(b)	**Capital Reserve on Amalgamation**	20.1		
	As per last Balance Sheet		**(1,74,593.58)**	**(1,74,593.58)**
(c)	**Securities Premium**	20.2		
	As per last Balance Sheet		**1,79,036.44**	**1,79,036.44**
(d)	**Retained Earnings**	20.3		
	As per last Balance Sheet		(7,99,971.34)	(7,97,738.18)
	Profit/(Loss) for the Year		2,73,201.20	(2,180.92)
	Transfer from Other Comprehensive Income		(51.03)	(52.24)
			(5,26,821.17)	**(7,99,971.34)**
(e)	**Other Comprehensive Income**	20.4		
	Re-measurement of defined benefit plan			
	As per last Balance Sheet		-	-
	Other Comprehensive Income for the year		(51.03)	(52.24)
	Transfer to Retained Earnings		51.03	52.24
			-	-
			4,37,530.37	**1,64,380.20**

20.1 Capital Reserve

Capital Reserve includes:

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

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

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

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

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

20.2 Securities Premium

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

20.3 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings/losses of the company. This includes Other Comprehensive Income of (Rs. 245.74 lakhs) (March 31, 2020: (Rs. 194.71 lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.

20.4 Other Comprehensive Income

This includes gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 20.3 above.

21 BORROWINGS

	Particulars	**Refer Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
Secured Borrowings				
(a)	**From Banks:**			
	- Term Loan	21.1, 21.2, and 21.3	3,13,475.47	3,37,208.88
	Total (a)		**3,13,475.47**	**3,37,208.88**
Unsecured Borrowings				
(a)	Inter-Corporate Deposits from Holding Company	21.2 and 21.3	18,281.60	19,700.00
			18,281.60	**19,700.00**
	Less: Disclosed under Current Maturity of Long Term Debt- Unsecured	24(a)	(2,521.60)	(1,418.40)
	Less: Disclosed under Current Maturity of Long Term Debt- Secured	24(b)	(42,987.56)	(23,908.91)
			2,86,247.91	**3,31,581.57**

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(Rs. in lakhs)

21.1 Security

(i) Term Loan from banks is secured by:

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

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

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

d) Negative Pledge over shares of the company i.e. post merger, Guarantor (M/s Vedanta Ltd.) to hold 76% of the shares of the company.

e) Each of the Guarantor and the Borrower has also to provide and maintain at all times a Non Disposal Undertaking in favour of the Security Trustee acting for the Lenders, in a form and substance acceptable to the Security Trustee (acting on the instructions of the Lenders).

21.2 The interest rate for the above loans ranges from 8.75% to 9.55%.

21.3 **Repayment terms:**

Year	**Term Loan from Banks**	**Inter-Corporate Deposit from Holding Company**
2021-2022	43,520.00	2,521.60
2022-2023	43,520.00	2,521.60
2023-2024	43,520.00	2,521.60
2024-2025	43,520.00	2,521.60
2025-2026	43,520.00	2,521.60
2026-2027	43,520.00	2,521.60
2027-2028	43,520.00	2,521.60
2028-2029	10,880.00	630.40

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

22 PROVISIONS

	Particulars	**Refer Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
(a)	Provision for Employee Benefits	32.1	518.47	671.79
(b)	Provision pertaining to EC	22.1	21,350.95	-
			21,869.42	**671.79**

22.1 Provision pertaining to EC represents costs to be incurred being estimated cost of compliances and damages etc., for forest area diversion, wild life development and green belt conservation and other concerns raised on public hearing for granting EC based on the report of EIA consultant appointed in terms of TOR as detailed in Note no. 44. The movement in such provision is as follows:

Particulars	**Refer Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
Balance at the beginning of the year		-	-
Recognised during the year		21,350.95	-
Written back during the year		-	-
Balance at the end of the year		**21,350.95**	**-**

23 TRADE PAYABLES

Particulars	**Refer Note No.**	**As at March 31, 2021**	**As at March 31, 2020**
Payable for goods and services			
Due to Micro and Small Enterprises	23.1	11,002.84	4,488.44
Others		54,109.21	38,422.15
		65,112.05	**42,910.59**

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

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
a) Principal amount remaining unpaid but not due as at year end	11,001.50	4,421.11
a) Interest amount remaining unpaid but not due as at year end	-	-
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remaining unpaid as at year end	-	-
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	0.09	5.26

(Rs. in lakhs)

24 OTHER FINANCIAL LIABILITIES

	Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
(a)	Current maturities of long-term debts- Unsecured	21	2,521.60	1,418.40
(b)	Current maturities of long-term debts- Secured	21	42,987.56	23,908.91
(c)	Interest accrued but not due on borrowings	21	1,991.61	2,800.56
(d)	Earnest Money Deposit		98.01	65.73
(e)	Capital Vendors	24.1	1,178.70	22,156.78
(f)	Lease Liability	24.1 and 24.2	28,081.62	432.94
(g)	Derviative Instrument Liability at fair value through profit and loss (net)	47(d)(iii)	185.03	-
(h)	Others Payables			
	- Employees payable		886.89	1,519.36
	- Corporate Guarantee comission and others		76.92	4,048.25
			78,007.94	**56,350.93**

24.1 Includes Rs. 27,868.26 lakhs (March 31, 2020: Rs. 21,256.57 lakhs shown under capital vendors) provided for balance amount of demand (net of advance of Rs. 2,296.00 lakhs) against cost of afforestation etc. of forest land acquired by the Company (Refer Note No. 5.3(b)).

24.2 Includes Rs. 828.95 lakhs (March 31, 2019: Rs. 828.95 lakhs) provided for balance amount of demand (Net of Advance of Rs. 3,315.79 lakhs) for execution of leasehold agreement (Refer Note No. 5.3(a)).

