



Earthstahl & Alloys Ltd

ANNUAL REPORT 2022-23



A new Beginning



Corporate Information

Board of Directors

Mr. Surendra Kumar Jain

Chairman (Independent Director)

Mrs. Padma Somani

Whole-time Director

Mr. Prawin Somani

Whole-time Director

Mr. Rajesh Somani

Whole-time Director

Mr. Ravi Thakurdasji Laddha

Non-Executive Director

Mr. Vinod Arora

Independent Director

Mr. Utsabanand Nath

Chief Financial Officer

Mr. Akshat Sharma

Company Secretary & Compliance Officer

Bankers

YES Bank Limited

Statutory Auditors

M/s. APAS & Co. LLP (Chartered Accountants)

B-35/5, Krishna Ranjan, 2nd Floor, Shailendra Nagar, Raipur, C.G.

Secretarial Auditors

M/s. S.G. Kankani & Associates

Office No. 701 & 712, 7th Floor, Orange Hive, Mowa, Vidhan Sabha Road, Opp. Renault Showroom, Raipur C.G.

Registrar & Transfer Agents

Bigshare Services Private Limited

S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Andheri (E), Mumbai-4000093

P : +91-22-62638200

E: info@bigshareonline.com

Registered Office

Registered Office -

Merlin jayshree vihar, Mohani 5 b, Pandri Tarai, Mandi Gate Raipur- 492001 C.G.

P : +91 8126666604 Email: secretarial@earthstahl.com website: www.earthstahl.com

Works

Duldula , Tehsil-Simga, Baloda Bazar, Simga CG

Contents	Page No.
Notice	03
Board's Report	12
Management's Discussion & Analysis	23
Annexure to the Directors' Report	30
Independent Auditors' Report	33
Balance Sheet	44
Statement of Profit & Loss	45
Cash Flow Statement	46
Notes to Financial Statements	47

Notice

NOTICE is hereby given that the 14th Annual General Meeting ("AGM") of the members of Earthstahl & Alloys Limited will be held on 28th September 2023 at 3.30 p.m. through video conference ("VC")/ other Audio Visual Means ("OAVM") to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at Merlin Jayshree Vihar, Mohani 5 B, Pandri Tarai, Mandi Gate, Raipur-492001 C.G.

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2023 along with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend @ 5% on equity shares for the financial year ended 31st March 2023.
3. To appoint a director in place of Mr. Ravi Thakurdasji Laddha (DIN: 00008358), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for reappointment.

By order of the Board of Directors
For **Earthstahl & Alloys Limited**

Prawin Somani

(Director)

DIN : 01143972

28th August, 2023
Raipur

Notes:

1. Pursuant to General Circular nos. 14/2020, 17/2020, 20/2020, 02/2021 issued by the Ministry of Corporate Affairs ("MCA") and Circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), as amended from time to time, Companies are allowed to hold "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Circulars, the 14th AGM of the Company is being convened through VC / OAVM.
2. The Company has appointed Bigshare Services Pvt. Limited. ("BSPL"), to provide VC/OAVM facility for the AGM and the attendant enablers for conducting the AGM.
3. Pursuant to the provisions of the MCA Circulars and SEBI Circular for conducting AGM through VC/OAVM:
 - a. Members can attend the Meeting using the remote e-voting login credentials provided to them to connect to Video conference.
 - b. Pursuant to the provisions of the Companies Act, 2013 ("the Act"), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this Notice.
 - c. Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM, participate thereat and cast their votes through remote e-voting or e-voting during the Meeting.
 - d. In case of joint holders attending the AGM through video conferencing, only such joint holder who is higher in the order of names will be entitled to do the e-voting.

Notice

4. The attendance of the Members (members logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In line with the MCA Circulars and SEBI Circular, the Notice calling the AGM and Annual Report has been uploaded on the website of the Company at www.earthstahl.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and is also available on the website of e-voting agency BSPL at the website address <https://ivote.bigshareonline.com>.
6. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
7. Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and applicable Secretarial Standards in respect of the Director(s) seeking appointment/ reappointment at the Annual General Meeting has been provided as annexure to this notice.
8. The Record Date for determining eligibility of Members for payment of dividend for F.Y. 2022-23 has been fixed as 21st September 2023.
9. Dividend income will be taxable in the hands of Shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The Shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. no permanent establishment and beneficial ownership declaration, Tax residency certificate, form 10F, any other document which may be required to avail the tax treaty benefits by updating the same with the Company/RTA.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the Shareholder, there would still be an option available with the Shareholder to file the return of income and claim an appropriate refund, if eligible.

In view of the circular issued by SEBI, the Electronic Clearing Services (“ECS/NECS”) facility should mandatorily be used by the companies for the distribution of dividend to its Members. Members are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
11. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection during the AGM, if the Members so desire. All documents referred to in the Notice will also be available electronically for inspection, without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to secretarial@earthstahl.com.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect

Notice

of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be. The said forms can be downloaded from the Company's website www.earthstahl.com Members are requested to submit the said form to their DPs.

13. The instructions for shareholders voting electronically are as under:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 14th AGM. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by Bigshare Services Pvt. Limited. (BSPL). Members who have voted through remote e-Voting will be eligible to attend the AGM but will not be eligible to vote thereat.

- a. The remote e-voting period commences on Monday, 25th September 2023 (9.00 a.m. IST) and ends on Wednesday, 27th September 2023 (5.00 p.m. IST). During this period, the Members of the Company, holding shares, as on the cut-off date of Thursday, 21st September 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by BSPL for voting thereafter. Those Members, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting, shall be eligible to vote through e-voting system during the AGM.
- b. Once the vote on a resolution is cast by the Member, such Member will not be allowed to change it subsequently.
- c. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., Thursday, 21st September 2023 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system. A person who is not a Member as on cut-off date should treat this Notice for information purpose only.
- d. Mr . Kamlesh Ojha (FCS: 10807, CP: 14660) or failing him, Mr. S.G. Kankani, (FCS: 3127, CP: 14730) from M/s. S.G. Kankani & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company www.earthstahl.com. The result will simultaneously be communicated to BSE Limited, where the equity shares of the Company are listed. The results will also be displayed at the Notice board of the Company at its Registered Office and will be placed on the website of BSPL i.e., <https://ivote.bigshareonline.com>.
- e. Subject to receipt of requisite number of votes, the resolutions shall be deemed to have been passed on the date of the AGM i.e., 28th September 2023.
- f. The detailed steps on the process and manner to access the VC/OAVM facility at the AGM and for remote e-voting/ e-voting at the AGM and are as follows:
 - i. Pursuant to SEBI circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Shareholders, in respect of all Shareholders' resolutions. However, it has been observed that the participation by the public non-institutional Shareholders/retail Shareholders is at a negligible level.

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

Notice

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

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

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of BIGSHARE the e-voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the Meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. BIGSHARE, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress, and also able to directly access the system of all e-voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.

Notice

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your user ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL depository site wherein you can see e-voting page. Click on company name or e-voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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

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

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

Notice

2. Login method for e-voting for Shareholder other than Individual Shareholders holding shares in Demat mode & physical mode is given below:

- ✓ You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>.
- ✓ Click on **"LOGIN"** button under the **'INVESTOR LOGIN'** section to login on e-voting platform.
- ✓ Please enter your **'USER ID'** (User id description is given below) and **'PASSWORD'** which is shared separately on your registered email id.
- ✓ Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user Id.
- ✓ Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user Id.

Note If you have not received any user Id or password please email from your registered email Id or contact i-vote helpdesk team.

- ✓ Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any Company then they can use their existing user Id and password to login.

If you have forgotten the password:

- ✓ Click on **'LOGIN'** under **'INVESTOR LOGIN'** tab and then Click on **'Forgot your password?'**
- ✓ Enter **"User ID"** and **"Registered email ID"**.
- ✓ Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on **'Reset'**.

(In case a Shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on **"VIEW EVENT DETAILS (CURRENT)"** under **'EVENTS'** option on investor portal.
- Select event for which you desire to vote under the dropdown option.
- Click on **"VOTE NOW"** option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option **"IN FAVOUR", "NOT IN FAVOUR" or "ABSTAIN"** and click on **"SUBMIT VOTE"**. A confirmation box will be displayed. Click **"OK"** to confirm, else **"CANCEL"** to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, Members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can **"CHANGE PASSWORD"** or **"VIEW/UPDATE PROFILE"** under **"PROFILE"** option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>.
- Click on **"REGISTER"** under **"CUSTODIAN LOGIN"**, to register yourself on Bigshare i-vote e-Voting Platform.

Notice

- Enter all required details and submit.
- After successful registration, message will be displayed with **“User id and password will be sent via email on your registered email id”**.

NOTE: If Custodian have registered on to e-voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any Company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on **‘LOGIN’** under **‘CUSTODIAN LOGIN’** tab and further Click on **‘Forgot your password?’**
- Enter **“User ID”** and **“Registered email ID”** Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on **‘RESET’**.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under **“DOCUMENTS”** option on custodian portal.
 - Click on **“DOCUMENT TYPE”** dropdown option and select document type power of attorney (POA).
 - Click on upload document **“CHOOSE FILE”** and upload power of attorney (POA) or board resolution for respective investor and click on **“UPLOAD”**.

Note: The power of attorney (POA) or board resolution has to be named as the **“InvestorID.pdf”** (Mention Demat account number as Investor ID).

- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select **“VOTE FILE UPLOAD”** option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on **“UPLOAD”**. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can **“CHANGE PASSWORD”** or **“VIEW/UPDATE PROFILE”** under **“PROFILE”** option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than Individual Shareholders.	In case Shareholders/ Investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

Notice

4. Procedure for joining the AGM through VC/ OAVM:

For Shareholders other than Individual Shareholders is given below:

- The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on **“VIEW EVENT DETAILS (CURRENT)”** under **‘EVENTS’** option on investor portal.
- Select event for which you desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on “VC/OAVM” link placed beside of **“VIDEO CONFERENCE LINK”** option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM are as under:-

- The Members can join the AGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Helpdesk for queries regarding virtual meeting:

In case Shareholders/ Investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions (‘FAQs’) available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

By order of the Board of Directors
For **Earthstahl & Alloys Limited**

Prawin Somani
(Director)
DIN : 01143972

28th August, 2023
Raipur

Annexure to Notice

BRIEF PROFILE OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT / VARIATION IN TERMS OF REMUNERATION AT THE ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015]

Name	Mr. Ravi Thakurdasji Laddha
Director Identification Number (DIN)	00008358
Date of Birth	October 10, 1972
Age	50 years
Nationality	Indian
Date of first appointment in the Board	November 15, 2010,
Terms and Conditions of Appointment / Re-appointment	Liable to retire by rotation
Educational Qualifications	Bachelor's degree in Engineering
Profile & Experience	He possesses around 25 years of experience in the steel industry. He holds a bachelor's degree in engineering from Amravati University passed in the year 1995 and has been associated with the company since the year 2010.
Nature of Expertise in specific functional areas	Project planning and execution
Relationship with Directors / KMP of the Company	N.A.
Directorship in other listed entities	N.A.
Listed entities from which Director has resigned in the past 3 years.	N.A.
Chairmanship / Membership of the Committees of other listed entities.	N.A.
Shareholding in Earthstahl & Alloys Limited (as on 31.03.2023)	11,04,000 shares

Boards' Report

Dear Members,

Your directors present the 14th Annual Report on business and operations of your Company for the financial year ended 31st March 2023.