25 OTHER CURRENT LIABILITIES

	Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
(a)	Advance from customers		21,014.54	10,582.65
(b)	Statutory Dues Payables		10,250.18	2,017.85
	(includes Provident Fund, GST, Tax deducted at source etc.)		**31,264.72**	**12,600.50**

26 PROVISIONS

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	32.1	79.81	87.91
Other Provisions	26.1	635.93	318.04
		715.74	**405.95**

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

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year		318.04	-
Recognised during the year		317.89	318.04
Written back during the year		-	-
Balance at the end of the year		**635.93**	**318.04**

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(Rs. in lakhs)

27 REVENUE FROM OPERATIONS

Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Sale of Products:			
Semi-Finished and Finished Goods:			
- Export Sales		45,236.42	1,689.33
- Domestic Sales		4,21,568.27	4,27,714.66
		4,66,804.69	**4,29,403.99**

27.1 Disclosure as per Ind AS 115:

Disaggregate Revenue

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

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
	Government		Non-Government	
Within India				
- Billets	-	-	5,961.38	6,576.32
- TMT bars	8,932.52	23,809.96	1,33,717.27	1,35,337.55
- Wire rods	-	-	1,40,910.89	1,46,434.16
- DI pipes	53,501.66	2,044.30	8,367.23	62,608.16
- PIG Iron	-	-	54,328.98	39,563.65
- Others	-	-	15,848.34	11,340.56
Outside India				
- Billets	-	-	36,659.37	-
- Wire rods	-	-	8,577.05	1,689.33
	62,434.18	**25,854.26**	**4,04,370.51**	**4,03,549.73**

28 OTHER OPERATING INCOME

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Scrap/ By-products and Others	8,816.15	8,294.38
Incentive on Exports	1,521.93	52.44
	10,338.08	**8,346.82**

29 OTHER INCOME

	Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(a)	Interest income on Fixed deposits, Security Deposits, overdue debts etc. measured at amortised cost		10,100.44	3,833.07
(b)	Interest income on financial assets measured at amortised cost		3.18	3.70
(c)	Sundry Credit balances/Provision no longer required written back		850.46	62.47
(d)	Net (gain)/loss on foreign exchange fluctuation		184.68	-
(e)	Net gain/(loss) on Derivative Instruments on fair valuation through profit and loss		-	1,958.36
(f)	Net Gain/(loss) on Current Investments on Fair Valuation through profit and loss		65.14	857.27
(g)	Net Gain/(loss) on disposal of Current Investments		802.80	3,505.94
(h)	Miscellaneous Income		773.94	143.64
			12,780.64	**10,364.45**

30 COST OF MATERIALS CONSUMED

	Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(a)	**Raw material and other materials consumed**			
	Inventory at the beginning of the year		42,473.86	50,349.02
	Add: Purchases		2,59,449.08	2,74,548.54
	Less: Inventory at the end of the year		33,636.94	42,473.86
		30.1	**2,68,286.00**	**2,82,423.70**

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(Rs. in lakhs)

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

Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Cost of Material consumed			
Increase/(Decrease) in Stock of Raw Material		(2,388.26)	975.64
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress			
Increase/(Decrease) in Stock of Finished Goods		(2.69)	(92.33)
Increase/(Decrease) in Stock of Semi-Finished Goods		(6.18)	(7.05)
Increase/(Decrease) in Stock of Scrap/ By-products		(676.97)	69.18
		(3,074.10)	**945.44**

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

	Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(i)	**Inventories at the end of the year**			
(a)	Finished Goods		4,766.06	19,659.99
(b)	Semi-Finished Goods		6,630.96	5,973.64
(c)	Scrap / By-products		3,828.36	2,650.41
			15,225.38	**28,284.04**
(ii)	**Inventories at the beginning of the year**			
(a)	Finished Goods		19,659.99	9,591.81
(b)	Semi-Finished Goods		5,973.64	2,079.96
(c)	Scrap / By-products		2,650.41	2,389.65
			28,284.04	**14,061.42**
		30.1	**13,058.66**	**(14,222.62)**

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

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

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
a) Inventories recognised as expense	3,85,956.40	3,54,319.01

32 EMPLOYEE BENEFITS EXPENSE

	Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(a)	Salaries and wages		14,531.46	14,880.71
(b)	Contribution to Provident and Other Funds	32.1	704.93	778.47
(c)	Staff welfare expenses		203.82	522.29
			15,440.21	**16,181.47**

32.1 POST RETIREMENT EMPLOYEE BENEFITS

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

(I) Defined Contribution Plans

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

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

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Employer's Contribution to Provident Fund	394.96	457.65
Employer's Contribution to Pension Scheme	224.31	244.31
Employer's Contribution to Superannuation Scheme	51.45	17.92

(II) Post Employment Defined Benefit Plans:

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

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(Rs. in lakhs)

a) Gratuity (Funded)

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

b) Superannuation (Funded)

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

(III) The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended March 31, 2021 and corresponding figures for the previous year:

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

	Gratuity (funded)	
	As at March 31, 2021	**As at March 31, 2020**
Liability at the beginning of the year	1,083.16	953.04
Interest Cost	73.65	74.34
Current Service Cost	156.54	178.00
Benefits paid	(286.44)	(243.29)
Remeasurements - Due to Financial Assumptions	(11.77)	111.71
Remeasurements - Due to Experience Adjustments	94.51	9.36
Liability at the end of the year	**1,109.65**	**1,083.16**

(b) Changes in the Fair Value of Plan Asset

	As at March 31, 2021	**As at March 31, 2020**
Fair value of Plan Assets at the beginning of the year	1,090.07	874.25
Expected return on Plan Assets	74.12	68.19
Contributions by the Company	-	78.80
Benefits paid	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	4.30	68.83
Fair value of Plan Assets at the end of the year	**1,168.49**	**1,090.07**

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

	As at March 31, 2021	**As at March 31, 2020**
Liability at the end of the year	1,109.65	1,083.16
Fair value of Plan Assets at the end of the year	1,168.49	1,090.07
Amount recognised in the Balance Sheet	(58.84)	(6.91)