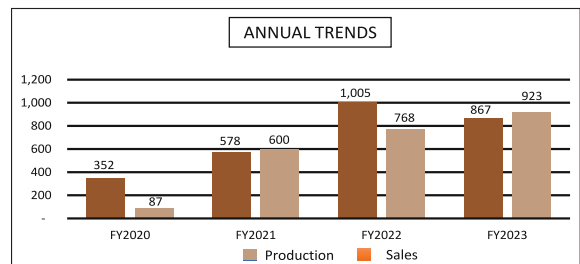
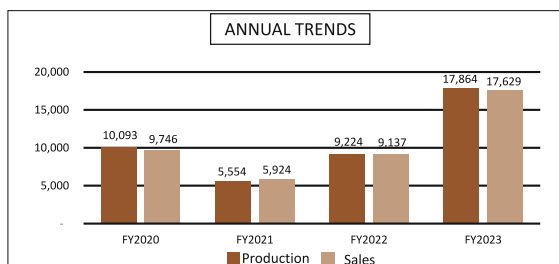
Financial Highlights:

(₹In lakhs)

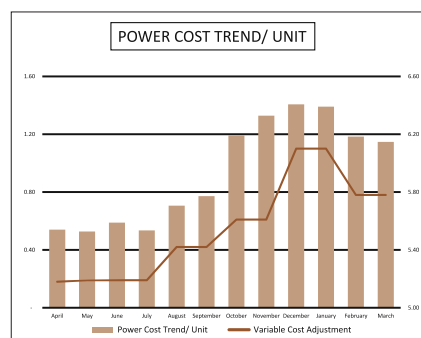
Particulars	2022-23	2021-22
Revenue (Net)	9181.18	4887.5
EBIDTA	1211.05	1364.71
Depreciation	210.08	151.45
Finance cost (Net)	105.71	119.87
Profit /(Loss) before tax	962.93	1093.39
Tax Liability	(212)	(344.32)
Profit after tax	750.93	749.07

State of company's affairs

During the year under review, your company has expanded the CI Lumps manufacturing capacity from 10,500 MT to 25,750 MT by installing one more Submerged Arc Furnace of 5500 KVA. The project has been funded from internal accruals. The work on the project was started in October 2021 and completed in record period of 9 months. The company has received the Consent to operate the furnace on 17th June 2022 and commenced operation immediately thereafter. The new furnace is operating smoothly. The Contract Demand of power has also been increased from 4300 KVA to 8300 KVA. In FY 2022-23, your company produced 17864 MT of CI Lumps (PY 9224 MT) and 867 MTs of Pipe Fittings (PY 1005 MT)

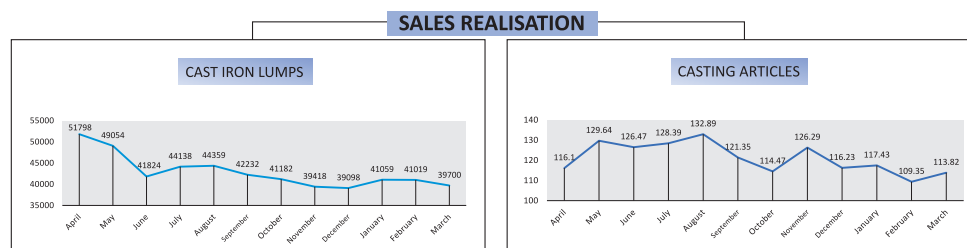


The price realization of CI Lumps improved year on year from ~₹ 41100 to ~₹ 42700 PMT but fell from ~ ₹ 45000 in first half to ~₹ 40,000 in the second half of the year. The electricity cost has also gone up from ₹ 5.63 per unit in the first half of the financial year to ₹ 6.28 per unit in second half mainly on account of increase in the Variable Cost Adjustment (VCA) by the distribution utility. This had a bearing on the financial performance of the company in second half of the financial year.



Boards' Report

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company. Further, there was no change in the nature of the business of the Company.



Conversion of company from Private Limited to Public Limited

With a view to offer the equity shares of the Company to public, the Company was converted from "Private Limited" to "Public Limited" and consequently the name of the Company be changed from "EARTHSTAHL & ALLOYS PRIVATE LIMITED" to "EARTHSTAHL & ALLOYS LIMITED" by deleting the word "Private" from the name of the Company at the Annual General Meeting of the Company held on 27th August, 2022. The Ministry of Corporate Affairs, Registrar of Companies, Chhattisgarh issued a fresh certificate of incorporation consequent upon conversion from private company to public company on 21st September 2022.

Initial Public Offer:

During the Financial Year under review, your Company offered and issued 32,40,000 equity shares of ₹10 each to the public at a premium of ₹ 30 per share to raise ₹ 12.96 crores mainly for capex on 132 KV grid connection and to meet long term working capital requirement. The issue got overwhelming response and was oversubscribed 222 times of the offer size. The equity shares have been listed on the SME platform of the BSE Limited on 8th February 2023.

Projects and their means of financing:

The work orders for grid connectivity on 132 KV has been awarded and work is progressing as per schedule and will be completed before end of current financial year. This will improve uninterrupted supply of power and will also save on power cost due to lower tariff. Also, this will give competitive advantage to your company over its competitors. Although the tariff difference between 33KV and 132 KV has been reduced from 50 paise /KVA to 25 paise /KVA in current year tariff, we are hopeful of restoration of tariff difference in next financial year.

Your Company is also installing a briquetting plant of 50,000 TPA in upstream integration at an estimated cost of ₹ 6 crores. The briquettes of ferrous fines shall be used as raw material feed in Submerged Arc Furnaces for production of Cast Iron. This will provide much needed flexibility in sourcing of raw material and shall bring down cost of production. The plant is expected to start commercial operation before end of current financial year.

The 132 KV grid project is funded from proceeds of shares issued to the public. The Briquetting plant is being funded from term loan sanctioned by Yes Bank.

Your directors have also decided to install 2 MW solar power plant to meet part of power requirement of the Company. This will ensure availability of cheaper power and hedge against price escalation without affecting load factor incentive provided in tariff schedule. Preparation of Detailed Project Report is in progress.

Variation in utilization of proceeds of IPO:

In terms of Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was no deviation or variation in connection with the terms of the objects of the issue mentioned in the Prospectus dated February 02, 2023, in respect of the Initial Public Offering of the Company.

Dividend:

Your directors have not proposed any amount to carry to any reserves.

Considering the performance and capital commitments, your directors are pleased to recommend a dividend of ₹ 0.50 per share for the year 2022-23.

Boards' Report

Change in Nature of Business:

During the year under review, there is no change in the nature of business activities of the Company.

Material Changes and commitment occurred after the end of financial year and upto the date of Report:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and up to the date of this report.

Subsidiary Company or Joint Venture Company or Associate Company:

Your Company does not have any Subsidiary Company, Joint Venture Company or Associate Company. Accordingly, the Company has no information to report for subsidiary, controlled entities or joint ventures.

Adequacy of Internal Controls Systems:

Company has adequate Internal Financial Controls System over financial reporting which ensures that all transactions are authorized, recorded, and reported correctly in a timely manner. The Company's Internal Financial Controls over financial reporting provides reasonable assurance over the integrity of financial statements of the Company.

Company has laid down Standard Operating Procedures, Policies and procedures to guide the operations of the business. Functional heads are responsible to ensure compliance with all laws and regulations and also with the policies and procedures laid down by the management.

Deposits:

The company has neither accepted nor renewed any deposits from public during the year under review to which the provisions of the Chapter V of the Companies Act 2013 or Companies (Acceptance of Deposits) Rules 2014 applies. As such no particulars required under Rule 8 (5)(v) of the Companies (Accounts) Rules 2014 are given.

As on 31st March 2023, the company has outstanding unsecured loan of ₹ 577.84 lakhs, from the Directors / related parties.

Loans , Guarantees or Investments covered by Section 186 of the Companies Act, 2013:

During the year under review, your Company has neither provided any loan or guarantee or made any investment covered by Section 186 of the Companies Act, 2013.

Share Capital:

During the year under review, the company increased the Authorized Share Capital from existing ₹ 3,00,00,000 (Rupees Three Crores) divided into 30,00,000 (Thirty Lakhs) Equity Shares of ₹ 10/- each to ₹ 15,00,00,000 (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of ₹ 10/- each by creation of additional 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of ₹ 10/-each ranking pari passu in all respect with the existing Equity Shares of the Company.

The paid-up Equity share capital of Company as on 31st March 2023 is ₹ 12,24,00,000/- (Twelve Crore Twenty Four Lakhs) divided into 12,44,000 equity shares of ₹10/- each. During the year under review, the paid-up capital has increased via following events:

a. Bonus Shares:

As approved by the members in the Extra-Ordinary Meeting of the company held on 3rd January 2023, during the financial year the company has issued 60,00,000 (Sixty Lakhs) equity shares of ₹ 10 each as bonus shares in the ratio of 2:1 to the existing shareholders by capitalization of reserves.

b. Fresh Issue of Shares:

During the year under review, Company came up with its Initial Public Offer of 32,40,000 (Thirty Two Lakhs Fourty Thousand) equity shares at ₹ 40/- (including premium of ₹ 30) total amount aggregating to ₹ 12,96,00,000/- was raised from the Initial public offer. The Board approved the allotment of total 32,40,000 equity shares of the Company on February 03, 2023. Equity shares, aggregating to 1,22,40,000 equity shares were listed on the BSE SME platform of BSE on February 08, 2022.

Boards' Report

Policy on remuneration of Directors

The Company follows a policy on remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company. The policy is approved by the Nomination & Remuneration Committee of the Company and has been uploaded on the Company's website and can be accessed at the <https://earthstahl.com/wp-content/uploads/2023/08/Nomination-and-Remunerati-on-Policy.pdf>.