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

	For the Year ended March 31, 2021	**For the Year ended March 31, 2020**
Current Service Cost	156.54	178.00
Interest Cost	73.65	74.34
Expected return on plan assets	(74.12)	(68.19)
Total Defined benefit recognised in Statement of Profit & Loss Account	156.07	184.15

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

	For the Year ended March 31, 2021	**For the Year ended March 31, 2020**
Remeasurements - Due to Financial Assumptions	(11.77)	111.71
Remeasurements - Due to Experience Adjustments	94.51	9.36
Remeasurements- Return on Assets	(4.30)	(68.83)
Remeasurements recognised in Other Comprehensive Income	78.44	52.24

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(Rs. in lakhs)

(f) **Balance Sheet Reconciliation**

	As at March 31, 2021	As at March 31, 2020
Opening Net Liability	(6.91)	78.79
Defined Benefit Cost included in Statement of Profit and Loss Account	156.07	184.15
Remeasurements recognised in OCI	78.44	52.24
Employers Contribution	-	(78.80)
Benefit Paid Directly by Enterprise	(286.44)	(243.29)
Amount recognised in Balance Sheet	(58.84)	(6.91)

(g) Percentage allocation of plan assets in

	As at March 31, 2021	As at March 31, 2020
Fund managed by Insurer	100.00%	100.00%

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

	As at March 31, 2021	As at March 31, 2020
Summary of Financial Assumptions		
Discount Rate	6.90%	6.80%
Future Salary Increase	6.00%	6.00%
Salary Escalation- After Five Years	6.00%	6.00%
Expected Return on Plan Assets	6.90%	6.80%
Summary of Demographic Assumptions		
Mortality Rate [as % of IALM (2012-14) (Mod.) Ult. Mortality Table]	100.00%	100.00%
Disability Table (as % of above mortality rate)	5.00%	5%
Withdrawal Rate	1% to 8%	1% to 8%
Retirement Age	60/58 Years	60/58 Years
Average Future Service	23.73	22.30
Weighted Average Duration	13.34	13.32

Sensitivity Analysis

Particulars	Change in Assumption	Gratuity As at March 31, 2021	Gratuity As at March 31, 2020
Changes in Defined Benefit Obligations:			
Salary Escalation	+1%	127.10	117.90
Salary Escalation	-1%	(109.79)	(106.24)
Discount Rates	+1%	(107.99)	(108.34)
Discount Rates	-1%	127.23	117.55

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Year 1	58.35	47.11
Year 2	41.62	56.46
Year 3	39.78	58.39
Year 4	49.63	53.61
Year 5	49.11	61.21
Remaining Subsequent Years	871.15	806.38

Other Long Term Employee benefits

Compensated Absences

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

	As at March 31, 2021	As at March 31, 2020
Privileged Leave	572.12	716.98
Sick Leave	26.16	24.81
Average number of people employed	1,871	2,064

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(Rs. in lakhs)

Risk analysis

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

Investment risk

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

Interest risk

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

Longevity risk / Life expectancy

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

Salary growth risk

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

33 FINANCE COSTS

	Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(a)	Interest Expense on financial liabilities not measured at FVTPL		36,375.01	37,012.14
(b)	Other Borrowing Cost (i.e. LC charges, Suppliers Credit, Guarantee Commission etc.)		1,277.66	1,401.41
			37,652.67	**38,413.55**

34 DEPRECIATION AND AMORTISATION EXPENSE

	Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(a)	Depreciation on Tangible Assets	5	34,591.84	30,605.19
(b)	Amortisation of Intangible Assets	7	50.96	46.70
			34,642.80	**30,651.89**

35 OTHER EXPENSES

	Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(a)	Consumption of Stores and Spares		16,377.35	14,034.29
(b)	Power and Fuel		23,460.44	24,613.58
(c)	Freight and Forwarding Charges		20,007.59	14,331.46
(d)	Rent	39(v)	183.94	358.43
(e)	Rates and taxes		369.28	1,014.55
(f)	Insurance		1,618.20	1,965.29
(g)	Repairs to Plant and Machinery		2,155.35	10,234.72
(h)	Repairs to Building		285.26	487.74
(i)	Repairs to Others		174.23	393.36
(j)	Operation & Maintenance expenses		11,006.52	11,135.90
(k)	Machine Hire Charges		656.44	1,336.33
(l)	Material Handling Expenses		1,127.45	1,200.21
(m)	Listing & Registrar Expenses		12.94	0.01
(n)	Security Expenses		1,186.66	973.36
(o)	Advertisement and Business Promotion Expenses		35.04	107.29
(p)	Travelling & Conveyance		1,143.87	1,026.90
(q)	Legal & Professional Fees		3,371.03	1,471.95
(r)	Payment to Auditors	35.1	75.79	59.37
(s)	Net (gain)/loss on foreign exchange fluctuation		-	2,733.42
(t)	Net (gain)/loss on Derivative Instruments on fair valuation through profit and loss		1,075.57	-
(u)	Loss on Sale/Discard of Fixed Assets (Net)		201.68	140.53
(v)	Selling & Distribution Expenses		585.91	448.19
(w)	CSR Expenditure		201.46	76.62
(x)	Impairment Allowance for Doubtful Debt and Deposits		-	261.66
(y)	Provision for Doubtful Advance		512.21	-
(z)	Provision for Obsolete and Non-moving Stores and Spares		395.18	761.44
(aa)	Charity and Donation		0.19	101.07
(ab)	Sundry Balances written-off		716.55	4.57
(ac)	Brand Fees	35.2	6,763.70	6,203.92
(ad)	Sitting Fees to Directors		10.25	8.25
(ae)	Other Miscellaneous Expenses		1,680.16	1,363.78
			95,390.24	**96,848.19**

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(Rs. in lakhs)

35.1 Payment to Auditors

	Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(a)	Statutory Audit Fee		26.50	25.00
(b)	Tax Audit Fee		3.50	3.00
(c)	Certification etc.	35.1.1	44.50	29.75
(d)	Out of Pocket Expenses		1.29	1.62
			75.79	**59.37**

35.1.1 This includes Rs. 20.00 lakhs (March 31, 2020: Nil) for various certification and reports in connection with offering of US Guaranteed Senior Bonds by Vedanta Resources Finance II plc.

35.2 The company in terms of the Brand Licence Agreement dated September 24, 2019 with Vedanta Resources Limited has agreed to pay 1.5% of the Turnover as "Brand Fee". In accordance with the said agreement the company has paid advance of Rs. 8,662.42 lakhs (March 31, 2020: Rs. 6,735.51 lakhs) against which Rs. 6,763.70 lakhs (March 31, 2020: Rs.6,203.92 lakhs) has been recognised as expenses in terms of the agreement and balance has been shown as recoverable under "Advances against supply of goods and Services".

36 EXCEPTIONAL ITEMS

Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Provision against Compliance Cost for Environmental Clearance	36.1(a)	(21,350.95)	-
Provision against Capital work in progress	36.1(b)	(6,283.30)	-
		(27,634.25)	**-**

36.1 Exceptional Item relates to:

a) Provision of Rs.21,350.95 lakhs for estimated damages for wild life development and green belt conservation and other concerns raised on public hearing relating to environmental clearance as detailed in Note no. 44.

b) Provision of Rs. 6,283.30 lakhs made for discrepancy on physical verification of project equipment and material carried forward under Capital Work in Progress as detailed in Note no. 6.1.

37 COMPONENTS OF OTHER COMPREHENSIVE INCOME

Particulars	Refer Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of Defined benefit plans	32.1	(78.44)	(52.24)
		(78.44)	**(52.24)**

38 RELATED PARTY TRANSACTIONS

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

Names of the related parties and description of relationships:

	Company	Relationship
A	**Company**	**Relationship**
	Volcan Investment Limited (VIL)	Ultimate Holding Company
	Vedanta Limited (VL)	Holding Company
B	**Key Management personnel**	**Designation**
	Prasun Kumar Mukherjee	Director
	Mahendra Singh Mehta	Director
	Rashmi Mohanty	Director (From June 04, 2018 to October 01, 2019)
	Angusamy Sumathi	Director (Appointed w.e.f. October 22, 2019)
	Pankaj Malhan	Whole Time Director (w.e.f. July 22, 2019)
	Jalaj Kumar Malpani	Chief Financial Officer (Resigned w.e.f. July 31, 2020)
	Mahesh Iyer	Chief Financial Officer (Appointed w.e.f. August 01, 2020)

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

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

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(Rs. in lakhs)

E **Related party transaction:**

Nature of Transaction	Holding Company- VL	
	2020-21	2019-20
Recovery of Expenses	4.26	-
Purchase of materials	173.92	89.45
Purchase of assets	8.72	-
Interest Expenses	1,684.05	1,728.47
Interest Income	7,925.52	-
Security Deposit given	1,20,000.00	-
Guarantee Commission	989.87	1,059.88
Recovery of Corporate and Other Costs	2,690.58	932.63
Purchase of Scripts/Licences	354.29	229.75
Closing balance as at March 31		
Inter Corporate Deposit Payable	18,281.60	19,700.00
Security Deposit Receivable	1,17,000.00	-
Trade Payables	18.04	886.58
Reimbursement of Expenses Payable	2,412.53	3,509.82
Guarantee Commission payable	-	500.72
Interest Receivable	7,528.03	-

Nature of Transaction	Key Management Personnel		Entities where KMP or their close member have significant influence or control and Companies under Common control or Group Enterprises	
	2020-21	2019-20	2020-21	2019-20
Sale of goods				
SPTL	-	-	2,427.17	1,895.19
HZL	-	-	43.82	-
Purchase of assets				
BACL	-	-	-	12.01
Reimbursement of Expenses	-			
BACL	-	-	3.42	14.28
TSPL		-	-	16.66
MVPL	-	-	-	1,719.25
HZL	-	-	254.33	12.42
VGCBPL	-	-	5.25	236.92
Purchase of Materials/Services Received				
VGCBPL	-	-	262.91	3,054.70
FACL	-	-	51.62	-
MVPL	-	-	528.11	1,539.39
Donation				
JET	-	-	-	100.00
Other Income				
VGCBPL	-	-	-	38.70
Loan Given				
TSPL	-	-	-	90,000.00
Brand Fees				
VRL	-	-	6,763.70	6,203.92
Interest Received				
TSPL	-	-	-	1,207.75
SPTL	-	-	36.10	-
Purchase of Scripts/Licences				
VGCBPL	-	-	3.02	76.47
BACL	-	-	432.15	985.18
Remuneration				
Jalaj Kumar Malpani	62.59	127.56	-	-
Pankaj Malhan	141.88	133.66	-	-
Mahesh Iyer	52.36	-	-	-
Director sitting fees				
Prasun Kumar Mukherjee	5.25	5.00	-	-
Mahendra Singh Mehta	5.00	3.25	-	-
Closing balance as at March 31				
Remuneration Payable				
Jalaj Kumar Malpani	-	8.86	-	-
Pankaj Malhan	-	9.47	-	-
Trade Payable				
HZL	-	-	0.04	-
VGCBPL	-	-	0.74	41.70
MVPL	-	-	10.73	306.62
BACL	-	-	31.26	197.07
Advances Given				
VRL	-	-	1,898.72	531.59
Trade Receivable				
SPTL	-	-	21.99	261.00

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(Rs. in lakhs)

F **Compensation of Key management personnel**

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	219.05	252.31
Post-employment benefits	26.60	8.91
Other long-term benefits	11.18	-

Notes:

1. The above related party information is as identified by the management and relied upon by the auditor
2. In respect of above parties, there is no provision for doubtful debts as on March 31, 2021 and no amount has been written back or written off during the year in respect of debts due from/ to them
3. Post-Employee benefits and other long term employee benefits have been disclosed made on retirement/resignation of services but does not include provision made on actuarial basis as the same is available for all the employees together.