The Company, with the approval of Nomination & Remuneration Committee has adopted a policy on Board diversity and the recommendation of candidature for Board appointment will be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

Directors & Key Managerial Personnel:

i) Appointment/Resignation of Directors:

Mr. Prawin Somani became Whole time Director of the Company w.e.f. 01st April 2022. Mr. Rajesh Somani became Whole time Director with effect from 01st September 2022. Mrs. Padma Somani was appointed as Women Director with effect from 02nd January, 2023. Mr. S K Jain, CA, CS and CMA and Mr. Vinod Kumar Arora, BE (Mechanical) were appointed as Independent Directors on the Board of the Company w.e.f. 02nd January, 2023. The Board appointed Shri S K Jain as Chairman of the Board.

In the opinion of the Board, the Independent Directors appointed during the year have integrity, rich experience and expertise in their field of experience. In terms of Section 150(1) of the Act and rule 6(4), Mr. S. K. Jain and Mr. Vinod Kumar Arora, Independent Directors of the Company are exempted from online proficiency self-assessment test based on their qualifications and experiences.

None of the Directors resigned during the year.

ii) Retirement by Rotation:

In accordance with the provisions of Section 152(6) of the Act and in terms of the Articles of Association of the Company Mr. Ravi Thakurdasji Laddha (DIN:00008358), Director will retire by rotation at ensuing Annual General Meeting and being eligible, he has offered himself to be re-appointed as Director. The Board proposes his reappointment to the members.

iii) Appointment of Company Secretary:

During the year under review, the Board at their meeting held on January 04, 2023 made appointment of Mr. Rahul Kumar Sinha (Membership No. A66805) as Company Secretary of the Company with effect from 04.01.2023. Mr. Rahul Kumar Sinha ((Membership No. A66805) has resigned from the post of Company Secretary & Compliance Officer w.e.f. 05.07.2023 on account of personal reasons.

Further, the Board of Directors in its meeting held on 28th August, 2023 approved the appointment of Mr. Akshat Sharma (Membership No. A67006) as Company Secretary & Compliance Officer w.e.f. 01.09.2023.

iv) Appointment of Chief Financial Officer:

During the year under Review, the Board at their meeting held on January 02, 2023 made appointment of Mr. Utsabanand Nath (PAN: ADWPN2065K) as Chief Financial Officer of the Company with effect from 02.01.2023.

Meetings:

During the financial year 2022-23, 10 (Ten) meetings of the Board of Directors were held.

Board Evaluation:

The evaluation framework for assessing the performance of the Directors of the Company comprises of contributions at the Meeting(s) and strategic perspective or inputs regarding the growth and performance of the Company, amongst others.

Boards' Report

Pursuant to the provisions of the Companies Act, 2013 and rules made there under and as provided under Schedule IV of the Act and Listing Regulations, the Board has carried an annual performance evaluation of its own performance, all the committees of Board and the directors individually including Chairman and Independent Directors in accordance with the criteria of evaluation approved by Nomination & Remuneration Committee.

Outcome of Evaluation:

Board of the Company was satisfied with the functioning of the Board and its Committees. The Committees are functioning well and besides covering the Committees' terms of reference, as mandated by law, important issues are brought up and discussed in the Committee meetings. The Board was also satisfied with the contribution of Directors, in their individual capacities.

Directors' Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby States;

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts on a going concern basis;
5. That the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
6. That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

Independent Directors' Declaration:

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and 16(b) of the Listing Regulations so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the rules made there under and Listing Regulations.

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ("IICA"). Further, as per the declarations received, all the Independent Directors of the Company have either passed or were exempted to clear online proficiency test as per the first proviso to Rule 6(4) of the MCA Notification dated October 22, 2019 and December 18, 2020.

Audit Committee:

In compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI LODR Regulations, the Board has constituted an Audit Committee. The Statutory Auditors and Internal Auditor of the Company are regular invitees at the Audit Committee Meetings. The Audit Committee holds discussions with the Statutory Auditors on the "Limited Review" of the half-yearly, the yearly Audit Plan, matters relating to compliance of Accounting Standards, their observations arising from the annual audit of the Company's accounts and other related matters. The Audit Committee is presented with a summary of internal audit observations and follow up actions thereon. The terms of reference of Audit Committee includes the matters prescribed under Section 177 of the Companies Act, 2013 read with SEBI (LODR) Regulation, 2015.

Boards' Report

The Company Secretary acts as the Secretary to the committee. The composition of the Audit Committee as at March 31, 2023 was as under:

Name of Member	Membership	Category
Surendra Kumar Jain	Chairman	Independent Director
Vinod Kumar Arora	Member	Independent Director
Prawin Somani	Member	Whole-Time Director

Nomination and Remuneration Committee:

In compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board has constituted the Nomination and Remuneration Committee ("NRC").

The composition of NRC as on March 31, 2023 was as under:

Name of Member	Membership	Category
Vinod Kumar Arora	Chairman	Independent Director
Surendra Kumar Jain	Member	Independent Director
Ravi Laddha	Member	Non-Executive Director

Nomination and Remuneration Policy:

The Board of Directors of the Company has, on the recommendation of Nomination and Remuneration Committee, framed and adopted a Nomination and Remuneration Policy.

The details of criteria for making payment to Whole Time Directors, Non-Executive and Independent Directors are provided under the Nomination and Remuneration Policy of the Company. The objectives of the Nomination and Remuneration Policy of the Company is to ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and qualify requirement to run the Company successfully. Further, policy for remuneration to the Directors, Key Managerial Personnel and Senior Management provides for balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The said policy is available on the website of the Company at <https://earthstahl.com/wp-content/uploads/2023/08/Nomination-and-Remuneration-Policy.pdf>.

Remuneration to Whole-time Directors:

1. The Remuneration/Commission etc. to be paid to Whole-time Directors, etc. shall be governed as per the applicable provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the requisite approvals obtained from the Members of the Company as per the applicable provisions.
2. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Whole-time Directors.

Remuneration to Non-Executive/Independent Directors:

1. The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
2. All the remuneration to the Non-Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013), in case of no profit or inadequate profit, shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
3. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.

Boards' Report

4. The Nomination and Remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

Remuneration to Key Managerial Personnel:

1. The remuneration to Key Managerial Personnel shall consist of fixed pay and incentive any, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy, to the extent it is applicable to the Company.
2. The Nomination and Remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel.
3. The Fixed pay shall include monthly remuneration, employer's contribution to provident fund, contribution to pension fund, gratuity benefit, pension schemes, if any, etc. as may be decided from time to time considering market condition, inflation, qualification and experience of the concerned key managerial personnel.
4. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel, to be decided annually or at such intervals as may be considered appropriate.

Statutory Auditors:

The report of the Statutory Auditors of the Company forms part of the annual report. The Statutory Auditor has issued Audit Reports with unmodified opinion on the Financial Statements of the Company for the year ended 31 Secretarial Auditors:

The Notes on the Financial Statement referred to in the Audit Report are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013.

During the year under review, the statutory auditors have not reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees.

Secretarial Auditors:

The report of Secretarial Auditor contains observations regarding non filing of forms under Section 90 of the Companies Act, 2013 with MCA to which your directors wish to inform that the forms could not be filed because of technical issues in the forms provided by MCA V3 portal. The Company has raised various tickets on MCA portal to get the issues resolved but no resolution is provided by MCA helpdesk till date.

The Secretarial Audit Report is annexed as **Annexure I** to the Directors Report.

Explanations on Qualifications/Adverse remarks contained in the Audit Report:

There was no qualification, reservations or adverse remarks made by the Auditors in their report. Observations of the Auditors are self-explanatory and do not call for further information.

Frauds reported under Section 143(12) of the Companies Act, 2013:

No fraud was noticed by the Auditors under Section 143(12) of the Companies Act, 2013.

Risk Management Policy:

The company has developed and implemented risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the company. The risk management includes identifying types of risks and its assessment, risk mitigation and monitoring and reporting. The Board judges from time to time Credit Risk/ Liquidity Risk to the fair and reasonable extent that your Company is willing to take.

Corporate Social Responsibility (CSR):

Your company's CSR policy focuses on sustainable development and support to the vulnerable section of the society, particularly in surrounding society in the field of education, health care and women empowerment. During the year under

Boards' Report

review, your Company was required to spend ₹ 9.27 lakhs on such projects but could spend only ₹ 7.73 lakhs. The balance amount though sanctioned / committed for identified purposes, could not be spent / disbursed in absence of submission of required documents. The same will be deposited in the funds specified in Schedule VII of the Companies Act, 2013 within stipulated time. The policy is available on website of the company and can be accessed at <https://earthstahl.com/wp-content/uploads/2023/08/csr-policy.pdf>.

Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company is committed to provide a healthy environment to all employees that enable them to work without the fear of prejudice and gender bias. Your Company has in place a Prevention of Sexual Harassment (POSH) Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company through this policy has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and your Company has complied with its provisions. No complaints were pending in the beginning of the year or no complaint received during the year the Financial Year 2022-23.

Conservation of Energy, Technology Absorption and Foreign Earnings and Outgo:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished:

(a) Conservation of Energy:

- (i) the steps taken or impact on conservation of energy: the company is installing briquetting plant to achieve energy efficiency in furnace operation.
- (ii) the steps taken by the company for utilizing alternate sources of energy: the company is exploring installation of solar power project to meet part of electricity requirement.
- (iii) the capital investment on energy conservation equipments - Nil

(b) Technology absorption:

1. The efforts made towards technology absorption: -
2. Benefits derived like product improvement, cost reduction, product development, import substitution, etc.- The Company has not taken any technical knowhow from anyone and hence not applicable.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: The Company has not imported any technology and hence not applicable.
4. Expenditure incurred on Research and Development : Nil

(c) Foreign exchange earnings and Outgo:

PARTICULARS	Amt (In ₹)
Foreign Exchange earned in terms of actual inflows during the year	Nil
Foreign Exchange outgo during the year in terms of actual outflows	Nil

Statement under Rule 5(2) Of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The information required under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as below:

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-2023, ratio of the remuneration of each Director to the median remuneration of the employees of the Company

Boards' Report

for the financial year 2022-2023 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of Director/ Key Managerial Personnel	Designation	% Increase in Remuneration in the year 2022-23*	Ratio of Remuneration of each Director to Median remuneration of employee
Mr. Prawin Somani	Whole time Director	Not Applicable	17.82
Mr. Rajesh Somani	Whole time Director	Not Applicable	6.35
Mrs. Padma Somani	Whole time Director	Not Applicable	11.64
Mr. Utsabanand Nath	Chief Financial Officer	Not Applicable	9.31
Mr. Rahul Kumar Sinha	Company Secretary	Not Applicable	0.45

* percentage increase in remuneration is not applicable because there were no KMPs during previous year and no remuneration was paid to directors.