4. Terms and conditions of transactions with related parties

All transactions from related parties are made in ordinary course of business. For the year ended March 31 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39 DISCLOSURE AS PER IND AS 116

i) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	Land	Buildings	Equipment	Total
As at March 31, 2020	5,530.09	259.54	590.81	6,380.44
Addition	6,611.69	4.31	196.99	6,812.99
Adjustments (Refer Note no. 5.3(c))	25,326.12	-	-	25,326.12
Deletion	-	45.57	93.54	139.11
Depreciation	2,281.81	105.85	295.00	2,682.66
As at March 31, 2021	**35,186.09**	**112.43**	**399.26**	**35,697.78**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	28,081.62	432.94
Non-current lease liabilities	478.16	451.92
Total	**28,559.78**	**884.86**

iii) The following is the movement in lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2021
As at March 31, 2020	884.86	305.96
Additions	28,069.56	716.64
Finance cost accrued during the period	53.96	40.01
Deletions	(139.11)	-
Payment of lease liabilities	(309.49)	(177.75)
As at March 31, 2021	**28,559.78**	**884.86**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	28,081.62	467.55
Later than one year and not more than five years	478.16	539.00
Later than five years	-	-

v) Further to above, the Company has certain operating lease arrangements for office, transit houses, furniture's and fixtures etc. for short-term leases. Expenditure incurred on account of rental payments under such leases during the year and recognized in the Profit and Loss account amounts to Rs. 183.94 lakhs (March 31, 2020: Rs. 358.43 lakhs).

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(Rs. in lakhs)

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

A) CONTINGENT LIABILITIES

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Guarantees given by banks on behalf of the Company	7,780.10	11,170.10
b)	As per Stage 1 clearance given on December 17, 2019, besides the afforestation cost in respect of 455.23 acre of land, the company shall provide non forest land equivalent to five times of the forest land utilised for steel plant.	Amount not ascertainable	Amount not ascertainable
		7,780.10	**11,170.10**

B) (i) Claims in respect of various show cause notices/demands issued/ raised by Central Excise & Service Tax of Rs.8,311.10 lakhs , Customs Duty (under EPCG) of Rs.1,72,560.51 lakhs , Sales Tax and VAT Rs. 15,815.36 lakhs, GST of Rs. 741.92 lakhs, Entry Tax of Rs. 33,494.59 lakhs, Income Tax, etc. for the period upto June 04, 2018 as per the Resolution Plan approved by Hon'ble NCLT have been extinguished. However, considering that certain statutory authorities have made demand and matters are pending for final adjudication, the details of such demand have been disclosed. In certain cases even as stated in Note no. 16.3, balances with bank in current Account and lying with Government Authorities has been withheld.

(ii) Similarly in respect of claims of certain operational creditors amounting to Rs. 15,31,426.60 lakhs which have been extinguished pursuant to the Resolution Plan, the matters have been referred to Supreme Court. In majority of the cases, the said court has referred back the matter to NCLT for decision.

(iii) In view of the management supported by legal opinion and various judicial pronouncements, the contention of the claimants including in respect of statutory liability are not tenable as per the Resolution Plan approved by Hon'ble NCLT since is binding on the parties concerned and no outflow of fund with respect to these are expected. Further, one of the case dealing with Sales Tax matter, the Hon'ble Supreme Court has upheld the said contention and declined to allow the claim made beyond the resolution plan approved by NCLT.

Notes:

The Company's pending litigations comprises of claims against the company and proceedings pending with Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial positions. Future cash outflow, if any in respect of the above are dependent upon the outcome of judgements/ decisions and acceptance by the respective authorities.

C) CAPITAL AND OTHER COMMITMENTS

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (net)	1,782.45	4,935.20
		In Foreign Currency	**In Foreign Currency**
(b)	Forward Contract Outstanding		
	In USD	4,06,02,220	7,72,24,851
	In GBP/USD	13,650.00	27,300.00
	In EURO/USD	6,05,460.00	1,35,072.00

41 Segment information

(a) Description of segments and principal activities

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

(b) Geographical information

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

Particulars	As at March 31, 2021	As at March 31, 2020
In India		
- Billets	5,961.38	6,576.32
- TMT bars	1,42,649.79	1,59,147.51
- Wire rods	1,40,910.89	1,46,434.16
- DI pipes	61,868.89	64,652.46
- PIG Iron	54,328.98	39,563.65
- Others	15,848.34	11,340.56
Outside India		
- Billets	36,659.37	-
- Wire rods	8,577.05	1,689.33

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

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(Rs. in lakhs)

42 Calculation of Earning Per Share is as follows:

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Net Profit/ (Loss) for basic and diluted earnings per share as per Statement of Profit and Loss	2,73,201.20	(2,180.92)
	Net Profit/ (Loss) for Basic and Diluted earnings per share	2,73,201.20	(2,180.92)
b)	Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)		
	Number of equity shares outstanding as on March 31	1,84,90,30,224	19,61,67,342
	Add: Equity Shares issued during the period (Refer Note no. 43(a))	-	1,76,55,53,040
	Less: Shares cancelled pursuant to Exit Offer (Refer Note no. 43(b))	-	(11,26,90,158)
	Number of equity shares outstanding	1,84,90,30,224	1,84,90,30,224
	Weighted average number of equity shares considered for calculation of basic and diluted earnings per share	1,84,90,30,224	1,92,33,96,826
c)	Earnings per share (EPS) of Equity		
	Basic EPS (Rs.) (a/d)	14.78	(0.11)
	Diluted EPS (Rs.) (a/d)	14.78	(0.11)

43 Accounting and Disclosures for Scheme of Amalgamation:

a) Pursuant to Order dated January 31, 2020 of Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) the scheme of Arrangement for Amalgamation of Vedanta Star Limited, the erstwhile immediate Holding Company (VSL) with ESL Steel Limited (ESL) (the Scheme) with effect from October 01, 2018 i.e. the appointed date has been approved and thereby on the Scheme becoming effective on March 25, 2020, VSL stands amalgamated with ESL with effect from the said appointed date. The Company as on the record date i.e. March 25, 2020 issued 17,655.53 lakh equity shares to shareholders of VSL i.e. Vedanta Limited in the exchange ratio of 90 shares of ESL against one share held by them in VSL. The excess of the consideration over the net assets and the reserves acquired consequent to amalgamation was transferred to capital reserve on amalgamation (i.e. debit balance of Rs. 1,74,593.58 lakhs) and share capital of the company issued to VSL were cancelled. Differential of Rs. 1,831.14 lakhs with respect to the cost of investment in the book of VSL and face value thereof was adjusted to Capital Reserve. The title deeds for licenses, agreements, bank accounts, loan documents etc. of the transferor company have been transferred in the name of transferee company.

b) Further, VSL vide it's Resolution dated September 18, 2018 had made an "Exit Offer" to the shareholders of ESL for purchase of the shares at a price of Rs. 9.54 per equity share for a period of one year from the date of delisting i.e. December 20, 2018. Accordingly in the previous year, 11,26,90,158 Equity Shares of Rs. 10 each amounting to Rs. 11,269.02 lakhs was acquired for Rs. 10,749.45 lakhs subsequent to the appointed date and cancelled consequent to the aforesaid amalgamation. Differential with respect to the face value thereof amounting to Rs. 519.57 lakhs was adjusted to capital reserve.

44 a) The Company had filed application for renewal of Consent to Operate ('CTO') on August 24, 2017 which was denied by Jharkhand State Pollution Control Board ('JSPCB') on August 23, 2018. Ministry of Environment and Forest (MoEF) has revoked the environmental clearance vide order dated September 20, 2018. The order of denial of CTO by JPSCB and Environmental Clearance (EC) by MoEF has been stayed by Hon'ble High Court of Jharkhand and interim stay allowing the operations was granted in favour of the company. Meanwhile, on September 16, 2020, Hon'ble High Court of Jharkhand has vacated the said Interim Stay beyond September 23, 2020 and the matter has been listed for hearing on June 25, 2021. Aggrieved by the said order, the Company has filed a Special Leave Petition (SLP) before Hon'ble Supreme Court of India on September 18, 2020, consequent to which permission has been granted to operate the plant till further order of the said court vide order dated September 22, 2020.

The Forest Advisory Committee (FAC) of MoEF&CC has granted the Stage 1 clearance and on an application made for EC by the Company MoEF&CC has approved the related Terms of Reference (TOR) on August 25, 2020. Draft Environmental Impact Assessment (EIA)/Environment Management Plan (EMP) has been submitted to JSPCB on November 05, 2020 and on conclusion of Public hearing by JSPCB, Final EIA/EMP report was uploaded on Parivesh Portal of MoEF&CC on January 11, 2021 for consideration by EAC. Observations raised by EAC in this respect are currently under implementation and final proposal as revised consequent to this will be submitted in the upcoming EAC meeting for their consideration. After getting EC, approval for CTE and then CTO will be obtained.

Pending decision of the Court and considering that effective steps are being taken towards required clearances, regularisations and compliances of TOR to secure EC, the accounts of the company have been prepared on going concern basis.

b) As per Stage 1 clearance as above, the company apart from the afforestation cost was required to provide non-forest land in exchange thereof as determined in this respect and Rs. 23,552.55 lakhs was provided in earlier years as cost estimated to be incurred for such "ROU- Land Leasehold".

The company considering the TOR as specified herein above, has appointed an EIA consultant to carry out EIA/EMP study and based on the report of such consultant has recognised in the financial statement afforestation and other costs etc., to be incurred by the company for obtaining EC. Accordingly, Rs. 27,962.64 lakhs (including Rs. 6,611.69 lakhs capitalised as cost of "ROU - Land Leasehold" being NPV for area under possession by the Steel Plant) being estimated cost of damages etc. for the forest area diversion, wild life development and green belt conservation and other concerns raised on public hearing has been provided for in these financial statements and Rs.21,350.95 lakhs has been charged to the Statement of Profit and Loss and shown as exceptional item.

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

46 Operational Buyers' Credit and Suppliers' Credit availed in foreign currency from offshore branches of Indian banks or from foreign banks carry interest rate ranging from 2.5% to 4% per annum. These trade credits are largely repayable within 180 days from the date of draw down of the fund against the said credit. Operational Buyer's credit is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. These facilities are secured by first pari passu charge over the present and future current assets of the Company as given in Note no. 45 above.

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(Rs. in lakhs)

47 FINANCIAL INSTRUMENTS

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Fair Value through Profit and Loss Account				
Derivative Assets - not designated as hedging instruments				
-Forward Contracts	-	-	1,034.59	1,034.59
Investments in Mutual Funds	40,889.96	40,889.96	1,10,046.33	1,10,046.33
Financial Assets at amortised cost				
Trade receivables	10,289.77	10,289.77	17,172.51	17,172.51
Cash and Bank Balances	10,259.66	10,259.66	4,526.91	4,526.91
Fixed Deposits with bank	30,114.55	30,114.55	24,397.10	24,397.10
Loans	53.89	53.89	52.15	52.15
Interest bearing Deposits	1,17,000.00	1,17,000.00	-	-
Other Financial Assets	8,547.88	8,547.88	240.20	240.20
Financial Liabilities (Current and Non-Current)				
Financial Liabilities at amortised cost				
Borrowings- Floating Rate	3,13,475.47	3,13,475.47	3,37,208.88	3,37,208.88
Borrowings- Fixed Rate	18,281.60	18,281.60	19,700.00	19,700.00
Lease Liability	28,559.78	28,559.78	884.86	884.86
Trade payables	65,112.05	65,112.05	42,910.59	42,910.59
Operational Buyers' Credit / Suppliers' Credit	26,925.27	26,925.27	45,826.78	45,826.78
Interest on Loans and Borrowings	1,991.61	1,991.61	2,800.56	2,800.56
Others financial liabilities	2,240.52	2,240.52	27,790.12	27,790.12
Fair Value through Profit and Loss Account				
Derivative Liabilities - not designated as hedging instruments				
-Forward Contracts	185.03	185.03	-	-