Notes: Remuneration to Non-executive & Independent Directors includes only sitting fees and annual commission.

- The median remuneration of employees of the Company during the financial year was ₹ 87,756 p.a.
- In the financial year, there was decrease of 11.82 % p.a in the median remuneration of employees;
- There were 174 permanent employees on the rolls of Company as on March 31, 2023.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2022-2023 was 7.44%. Since no remuneration was paid to directors during FY 21-22, comparison is not available for increase in their remuneration.
- Further, no employee was in receipt of remuneration from the Company amounting to Rupees One Crore Two Lakhs or more during the financial year 2022-23.
- Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

None of the Directors of the Company are in receipt of any commission from the Company.

The statement containing names of top Ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014 is furnished as below:

Sr. No.	Name of Employee	Designation	Salary (per annum) (in lakh)	Qualification	Experience (in years)	Date of joining	Last Employment
1	Mr. Prawin Somani	Whole-time Director	15.64	Senior Secondary	19 years	01-04-2022	----
2	Mr. Shreyance Jain	Head- Finance & Accounts	11.15	B.com, CA (Inter), CS (Inter)	1.5 years	01-10-2021	----
3	Mrs. Padma Somani	Whole-time Director	10.22	B.A.	17 years	01-04-2022	----
4	Mr. Utsabanand Nath	Chief Financial Officer	8.17	B.com	30 years	01-07-2014	Fortune Metaliks Limited
5	Mr. Mukesh Shrivastava	Plant Head	7.89	B.tech Mechanical	20 years	01-04-2020	Indo Rama Synthetic Limited

Boards' Report

Sr. No.	Name of Employee	Designation	Salary (per annum) (in lakh)	Qualification	Experience (in years)	Date of joining	Last Employment
6	Mrs. Swati Laddha	General Manager	7.43	B.E. Computer Science	29 years	01-08-2022	----
7	Mr. Kamal Mondal	Assistant Manager	5.87	ITI	9 years	01-08-2018	----
8	Mr. Hemant Mishra	Head - Production Manager Foundry Site	5.79	B.Sc.	25 years	01-12-2018	Shivalik Steel & Power Pvt Limited.
9	Mr. Rajesh Somani	Whole-time Director	5.57	B.com	25 years	01-08-2022	----
10	Mr. Prince Kumar Singh	Head- Electrical	5.25	ITI	14 years	01-12-2020	----

Vigil Mechanism:

The Company has established a Whistle Blower Policy/ Vigil Mechanism in compliance with the provision of Section 177(10) of the Companies Act, 2013 for the genuine concerns expressed by the employees and Directors about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Company provides adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The Board has approved the policy for vigil mechanism which is available on the website of the Company at <https://earthstahl.com/wp-content/uploads/2023/08/vigil-Mechanism-policy.pdf>.

Related Party Transactions:

During the year under review, all related party transactions entered into by the Company, were at arm's length and in the ordinary course of business to further the business interests of the Company. Prior approval of Audit Committee is obtained for related party transactions.

The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Act. Also, there were no material related party contracts entered into by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for financial year 2022-23 and hence does not form part of this report. Details of related party transactions entered into by the Company have been disclosed in the notes to the financial statements forming part of this Report.

Annual Return:

The Annual Return of Company for the FY 2022-23 will be available on the Company's website at www.earthstahl.com.

General:

The directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review -

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

The directors further confirm that –

- a) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Boards' Report

- b) During the year under review, the Company was required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records were made and maintained.
- c) The Company does not have any holding or subsidiary company and there was no Managing Director in the Company during the year under review. Hence, no question of payment of remuneration or commission to the Managing Director from the Company or from the holding company or from the subsidiary company arises;
- d) The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.
- e) Under the Insolvency and Bankruptcy Code 2016, no applications were made during the financial year 2022-23 by or against the Company and there are no proceedings pending as at the end of the financial year.
- f) The Company has not made any one-time settlement with any of its lenders.
- g) The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013].

The disclosures/information/details disclosed/given elsewhere in the annual report have not been repeated again in the directors' report for the sake of brevity. Members are requested to refer relevant sections for the information. All policies/disclosures required to be disclosed on the website are available under the Investors' section on the website of the Company at www.earthstahl.com.

Acknowledgments:

The Board takes this opportunity in expressing their gratitude to the bankers to the Company. The Board also acknowledges the continuous support received from its shareholders, stakeholders and employees of the Company.

On behalf of the Board of Directors

S. K. Jain

Chairperson

DIN: 00179336

Raipur
28th August 2023

Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

Pig Iron / Cast Iron

We are producing Cast Iron (CI) through Submerged Arc Furnaces. This industry is fragmented and most of the producers are small and medium industrial units. Submerged Arc Furnaces (SAF) are mostly used for production of ferro alloys. Due to fall in steel production globally, demand of ferro alloys shrank and prices corrected sharply. In view of falling ferro alloys prices, some of ferro alloys producers started producing Cast Iron affecting demand supply and consequently selling prices of cast iron.

Cast iron is used as substitute of Pig iron in steel plants / foundries. Pig iron is mainly produced through blast furnace route by primary steel producers using coke as reductant whereas Cast iron produced in SAF uses electricity for reduction /melting. As such, Coke constitutes substantial cost in manufacturing of Pig iron whereas electricity constitutes main cost of production in CI Lumps. However, because of substitutive nature, prices of CI Lumps have strong co-relation with price of pig iron. During FY 23 India produced 5.87 MnT of pig iron against 6.26 MnT in FY22. Pig iron is used in steel manufacturing partly replacing iron scrap. First half of FY 22-23 had seen sharp rise in price of coal / coke resulting into sharp rise in cost of production and so the price of finished goods. Gradually the price of coke has normalized and price of steel has also corrected accordingly. As against this price of electricity has gone up in second half of FY 23 due to increase in variable charges by power supply utilities. This put pressure on margins in CI Lumps.

Opportunities:

We are using waste generated by steel plants as primary material. With the increase in steel production capacity in the country, there is huge scope for growth in this industry. This also helps in sustainable operation of steel plants in environment friendly manner. We can also shift to production of ferro alloys after getting necessary environmental clearances.

The Central Government has launched Jal Jeevan Mission for providing drinking water to all household. This has opened a vast market for pipe fittings produced by us. We are also exploring export market for pipe fittings and response is encouraging.

Threats

The main threat to SAF based steel producers is from cost structure of blast furnace route of steel making. Any fall in coking coal prices shall have a direct bearing on market price of CI Lumps. Also, the another threat is increase in price of electricity, which may result in increase in cost of production of CI Lumps.

We are laying 132 KV electricity supply line to ensure uninterrupted power supply at lower cost on sustainable basis. Also, we have planned to put-up 2 MW solar power plant within our premises to reduce dependence costly grid power. This will ensure sustainable operation with competitive advantage over peers.

Product wise performance:

Particulars	Unit	CI Lumps		Pipe fittings	
		2022-23	2021-22	2022-23	2021-22
Production	MTs	17864	9224	867	1005
Sales	MTs	17629	9137	923	768

The production and sales of CI Lumps increase on account of commissioning of 2nd furnace in June 2022. The Production of pipe fittings was restricted due to sluggish demand in between to liquidate the inventories.

Out look:

The fortunes of Cast iron industry is linked to steel industry and considering the increasing domestic consumption of the steel on the back of infrastructure spending, outlook for the industry is positive. So far as pipe fittings business is concerned, the Government has rolled out Jal Jeevan Mission in a big way. That should generate good demand for the product. We are having our manufacturing base in raw material hub with cheaper power and surrounded by market. That gives us locational advantage. We are also installing briquetting plant to use finer raw material which is available at low cost. This will bring substantial saving in cost.

Management Discussion and Analysis Report

Risk and Concerns:

As discussed in above paragraphs the major risk is fall in selling prices due to change in cost structure of Pig iron and another risk is sharp increase in electricity prices. These may have effect on profitability of the Company. The Company has taken effective steps to reduce cost of electricity and also evaluating further steps in this direction for long term sustainability.

Internal Controls Systems:

Company has adequate Internal Financial Controls System over financial reporting which ensures that all transactions are authorized, recorded, and reported correctly in a timely manner. The Company's Internal Financial Controls over financial reporting provides reasonable assurance over the integrity of financial statements of the Company.

Company has laid down Standard Operating Procedures, Policies and Procedures to guide the operations of the business. Functional heads are responsible to ensure compliance with all laws and regulations and also with the policies and procedures laid down by the management.

Financial performance with respect to operational performance :

During the year, the Company earned profit before tax of ₹ 962.93 lakh as compared to ₹1093.59 lakh in previous year. The financial performance was adversely affected due to fall in selling prices and increase in electricity cost by distribution utility by increasing variable cost of fuel in 2nd half. The selling prices fell by ~ ₹ 5000 PMT in second half and electricity cost increased by 12%. Raw material cost had also gone up due to increase in demand post new capacity addition. With the installation of 132 KV Line and briquetting plant our cost structure will improve drastically which should help in improving our financial performance.

Material developments in human resources/industrial relations:

The Company considers employees as its vital and most valuable assets. Your Company considers manpower as its assets and understands that people have been driving force for growth and expansion of the Company. Through our learning and development initiatives, the Company continues to upskill our employees for their jobs. The Company is into process of continuous improvements based on feedback and inputs from multiple stakeholders, past experiences and industry's best practices for giving better employee experiences.

Your Company gives due importance to the human resource. Industrial relations remained cordial throughout the year. As on 31st March, 2023 there were 174 employees in your Company.

Financial Ratios:

Sl No.	Ratio	31st March 2023	31st March 2022	% Change	Remarks
1	Current Ratio	1.62	1.41	15.49%	Improved due to surplus funds of Initial Public offer placed in FDs.
2	Interest Coverage Ratio	10.74	10.16	5.71%	Improved due to reduction in interest cost due to loan repayment.
3	Debt Equity Ratio	0.36	0.92	-61.31%	Improvement of debt equity ratio is on account of reduction in debt and increase in equity through initial public offer and profits earned.
4	Return on Net worth	38%	49%	-22%	Return on equity fell in current year on account of decrease in profitability.
5	Inventory Turnover Ratio	9.08	7.39	22.90%	Inventory turnover ratio has improved in current period on account of increase in sales volume of Cast Iron Lumps.

Management Discussion and Analysis Report

SI No.	Ratio	31st March 2023	31st March 2022	% Change	Remarks
6	Trade Receivable Turnover Ratio	45.25	69.68	-35.07%	Trade receivables increased due to supply of pipe fittings on credit against LC.
7	Operating Profit Margin (5)	12%	25%	53%	Fall in margin due to increase in cost of production which couldn't be passed on.
8	Net Profit margin (%)	8%	15%	-46.41%	Net profit ratio has decreased in current year on account of decrease in margin.

The return on net worth has fallen due to income tax incidence. In the previous year, there was no income tax liability because of set-off of brought forward taxes available on profit earned.

Forward Looking Statement:

Statement in this Management and Discussion Analysis describing your Company's objectives, projections and estimates and expectations may be "Forward Looking Statements" within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important development that could affect your Company's operations include a downward trend in the domestic industry, monsoon, rise in input cost and significant change in political & economic environment in India, environment standards, tax laws, RBI guidelines, litigations and labour relations.

Boards' Report

Annual Report on CSR Activities

1.	Brief outline on CSR Policy of the Company	<p>: Since its inception your Company has been a socially responsible corporate endeavoring to invest in the communities which go beyond any mandatory, legal and statutory requirements. The CSR policy furthers the philosophy of the Company and it is <i>"to practice sustainable business with a commitment to inclusive growth. It desires to be a catalyst in corporate arena while reflecting ethos, social values, remittance to society and transparency."</i> By investing our CSR efforts in the prescribed domains of education, women empowerment, health & safety and environment, we further commit to build a fiduciary relationship with our stakeholders.</p> <p>The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/ underprivileged sections of the society. Earthstahl & Alloys Limited. adopts an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create social and environmental impact.</p>
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2. Composition of CSR Committee :				
Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. S. K. Jain	Independent Director	1	1
2	Mr. Prawin Somani	Whole time Director	1	1
3	Ms. Padma Somani	Whole time Director	1	1

3.	Web-link on the website of the Company for Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed.	<p>: CSR Committee: https://earthstahl.com/wp-content/uploads/2023/08/csr-policy.pdf CSR Policy: https://earthstahl.com/wp-content/uploads/2023/08/csr-policy.pdf CSR Report: https://earthstahl.com/annual-reports/ (as disclosed in Annual Report)</p>
4.	Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	: Not Applicable
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if	: Not Applicable

(₹ In Lakhs)

6.	Average net profit of the Company as per section 135(5)	: ₹ 463.60
7. a.	Two percent of average net profit of the Company as per section 135(5)	: ₹ 9.27
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	: NIL
c.	Amount required to be set off for the financial year, if any	: NIL
d.	Total CSR obligation for the financial year (7a+7b- 7c)	: ₹ 9.27

Boards' Report

8. a. CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year. (in ₹ lakh)	Amount Unspent (₹ lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
7.73	NIL	N.A.	Not yet decided	1.54	Yet to be transferred

b. Details of CSR amount spent against ongoing projects for the financial year :

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regist. No.
NOT APPLICABLE												

c. Details of CSR amount spent against other than ongoing projects for the financial year : Please refer the table below-

(for few items location is not provided)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹ in lakh)	Mode of implementation - Direct (Yes/No).	Mode of implementation Through implementing agency.	
				State.	District.			Name	CSR Registration number
1.	Education	Clause ii	Yes	Chhattisgarh	Raipur	0.61	Yes	--	--
2.	Livelihood	Clause ii	Yes	Chhattisgarh	Raipur	0.48	Yes	--	--
3.	Education	Clause ii	Yes	Chhattisgarh	Raipur	0.11	Yes	--	--
4.	Social Projects	Clause i	Yes	Chhattisgarh	Raipur	0.08	Yes	--	--
5.	Social Projects	Clause i	Yes	Chhattisgarh	Raipur	0.09	Yes	--	--
6.	Social Projects	Clause i	Yes	Chhattisgarh	Raipur	3.51	Yes	--	--
7.	Social Projects	Clause i	Yes	Chhattisgarh	Raipur	2.84	Yes	--	--

Boards' Report

Sl. No.	Particular	Amount (in ₹ lakh)
(i)	Two percent of average net profit of the Company as per section 135(5)	9.27
(ii)	Total amount spent for the Financial Year	7.73
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. a.		Details of Unspent CSR amount for the preceding three financial years :						
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ lakh)	Amount spent in the reporting Financial Year (in ₹ lakh).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹ lakh)	
				Name of the Fund	Amount (in ₹ lakh)	Date of transfer		
1.	2019-20			NOT APPLICABLE				
2.	2020-21			NOT APPLICABLE				
3.	2021-22			NOT APPLICABLE				
	TOTAL							

b.		Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹ lakh).	Amount spent on the project in the reporting Financial Year (in ₹ lakh).	Cumulative amount spent at the end of reporting Financial Year. (in ₹ lakh).	Status of the project - Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

Boards' Report

10.		In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise detail)	:	NOT APPLICABLE
	a.	Date of creation or acquisition of the capital asset(s)	:	NOT APPLICABLE
	b.	Amount of CSR spent for creation or acquisition of capital asset	:	NOT APPLICABLE
	c.	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	:	NOT APPLICABLE
	d.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	:	NOT APPLICABLE
11.		Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)	:	The balance amount could not be spent / disbursed in absence of submission of required documents.

Sd/-
S. K. Jain
 (Chairman)

Boards' Report

Annexure I

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2022-23

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
M/s Earthstahl & Alloys Limited
CIN: U27310CT2009PLC021487
Merlin Jayshree Vihar, Mohani 5 B,
Pandri Tarai, Mandi Gate,
Raipur- 492001 (C.G.)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Earthstahl & Alloys Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. (Not applicable)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e) Securities and Exchange Board of India (Depositories and Participant) Regulation 2018;
- (vi) Other laws applicable specifically to the Company as per the representation made by the Company.

We have also examined the compliance of Secretarial Standards issued by the Institute of Company Secretaries of India.

We report that, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above except fling of forms under the provisions of Section 90 of the Companies Act, 2013 and the rules made there under.

Boards' Report

We further report that there were no actions/events in pursuance of:

- a) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- b) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- c) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

requiring compliance thereof by the Company during the Financial Year.

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

We further report that adequate notice is given to all the directors of the Board Meetings/ Committee meetings, agenda along with detailed notes thereon were sent as per the provisions of the Act to all the Directors, and a system existed for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views that need to be recorded.

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

We further report that during the audit period, the following events/actions took place in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs-

1. The Company has been converted from "Private Limited" to "Public Limited" in pursuance to Fresh Certificate of Incorporation issued consequent upon Conversion from Private Company to Public Company dated 21.09.2022.
2. Alteration in the Articles of Association and the Memorandum of Association of the Company.
3. Increase in the Authorized Share Capital of the Company from Rs. 3,00,00,000 to Rs. 15,00,00,000.
4. The company has allotted 60,00,000 fully paid Equity shares of Rs. 10/- each at par as Bonus Shares on 04.01.2023.
5. The company has allotted 32,40,000 fully paid Equity shares of Rs. 10/- each at Rs.30/- Premium on 03.02.2023 under Initial Public Offer.
6. The equity shares of the Company has been listed on the SME platform of BSE (BSE SME) on 08.02.2023.

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

Raipur (C.G.)
28-08-2023

For, **S.G. KANKANI & ASSOCIATES**

COMPANY SECRETARIES

FRN: P1998CG012600

PR: 1396/2021

(CS KAMLESH OJHA)

PARTNER

FCS No.: 10807

CP No. : 14660

UDIN: F010807E000878520

Boards' Report

Annexure-A

To,
The Members
M/s Earthstahl & Alloys Limited
CIN: U27310CT2009PLC021487
Merlin Jayshree Vihar, Mohani 5 B,
Pandri Tarai, Mandi Gate,
Raipur- 492001 (C.G.)

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records, Books of Accounts of the Company. Further, we have also not verified other financial laws like direct and indirect tax laws as applicable to the Company, since the same has been subject to review by statutory auditor and other designated professionals.
- 4) Wherever required, we have obtained the representations about the compliance of laws, rules and regulation and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Raipur (C.G.)
28-08-2023

For, **S.G. KANKANI & ASSOCIATES**

COMPANY SECRETARIES

FRN: P1998CG012600

PR: 1396/2021

(CS KAMLESH OJHA)

PARTNER

FCS No.: 10807

CP No. : 14660

UDIN: F010807E000878520

Independent Auditors Report

**To,
THE MEMBERS OF
EARTHSTAHL & ALLOYS LIMITED
REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of **EARTHSTAHL & ALLOYS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, and the statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its Profit and its Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, for each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	Auditors Response
<p>1. Revenue Recognition</p> <p>For the year ended March 31, 2023, the Company has recognized revenue from operations of ₹ 9181.18 Lakhs. Revenue recognition has been recognized as a key audit matter due to complex identification of transfer of significant risk and rewards in case of domestic sales.</p> <p>We have identified following key areas for consideration: The contractual terms of delivery of material that defines when control is transferred to the customer.</p> <p>RELATED DISCLOSURES: Please refer to Note-1- 2(l) for details of the accounting policies of revenue recognition and Note-2.19 of notes to financial statements for relevant disclosures of Revenue.</p>	<p>How our audit addressed the key audit matter</p> <ul style="list-style-type: none"> • Our audit procedures included the evaluation of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of AS-9. • Performed walkthroughs and test of controls, of the revenue recognition processes and assessed the design and operating effectiveness of key controls. • Performed substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes and customer receipts, wherever applicable. • Tested a sample of manual journal entries posted to revenue ledgers to identify any unusual items. • Assessed the disclosures made by the Company.

Independent Auditors Report

2. Capitalization of Property, Plant & Equipment	How our audit addressed the key audit matter
<p>During the year, the Company has incurred capital expenditure of amounting to Rs 12.56 crores on various capital assets and Capital work in progress. The capital work in progress amounting to ₹ 5.90 crores that are ready for its intended use as determined by the management have been capitalized in the current year (the amount is included in ₹ 12.56 crores i.e in total capital expenditure amount). Judgment is involved to determine that the aforesaid capitalization meet the recognition requirement as per AS- 10.</p> <p>Accordingly, the above has been determined as a key audit matter.</p> <p>RELATED DISCLOSURES:</p> <p>Please refer to Note-1- 2 (C) and (D) for details of significant accounting policies of Property Plant and Equipment and capital work in progress and Depreciation and amortization and Note No. 2.9 of the financial statement for relevant disclosures of PPE and Capital work in progress.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Assessed the nature of the additions made to property, plant and equipment, and capital work-in-progress whether they meet the recognition criteria as set out in AS-10- Property, Plant and Equipment, including intended use of management. • Examined the management assessment of the assumptions considered for capitalizing the capital work in progress. • Examined the management assessment of the assumptions considered in estimation of useful life. • Examined the amounts capitalized during the year on a sample basis by inspecting supporting documents and evaluating whether assets capitalized satisfied the recognition criteria and were recognized accurately in the correct periods and with correct amount.