b) **Fair Valuation Techniques**

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

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

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

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(Rs. in lakhs)

c) **Fair value hierarchy**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020	Fair value measurements at reporting date using		
			Level 1	Level 2	Level 3
Financial Assets					
– Derivative- not designated as hedging instruments					
o Forward Contracts	-	1,034.59	-	-	-
			-	(1,034.59)	-
– Investment in Mutual Funds	40,889.96	1,10,046.33	40,889.96	-	-
			(1,10,046.33)	-	-
– Investment in Fixed Deposits	30,114.55	24,397.10		30,114.55	
				(24,397.10)	
– Interest bearing Deposits	1,17,000.00	-		1,17,000.00	
				-	
Financial Liabilities					
– Borrowings- Floating Rate	3,13,475.47	3,37,208.88	-	3,13,475.47	-
			(-)	(3,37,208.88)	(-)
– Borrowings- Fixed Rate	18,281.60	19,700.00	-	18,281.60	-
			(-)	(19,700.00)	(-)
– Operational Buyers' Credit / Suppliers' Credit	26,925.27	45,826.78	-	26,925.27	-
			(-)	(45,826.78)	(-)
– Lease Liability	28,559.78	884.86	-	28,559.78	-
			(-)	(884.86)	(-)
– Derivative- not designated as hedging instruments					
o Forward Contracts	185.03	-	-	185.03	-
			(-)	-	-

(*) Figures in round brackets ( ) indicate figures as at March 31, 2020

During the year ended March 31, 2021 and March 31, 2020, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

-Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

-Financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. In respect of derivative financial instruments, the inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

d) **Derivatives assets and liabilities:**

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

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

Category	Currency	As at March 31, 2021		As at March 31, 2020	
		No. of Deals	Amount in Foreign Currency	No. of Deals	Amount in Foreign Currency
Buy Forward	USD/INR	64	4,06,02,220	61	7,72,24,851
	EURO/USD	2	6,05,460	1	1,35,072
	GBP/USD	1	13,650	1	27,300

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

Nature	Currency	As at March 31, 2021	As at March 31, 2020
Trade Payables (Including acceptances)	EURO	85,476	-
Trade Receivable	USD	15,62,610	13,77,586

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

(Amount in Rs. Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one month	(71.34)	618.77
Later than one month and not later than three months	(156.08)	482.29
Later than three months and not later than one year	42.39	(66.47)
Later than one year	-	-

e) **Sale of financial assets**

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

During the year ended March 31, 2021 and 2020, the Company transferred and recorded as sale of financial assets of Rs. 536,99.43 lakhs and Rs. 67,083.92 lakhs respectively, under arrangements without recourse and has included the proceeds from such sale in net cash provided by operating activities. These transfers resulted in loss (cost) of Rs. 593.82 lakhs and Rs. 1,358.77 lakhs for the year ended March 31, 2021 and 2020 respectively.

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(Rs. in lakhs)

f) **FINANCIAL RISK MANAGEMENT**

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

MARKET RISK

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

Foreign Currency Risk

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

The Company has foreign exchange gain of Rs. 184.68 lakhs during the year. In order to mitigate forex losses, the company has a comprehensive risk management review system wherein it actively hedges its foreign currency exposure with defined parameters through use of hedging instrument such as forward contracts. The Company periodically reviews its risk management initiatives and also takes expert advice on regular basis on hedging strategy.

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

(Amount in Foreign Currency)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	USD	USD	EURO	EURO
Trade Receivable	15,62,610	13,77,586	-	-
Trade and other Payables	-	-	(85,476)	-
Net assets/(liabilities)	**15,62,610**	**13,77,586**	**(85,476)**	**-**

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

Particulars	Effect on Profit before tax: For the year ended March 31, 2021	Effect on Profit before tax: For the year ended March 31, 2020
PAYABLES (Weakening of INR by 5%)		
USD	-	-
RECEIVABLES (Weakening of INR by 5%)		
USD	0.78	0.69

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

Interest Rate Risk

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

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

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

Particulars	Effect on Profit before tax: For the year ended March 31, 2021	Effect on Profit before tax: For the year ended March 31, 2020
Increase in 50 basis points		
Borrowings- Floating Rate	1,567.38	1,686.04

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

Other price risk

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

CREDIT RISK

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

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

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(Rs. in lakhs)

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are three (March 31, 2020: two) customers having outstanding of Rs. 6,197.93 lakhs (March 31, 2020: Rs. 5,582.78 lakhs) which accounts for more than 10% of the accounts receivable.

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

Financial assets that are neither past due nor impaired

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

Financial assets that are past due but not impaired

Trade receivables amounting to Rs. 3,848.13 lakhs (March 31, 2020: Rs. 1,765.06 lakhs) which are past due at the end of the reporting period, no credit losses there against are expected to arise.