Information other than the financial statements and auditors' report thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Independent Auditors Report

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Independent Auditors Report

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards (AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements—Refer Note 2.28.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or

Independent Auditors Report

on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Board of directors of the Company has proposed dividend of ₹ 0.50/- per share at its meeting held on 30th May 2023, subject to the approval of the Members.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For, **APAS & CO LLP**
Chartered Accountants
FRN: 000340C/C400308

[RAJDEEP SINGH]
Partner
M.NO . : 415549
UDIN-23415549BGWLLLC5958

Raipur
30/05/2023

Annexure A to the Independent Auditors Report

Annexure 'A'

The Annexure referred to in paragraph 1 Section: "Report on Other Legal and Regulatory Requirements".

We report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this program, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventories have been physically verified during the year by the management in our opinion, the frequency of verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of accounts of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in firms, limited liability partnership or any other parties. Accordingly, clause 3(iii)(a) and clause 3(iii)(c) to clause 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records under Section 148(1) of the Companies Act, 2013 are applicable to the company and we have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

Annexure A to the Independent Auditors Report

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including Goods and Services Tax ("GST"), Provident fund, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ("GST"), Provident fund, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the disputed amounts payable in respect of Goods and Services Tax ("GST"), Provident fund, Income-Tax, Duty of Customs, Cess and other statutory dues that have not been deposited on account of matter pending before the appropriate authorities are as under:

Nature of Statute	Nature of Dues	Amount (₹)	Period to which amount Relates	Forum where dispute is pending
The Integrated Good and service tax act, 2017	Outstanding Demand	13,10,637	F.Y. 2018-19	Appellate Authority, Chhattisgarh
Chhattisgarh commercial tax act.	Outstanding Demand	2,10,016	F.Y. 2013-14	Appellate Additional Commissioner
The State Goods and Service tax act, 2017	Claim of VAT credit through TRAN-1	16,55,165	-	Assistant Commissioner of state tax

- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the money raised by the way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under Companies Act, 2013. The Company does not hold any investment in any associate companies or joint ventures as defined under Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary as defined under Companies Act, 2013. The Company does not hold any investment in any associate companies or joint ventures as defined under Companies Act, 2013.

Annexure A to the Independent Auditors Report

- (x) (a) In our opinion and according to information and explanations given by the management and audit procedures performed by us, monies raised by the Company by way of initial public offer were applied for the purpose for which they were raised. The amount of unutilized proceeds as at March 31, 2023 amounted to ₹705 Lacs which were deposited in fixed deposit with Yes Bank Limited. Also, refer Note 2.49 of the Financial Statements of the Company.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) (a) According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xii) The company is not a Nidhi Company. Therefore, this clause is not applicable on the company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the company issued till the date of audit report, for the period under audit have been considered by us.
- (xv) On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934,
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditor during the year and accordingly this clause is not applicable.
- (xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

Annexure A to the Independent Auditors Report

- (xx) (a) In respect of other than ongoing projects, there are unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act. The details are as below:

Relevant FY	Amount identified for spending on Corporate Social Responsibility activities "other than Ongoing Projects"	Unspent amount of (b)	Amount Transferred to Fund specified in Schedule VII to the Act	Due date of transfer to the specified fund	Actual date of transfer to the specified fund	Number of days of delay if any
(a)	(b)	(C)	(d)	(e)	(f)	(g)
2022-23	9.27 lacs	1.54 lacs	Nil	30.09.2023	NA	No delay

- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act. This matter has been disclosed in note 2.38 to the financial statements.

Annexure B to the Independent Auditors Report

Annexure 'B'

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

We have audited the internal financial controls over financial reporting of **EARTHSTAHL & ALLOYS LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Annexure B to the Independent Auditors Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For, **APAS & CO LLP**
Chartered Accountants
FRN: 000340C/C400308

[RAJDEEP SINGH]
Partner
M.NO . : 415549
UDIN-23415549BGWLLLC5958

Raipur
30/05/2023

Balance Sheet

as at 31st March, 2023

Amount in ₹ Lakhs

Particulars	Note No.	Amount as at 31.03.2023	Amount as at 31-03-2022
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	1,224.00	300.00
Reserves And Surplus	2.2	2,339.72	1,216.78
Non-Current Liabilities			
Long - Term Borrowings	2.3	678.54	1,135.03
Long Term Provision	2.4	9.76	9.61
Deferred Tax Liabilities	2.10	97.63	94.86
Current Liabilities			
Short - Term Borrowings	2.5	594.16	264.94
Trade Payables	2.6		
(A) total outstanding dues of micro enterprises and small enterprises		122.30	0.23
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		441.60	361.28
Short - Term Provision	2.7	2.89	0.16
Other Current Liabilities & Provisions	2.8	260.27	209.72
TOTAL		5,770.87	3,592.61
ASSETS			
Non-Current Assets			
Property Plant & Equipments	2.9	2,416.29	1,595.15
Intangible Assets		-	-
Capital Work-In-Progress	2.9	155.50	521.26
Long-Term Loans And Advances	2.11	373.43	4.52
Non - Current Investments	2.12	14.54	14.54
Other Non - Current Assets	2.13	502.27	266.46
Current Assets			
Inventories	2.14	1,062.93	959.74
Trade Receivables	2.15	349.45	56.38
Cash And Cash Equivalents	2.16	712.62	14.19
Short Term Loans & Advances	2.17	133.42	153.82
Other Current Assets	2.18	50.42	6.55
TOTAL		5,770.87	3,592.61

Significant Accounting Policies

Notes on Accounts

As per our report of even date attached herewith

For, **A P A S & Co LLP**

Chartered Accountants

FRN: 000340C/C400308

Rajdeepsingh

Partner

M. No. 415549

UDIN: 23415549BGWLLLC5958

Place: Raipur

Date: 30/05/2023

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2.1 - 2.50

For & on behalf of the Board of Directors

Rajesh Somani

Whole Time Director

DIN-01719930

Utsabanand Nath

Chief Financial Officer

Prawin Somani

Whole Time Director

DIN-01143972

Rahul Kumar Sinha

Company Secretary

Statement of Profit & Loss

for the Year Ended 31st March, 2023

Amount in ₹ Lakhs

Particulars	Note No.	For the period ended 31st March 2023	For the period ended 31st March 2022
Revenue From Operations			
Revenue From Operations	2.19	9,181.18	4,887.50
Net Revenue From Operations		9,181.18	4,887.50
Other Income			
Interest Income	2.20	38.04	12.40
Other Income	2.20	0.04	7.73
Total Income	27	9,219.26	4,907.63
Expenses			
Cost Of Material Consumed	2.21	3,478.82	1,333.83
Purchase of Stock In Trade		342.99	179.66
Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress	2.22	(50.09)	(284.73)
Production Related Direct Expenses	2.23	3,616.52	1,932.57
Employee Benefit Expenses	2.24	354.56	237.64
Finance Costs	2.25	105.71	119.87
Depreciation Expense	2.9	210.08	151.45
Other Expenses	2.26	197.74	143.95
Total Expenses		8,256.33	3,814.24
Profit Before Exceptional Items And Tax		962.93	1,093.39
Exceptional Items		-	-
Profit Before Tax		962.93	1,093.39
Tax Expense:			
(1) Current Tax		(208.50)	-
(2) Previous year tax adjustment		(0.72)	-
(3) Deferred Tax		(2.76)	(344.32)
Profit (Loss) for the Period	2.27	750.95	749.07
Earnings Per Equity Share			
Basic		7.94	8.32
Diluted		7.94	8.32

Significant Accounting Policies

Notes on Accounts

As per our report of even date attached herewith

For, **A P A S & Co LLP**

Chartered Accountants

FRN: 000340C/C400308

Rajdeepsingh

Partner

M. No. 415549

UDIN: 23415549BGWLLLC5958

Place: Raipur

Date: 30/05/2023

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2.1 - 2.50

For & on behalf of the Board of Directors

Rajesh Somani

Whole Time Director

DIN-01719930

Utsabanand Nath

Chief Financial Officer

Prawin Somani

Whole Time Director

DIN-01143972

Rahul Kumar Sinha

Company Secretary

Statement of Cash Flow

for the Year Ended 31st March, 2023

Amount in ₹ Lakhs

Particulars	2022-23	2021-22
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per statement of P&L	962.93	1,093.39
Adjusted For:		
Depreciation Expenses	210.08	151.45
Finance Costs	105.71	119.87
Interest Income	(38.04)	(12.40)
Profit on Sale of Property Plant & Equipments	-	(7.73)
Operating Profit before Working Capital Changes*	1,240.68	1,344.58
Adjusted For:		
Trade and Other Receivables	(293.07)	27.53
Short Term Loans & Advances	(41.39)	68.66
Inventories	(103.20)	(596.14)
Other Current Assets	(43.87)	(3.53)
Trade and Other Payables	202.39	128.30
Short Term Borrowing	329.22	62.44
Long term provisions	0.15	4.39
Short term provision	2.73	46.22
Other Current Liabilities	50.55	(213.83)
Cash Generated from Operations before tax	1,344.19	868.62
Net Direct Taxes Paid	(147.43)	(78.03)
Net Cash Generated from Operating Activities	1,196.76	790.59
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Purchase of Property Plant & Equipments	(665.46)	(651.63)
Movement in Loans & Advances	(368.90)	(42.59)
Purchase of Investments	-	0.40
Other Non Current Asset	(235.81)	7.87
Net Cash used from Investing Activities	(1,270.17)	(685.95)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Equity Capital Infusion	324.00	-
Long Term Borrowings(net)	(456.49)	(49.91)
Finance Cost	(105.71)	(119.87)
Interest Income	38.04	12.40
Increase in Security Premium Reserve	972.00	-
Net Cash generated from financing Activities	771.84	(157.39)
NET INCREASE IN CASH AND CASH EQUIVALENTS	698.43	(52.74)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	14.19	66.93
CL. BALANCE OF CASH AND CASH EQUIVALENTS	712.62	14.19

* Operating Profit includes CSR expenditure of ₹ 7.72 lacs

As per our report of even date attached herewith

For, **A P A S & Co LLP**

Chartered Accountants

FRN: 000340C/C400308

Rajdeep Singh

Partner

M. No. 415549

UDIN: 23415549BGWLLLC5958

Place: Raipur

Date: 30/05/2023

For & on behalf of the Board of Directors

Rajesh Somani

Whole Time Director

DIN-01719930

Utsabanand Nath

Chief Financial Officer

Prawin Somani

Whole Time Director

DIN-01143972

Rahul Kumar Sinha

Company Secretary

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023

1. CORPORATE INFORMATION

EARTHSTAHL & ALLOYS LIMITED is a company incorporated on 09.12.2009 under the companies Act, 1956. The company is listed on the Bombay Stock Exchange (BSE) on 8th February, 2023. The company's principal business is production of Cast Iron Lumps. In addition, it is also engaged in production of high-end ductile iron, cast iron, steels, alloys, and non-ferrous castings.

The Financial Statements for the year ended 31st March 2023 are approved for issue in accordance with a resolution of the directors on 30th May 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention and are prepared on accrual basis and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013.

B. Use of Estimates:

The preparation of financial statements requires management to make estimates & assumptions that affect the reported amount of assets, liabilities including disclosure of contingent liabilities at the end of reporting period and revenue, expenses during the reporting period. Although such estimates and assumptions are made on a reasonable & prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are materialized.

C. Property Plant and Equipment & Capital Work in Progress:

- a. Fixed Assets (Both Tangible and Intangible Assets) are stated at cost net of recoverable taxes less accumulated depreciation/amortization and impairment loss, if any.
- b. Capital Work in Progress: All indirect and direct expenditures including borrowing costs directly attributable to Projects under commissioning till the commencement of commercial production are carried at costs under Capital work in Progress. The trial run expenditures constituting of costs of manufacturing and cost of materials consumed reduced by any sales or income earned during the trial run period are capitalized along with other pre-operative expenditures incurred till the commencement of commercial production. The long-term advances towards Capital Expenditures are shown under Long Term Advances.
- c. Incidental expenditure prior to construction like preliminary project expenditures and indirect expenses like corporate office administrative expense are charged as period costs in the financial year to which they pertain.

D. Depreciation and Amortization:

- a. As per the provisions of Companies Act, 2013, depreciation calculation has been done based on the Useful life given in the Schedule II of the Companies Act, 2013.
- b. Depreciation on all assets pertaining to the manufacturing facility is provided on the 'Straight Line Method' in the manner specified in Schedule II to the Companies Act, 2013.
- c. Depreciation on additions to the Fixed Assets or on Assets sold, discarded, demolished is being provided on complete year basis.
- d. Assets costing up to ₹ 5000/- are expensed out in the period they pertain to.
- e. Capital & Machinery spares procured with an item of fixed asset are depreciated along with the related plant and machinery.

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

E. Impairment of Assets:

The carrying amount of assets are reviewed at the balance sheet date and if there is any indication of impairment based on internal/external factors, an impairment loss will be recognized wherever the carrying amount of the assets exceeds its recoverable value.

F. Investment:

Current Investments are carried at lower of cost and quoted/fair value if any. Non Current Investments are stated at costs. Provision of diminution in the value of Non current investments is made only if the decline is other than temporary.

G. Inventories:

a. Finished Goods -

Cost of Inventories comprises of cost of purchases, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective location and condition. The items of finished goods and semi finished stock are measured at lower of cost and net realizable value.

b. Raw Materials, Stores and Spares and Other Consumables - Raw Materials and Other Stores and Consumables are valued at average cost in bringing the goods to the place of its location and condition (Net of refundable taxes and duties)

c. By Products - By products are valued at net realizable value.

H. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till the commencement of commercial production. The amounts of borrowing costs eligible for capitalization are determined in accordance with Accounting Standard 16 on Borrowing Costs. Other borrowing costs are recognized as an expense in the period in which they are incurred.

I. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations shall not include sale during trial run period. Expenses are accounted for on the accrual basis with necessary provisions of all the known liabilities and losses.

Revenue from operations includes sales of goods which is shown inclusive of excise duty and it excludes taxes on sales and is net of trade discounts, if any.

Interest Income on deposits is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

J. Provisions/Contingencies:

Provisions are determined based on the best estimate of the amount required to settle the obligation at the balance sheet date. The contingent liabilities, if any, are not recognized but are disclosed in the form of accounting notes. Contingent assets are neither recognized nor disclosed in the financial statements.

K. Provision for Current and Deferred Tax

a. Provision for current tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of section -115BAA of the Income Tax Act, 1961.

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

- b. Deferred tax resulting from “timing difference” between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

L. Employee Retirement Benefits:

- a. Company’s contribution to provident fund is recognized as an expense in the statement of Profit and Loss for the year in which the related service is rendered.
- b. The retirement benefits and long term employee benefits are recognized as expense in the relevant period at the present value of amounts payable determined using actuarial valuation techniques in accordance with AS -15. Currently no earned leaves are accrued in the hands of employees as on 31.03.2023 which needs recognition as employee retirement benefits in the accounting period 2022-23.

M. Government Grants

- a. Recognition: Grants are recognized only when there is a reasonable assurance that the entity has complied with the relevant conditions to receive such grants and when there is a reasonable certainty that the ultimate collection will take place.
- b. Government grants related to revenue (subsidies in interest, power costs and others) from State/Central and other Government undertakings is recognized in the profit & loss statement under “Other Income” in the respective period to match with the related costs in which they are intended to compensate.
- c. The government grants related to depreciable capital assets are presented in the balance sheet by way of showing the grant amount as a deduction from the gross value of related assets in arriving at their book value. The capital grants that are not specific to any assets are shown under Capital Reserves.

N. Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.1 SHARE CAPITAL

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
Authorised				
Equity Shares having nominal value of ₹ 10 each	1,50,00,000	1,500.00	30,00,000	300.00
Issued, Subscribed & Paid Up				
Equity Shares having nominal value of ₹10 each	1,22,40,000	1,224.00	30,00,000	300.00
Total	1,22,40,000	1,224.00	30,00,000	300.00

The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

Reconciliation of the number of Shares Outstanding

Particulars	Equity Shares			
	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	30,00,000	300.00	30,00,000	300.00
Shares Issued during the year *			-	-
Bonus Issue	60,00,000	600.00	-	-
Issued through IPO	32,40,000	324.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,22,40,000	1,224.00	30,00,000	300.00

The Company has issued 60,00,000 bonus equity shares in the ratio of 2:1 to the existing share holder by board resolution dated 04 January, 2023.

During the financial year, the Company has made fresh issue of 32,40,000 equity shares of face value of ₹ 10 each, fully paid-up, at an offer price of ₹ 40 per equity share including share premium of ₹ 30 per equity share by way of initial public offering. (Also refer Note No. 2.49)

Disclosure relating to Shareholder holding more than 5% of the equity.

Particulars	Equity Shares			
	As at 31st March 2023		As at 31st March 2022	
	No. of Shares held	% to total holding	No. of Shares held	% to total holding
M/s Jaiguru Vintrade Private Limited	31,80,000	25.98%	10,60,000	35.33%
Shri Ravi Thakurdas Laddha	11,04,000	9.02%	4,13,000	13.77%
Shri Rajesh Somani	11,91,000	9.73%	4,27,000	14.23%
Shri Prawin Somani	11,82,000	9.66%	3,19,000	10.63%
M/s Aayush Steel Co. Private Limited	5,55,000	4.53%	1,85,000	6.17%
M/s Somani Processors Private Limited	5,10,000	4.17%	1,70,000	5.67%

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Disclosure relating to change in Shareholding of Promoter

Promoter Name	As at 31st March 2023		As at 31st March 2022		% change during the year
	No. of Shares held	% to total holding	No. of Shares held	% to total holding	
M/s Jaiguru Vintrade Private Limited	31,80,000	25.98%	10,60,000	35.33%	-26.47%
Ravi Thakurdas Laddha	11,04,000	9.02%	4,13,000	13.77%	-34.48%
Rajesh Somani	11,91,000	9.73%	4,27,000	14.23%	-31.64%
Prawin Somani	11,82,000	9.66%	3,19,000	10.63%	-9.18%
M/s Aayush steel Co. Private Limited	5,55,000	4.53%	1,85,000	6.17%	-26.47%
M/s Somani Processors Private Limited	5,10,000	4.17%	1,70,000	5.67%	-26.47%
Anju Pravin Somani	54,000	0.44%	18,000	0.60%	-26.47%
Ravi Thakurdas Ladhha HUF	60,000	0.49%	20,000	0.67%	-26.47%
Padam Kumar Jain	4,29,000	3.50%	1,43,000	4.77%	-26.47%
Padam Kumar Jain HUF	75,000	0.61%	25,000	0.83%	-26.47%
Shreyance Jain	3,00,000	2.45%	1,00,000	3.33%	-26.47%
Kusum Jain	3,60,000	2.94%	1,20,000	4.00%	-26.47%

Note 2.2 Reserves and Surplus

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Securities Premium Account		
Opening Balance	734.40	734.40
Add : Securities premium credited on Share issue	972.00	-
Less : Premium utilised for bonus share issued	(600.00)	-
Closing Balance	1,106.40	734.40
General Reserve	-	-
Capital Reserve		
Opening Balance	455.98	455.98
(+) Current year changes	-	-
Closing Balance	455.98	455.98
Surplus (-Deficit)		
Opening balance	26.39	-722.68
(+) Net Profit/(Net Loss) for the current year	750.95	749.07
(+) Transfer from Reserves	-	-
(-) Transfers	-	-
Closing Balance	777.34	26.39
Total	2,339.72	1,216.78

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.3 Long-Term Borrowings

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Secured		
Term Loans From NBFC's		
Chhattisgarh Investments Limited	-	761.75
Less : Current Maturity	-	-
	-	761.75
Mahindra And Mahindra Financial Service	4.09	7.01
Less : Current Maturity	(3.22)	(2.92)
	0.87	4.09
Term Loans From Banks		
HDFC Bank Limited. - Hydra	9.49	13.05
Less : Current Maturity	(3.85)	(3.56)
	5.64	9.49
Union Bank of India - Alcazar	16.89	18.92
Less : Current Maturity	(2.46)	(2.29)
	14.42	16.63
HDFC Bank Limited. - Excavator	32.88	-
Less : Current Maturity	(8.69)	-
	24.20	-
HDFC Bank Limited. - Back Hoe Loader	30.25	-
Less : Current Maturity	(6.93)	-
	23.32	-
Yes Bank- Volva car Loan	39.43	-
Less : Current Maturity	(7.18)	-
	32.25	-
Total	100.70	791.96

Terms and Security

Term loans from Banks/ NBFC's are secured by hypothecation of respective assets financed.