LIQUIDITY RISK

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

Liquidity and interest risk tables

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

Interest rate and currency of borrowings

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

Particulars	As at March 31, 2020		
	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	3,37,208.88	19,700.00	9.46%
Total	**3,37,208.88**	**19,700.00**	

Maturity Analysis of Financial Liabilities

As at March 31, 2021

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	3,31,757.07	-	23,020.80	23,020.80	2,85,715.47	3,31,757.07
Interest payable	1,991.61	-	1,991.61	-	-	1,991.61
Lease Liability	28,559.78	27,868.26	197.79	90.84	402.89	28,559.78
Operational Buyers' Credit / Suppliers' Credit	26,925.27	-	26,925.27	-	-	26,925.27
Trade and other payables	67,352.57	58,099.86	9,252.71	-	-	67,352.57

As at March 31, 2020

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	3,56,908.88	-	12,594.60	12,594.60	3,31,719.68	3,56,908.88
Interest payable	2,800.56	-	2,800.56	-	-	2,800.56
Lease Liability	884.86	-	220.46	212.47	451.93	884.86
Operational Buyers' Credit / Suppliers' Credit	45,826.78	-	45,826.78	-	-	45,826.78
Trade and other payables	70,700.71	56,402.48	14,298.23	-	-	70,700.71

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

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(Rs. in lakhs)

CAPITAL MANAGEMENT

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

The gearing ratio as at March 31, 2021 and March 31, 2020 are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Current loans and borrowings	45,509.16	25,327.31
Non-current loans and borrowings	2,86,247.91	3,31,581.57
Total loans and borrowings	**3,31,757.07**	**3,56,908.88**
Less: Cash and Cash Equivalents	12,082.00	17,077.62
Net Debt	**3,19,675.07**	**3,39,831.26**
Total equity attributable to the equity shareholders of the Company	6,22,433.39	3,49,283.22
Capital and Debt	**9,42,108.46**	**6,89,114.48**
Total capital (loans and borrowings and equity)	**0.51**	**0.97**

48 INCOME TAX

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

(b) The rationale for recognition of Deferred Tax Assets (DTA) has been reviewed during the year based on the expected sustainability of the profit and growth in volume of business of the company as per the current projection and estimation prepared in this respect. Realisation of DTA is dependent upon generation of future taxable profit against which those temporary differences and carry forward of tax losses become deductible. Accordingly, Deferred Tax Assets of Rs. 2,75,228.77 lakhs (including Rs. 27.41 lakhs disclosed under Other Comprehensive Income) based on management's assumption for reasonable certainty of realisation thereof against the expected taxable income and reversal of Deferred Tax Liabilities (DTL) in future as required in terms of Ind AS 12 "Income Taxes" has been recognised in these financial statements.

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

Particulars	As at March 31, 2019	Charge/ (Credit) to Statement of	Charge/ (Credit) to Other	As at March 31, 2020	Charge/ (Credit) to Statement of Profit	Charge/ (Credit) to Other	As at March 31, 2021
Deferred Tax Liability							
a) Related to Property, Plant and Equipment and Intangible Assets	34,823.47	10,854.79	-	45,678.26	3,607.98	-	49,286.24
b) Fair Valuation of Mutual Funds	137.66	316.08	-	453.74	(430.64)	-	23.10
c) Loans carried at Amortised Cost	-	975.33		975.33	(260.89)		714.44
d) Forward Contract receivable	-	361.53		361.53	(361.53)	-	-
Total Deferred Tax Liability	**34,961.13**	**12,507.73**	**-**	**47,468.86**	**2,554.92**	**-**	**50,023.78**
Deferred Tax Assets							
a) Accumulated Unabsorbed depreciation	32,303.63	(11,613.50)	-	43,917.13	(1,99,396.88)	-	2,43,314.01
b) Accumulated Unabsorbed business loss	-	-	-	-	(67,753.42)		67,753.42
c) Provision for doubtful debts and advances and others	2,211.53	(1,068.35)	-	3,279.88	(761.41)	-	4,041.29
c) Provision for afforestation and Capital work in progress	-	-	-	-	(9,656.51)	-	9,656.51
c) Amount deductible on payment basis	445.97	186.76	-	259.21	77.56	(27.41)	209.06
c) Others	-	(12.64)	-	12.64	(265.62)	-	278.26
Total Deferred Tax Assets	**34,961.13**	**(12,507.73)**	**-**	**47,468.86**	**(2,77,756.28)**	**(27.41)**	**3,25,252.55**
Deferred Tax Liability/(Assets) (Net)	**-**	**-**	**-**	**-**	**(2,75,201.36)**	**(27.41)**	**(2,75,228.77)**

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

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

Particulars	Year of Expiry	Amount
Business Loss	2022-2023	58,445.72
Business Loss	2023-2024	28,638.62
Business Loss	2026-2027	27,793.81
Business Loss	2027-2028	1,11,510.00
Unabsorbed depreciation	No Expiry	6,96,296.96

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(Rs. in lakhs)

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

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Profit/ (Loss) before tax	**(2,181.42)**	**(2,180.92)**
Income Tax Charge/(Credit) thereon based on tax rate @ 34.94%	(762.28)	(762.10)
Adjustment for:		
Unrecognised Deferred Tax in earlier years recognised during the year	(2,85,878.20)	(2,49,020.29)
Difference in Tax Rates used	-	(29,882.43)
Difference in amount of Unabsorbed business loss considered for last year computation	(2,049.08)	(7,816.39)
Deferred Tax Liability on Loan Processing Fees	-	975.33
Other Permanent difference	70.40	(1.94)
Revision in Tax Return for previous year	-	629.62
Closing unrecognised unused tax losses	13,417.80	2,85,878.20
	(2,75,201.36)	**-**

49 Previous Period's figure has been regrouped/rearranged wherever necessary to comply with current year presentation

As per our report of even date

For Lodha & Co,
Chartered Accountants

R.P. Singh
Partner

Place: Bokaro
Dated: April 19, 2021

For and on behalf of the Board of Directors

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

Pankaj Malhan — Whole time Director
(DIN : 08516185)

Mahesh Iyer — Chief Financial Officer

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

ESL STEEL LIMITED
BOKARO