Terms of Repayment

- The loan from HDFC Bank Limited - Excavator of ₹ 37.72 lakh to be repaid in 47 monthly installments of ₹ 0.92 lakh each commencing from October 2022 and ending in August 2026.
- The loan from HDFC Bank Limited - Hydra of ₹ 15 lakh to be repaid in 47 monthly installments of ₹ 0.37 lakh each commencing from September 2021 and ending on July 2025.
- The loan from Mahindra & Mahindra Financial Services Limited - Bolero is payable in 35 monthly installments of ₹ 0.29 lakh each commencing from August 2021.
- The loan from Union Bank of India - Alcazar is payable in 84 monthly installments of ₹ 0.30 lakh each commencing from December 2021.
- The loan from HDFC Bank Limited- Black Hoe is payable in 47 monthly installments of ₹ 0.78 lakh each commencing from March 2023.
- The loan from Yes Bank- Volvo is payable in 60 monthly installments of ₹ 0.86 lakh each commencing from December 2022.

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Unsecured

Loans and advances from related parties

Unsecured from Directors	-	203.40
Unsecured from Relatives of Directors	17.84	70.00
Unsecured from Bodies Corporate	560.00	69.67
Unsecured from Shareholders	-	-
Total	577.84	343.07

Terms of Repayment

The above unsecured loan is repayable after a period of one year from the Balance Sheet Date.

TOTAL LONG TERM BORROWINGS	678.54	1135.03
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Note 2.4 Long term Provision

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for gratuity	9.76	9.61
Total	9.76	9.61

Note 2.5 Short-Term Borrowings

Particulars	As at 31st March 2023	As at 31st March 2022
Current maturities of Long-Term Debt	32.34	8.77
Secured		
Loans repayable on demand		
Chhattisgarh Investments Limited	-	256.17
Cash Credit facility from Yes Bank	561.82	-
Total	594.16	264.94

Terms and Security

The Cash Credit Loan from Yes Bank Limited is primarily secured against entire current assets of the Company.

The Cash Credit Loan from Yes Bank Limited is also secured against exclusive charge on movable fixed assets of the Company, exclusive charge on immovable fixed asset (factory land & building situated at Simga, Chhattisgarh of the Company).

Unconditional and Irrevocable personal guarantee of promoter Rajesh Somani, Prawin Somani & Ravi Laddha to remain valid during entire tenure of the loan.

Note 2.6 Trade Payables

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Due on account of Goods Purchased & Services Received from Micro Small & Medium Enterprises	122.30	0.23
Due on account of Goods Purchased & Services Received	441.60	361.28
Total	563.90	361.51

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Disclosure related to trade payable ageing schedule in FY 2022-23

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1 year to 2 years	2 years to 3 years	more than 3 year	
MSME	122.07	0.23	-	-	122.30
Others	417.38	17.95	0.90	4.69	441.00
Disputed - MSME	-	-	-	-	-
Disputed - Other	-	-	-	0.60	0.60
Total	539.46	18.18	0.90	5.29	563.90

Disclosure related to trade payable ageing schedule in FY 2021-22

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1 year to 2 years	2 years to 3 years	more than 3 year	
MSME	0.19	0.04	-	-	0.23
Others	329.19	1.41	2.50	27.58	360.68
Disputed - MSME	-	-	-	-	-
Disputed - Other	-	-	-	0.60	0.60
Total	329.38	1.45	2.50	28.18	361.51

Note 2.7 Short term provision

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Provision for Income Tax	-	-
Provision for Gratuity	2.89	0.16
Total	2.89	0.16

Note 2.8 Other Current Liabilities & Provisions

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Other Payables		
Audit Fees Payable	1.80	0.45
GST Payable	58.37	49.02
Taxes & Duties payable	8.26	15.42
Expenses Payable	76.45	40.70
Creditors for Capital Goods	66.97	-
Advance from Customers	48.42	41.81
Overdraft in Bank Account	-	62.32
Total	260.27	209.72

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.9 Property, Plant, and Equipment (PP&E)

Fixed Assets	Life	Gross Block				Accumulated Depreciation			NET BLOCK		
		Balance as at 1st April 2022	Additions	Disposals	Balance as at 31st March 2023	Balance as at 1st April 2022	Transfer of asset	Depreciation charge for the year	Balance as at 31st March 2023	Net Block as at 31st March 2023	Net Block as at 31st March 2022
TANGIBLE ASSETS											
Own Assets											
Factory Land	-	121.92	113.11	-	235.03	-	-	-	-	235.03	121.92
Factory Shed & Building	15 years	629.47	58.81	-	688.28	213.02	-	40.39	253.41	434.87	416.46
Plant and Machinery	10 & 15 years	1,845.90	798.11	-	2,644.02	839.45	-	152.44	991.89	1,652.13	1,006.44
Office Equipments	10 years	6.29	3.86	-	10.15	2.18	-	0.86	3.04	7.11	4.11
Computers	3 years	9.82	3.97	-	13.79	8.21	-	1.94	10.15	3.64	1.62
Furniture & Fixture	10 years	31.19	4.40	-	35.59	19.87	-	2.85	22.72	12.87	11.32
Vehicles	8 years	65.01	48.95	-	113.96	31.72	-	11.60	43.32	70.64	33.28
Total A		2,709.60	1,031.22	-	3,740.82	1,114.45	-	210.08	1,324.53	2,416.29	1,595.15
Previous Year		2,564.92	209.89	65.22	2,709.60	980.45	17.46	151.45	1,114.45	1,595.15	1,584.47
Capital Work In Progress		521.26	224.80	590.56	155.50	-	-	-	-	155.50	521.26
Total B		521.26	224.80	590.56	155.50	-	-	-	-	155.50	521.26
Total (A+B)		3,230.86	1,256.02	590.56	3,896.32	1,114.45	-	210.08	1,324.53	2,571.79	2,116.41
Previous Year		2,588.96	749.33	107.43	3,230.86	980.45	-	151.45	1,114.45	2,116.41	1,608.51

CWIP aging schedule as on 31-03-2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	155.50	-	-	-	155.50
Project suspended	-	-	-	-	-

CWIP aging schedule as on 31-03-2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	521.26	-	-	-	521.26
Project suspended	-	-	-	-	-

Note 2.10 Deferred Tax Assets/(Liability)

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Opening Balance of Deferred Tax Asset/(Liability)	(94.86)	249.46
On Account of Loss	-	23.00
On Account of Deprecation	-	(134.36)
On Account of Expenses disallowed u/s 40A(7)	5.74	16.50
On account of Difference of earlier year	-	-
Deferred Tax Assets/(Liability) for the year	(2.77)	344.32
Closing Balance of Deferred Tax Asset/(Liability)	(97.63)	(94.86)

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.11 Long-Term Loans and Advances

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
a. Capital Advances		
Unsecured and considered good	373.43	4.52
	373.43	4.52
b. Other Loans and advances		
Unsecured and considered good	-	-
	-	-
Total	373.43	4.52

Note 2.12 Non Current Investments

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Deposit with Bank (Maturity more than 12 months)	13.20	13.20
Other Non-Trade		
a. Investment	-	-
b. Equity Instruments (fully paid up-unless otherwise stated)		
Quoted		
- Mutual Fund	-	-
- Equity Share		
(TCS Limited 36 Shares(PY 36))	1.34	1.34
Unquoted	-	-
Total	14.54	14.54

Note 2.13 Other Non-Current Assets

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Security Deposits	502.27	266.46
Total	502.27	266.46

Note 2.14 Inventories

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
a. Raw Materials (Valued at Average Cost)	432.07	416.69
b. Finished goods (Valued at Lower of Cost or NRV)	508.60	460.82
c. Semi Finished Goods (Valued at Lower of Cost or NRV)	1.20	0.92
d. Stock in Trade (Valued at Lower of Cost or NRV)	8.97	6.95
e. Stores and Consumables (Valued at Average Cost)	93.96	59.03
f. Stock of By Products (Valued at NRV)	18.13	15.33
Total	1,062.93	959.74

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.15 Trade Receivables

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	327.75	42.97
Unsecured, considered doubtful	-	-
Trade receivables outstanding for a period more than six months		
Unsecured, considered Good	21.70	13.41
Unsecured, considered Doubtful	8.61	-
Less:		
Provision for Doubtful Debts	(8.61)	-
Total	349.45	56.38

Details of ageing of trade receivables as on 31-03-2023

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	more than 3 year	
Undisputed trade receivable -Considered good	327.75	6.27	15.43	-	-	349.45
Undisputed trade receivable -Considered Doubtful	-	0.20	2.31	5.02	1.08	8.61
Disputed trade receivable -Considered good	-	-	-	-	-	-
Disputed trade receivable -Considered Doubtful	-	-	-	-	-	-
Total	327.75	6.47	17.74	5.02	1.08	358.06

Details of ageing of trade receivables as on 31-03-2022:

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	more than 3 year	
Undisputed trade receivable -Considered good	42.96	12.33	-	-	1.08	56.38
Undisputed trade receivable -Considered Doubtful	-	-	-	-	-	-
Disputed trade receivable -Considered good	-	-	-	-	-	-
Disputed trade receivable -Considered Doubtful	-	-	-	-	-	-
Total	42.96	12.33	-	-	1.08	56.38

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.16 Cash and Cash Equivalents

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
a. Cash and cash equivalents		
Cash in hand	1.09	1.80
Balances with banks	6.53	12.39
Deposits with Bank (Having Maturity period less than 3 Month)	250.00	
b. Other Deposits with Bank		
Deposits with Bank (Having Maturity period more than 3 Month and less than 12 Month)	455.00	-
Total	712.62	14.19

Note 2.17 Short term Loans & Advances

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Unsecured, Considered Good		
Loans & Advances to Others		
Advance to Staff	0.83	0.53
Advances with Others	-	0.38
Balances with Tax Authorities	36.97	93.39
Advance to Suppliers		
Others (Unrelated)	95.62	105.67
Less: Provision for Doubtful advances	-	(46.15)
Total	133.42	153.82

Note 2.18 Other Current Assets

Particulars	Amount as on 31-03-2023	Amount as on 31-03-2022
Appeal Agt. Case No.15 (IGST)	0.85	0.85
Deposit with BSE Limited	12.96	-
Interest Accrued But Not Due (FD)	9.65	2.60
MEIS Duty Credit Scrip in Hand	0.03	0.03
Interest Receivable on CSPDCL SD	22.19	-
Prepaid Expenses	4.74	3.07
Total	50.42	6.55

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.19 Revenue From Operations

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
(a) Revenue from sale of products	9,176.88	4,881.78
(i) Revenue from Manufactured Goods	8,830.65	4,673.00
(ii) Revenue from Traded Goods	346.23	208.78
(b) Revenue from Services	4.30	5.72
(i) Revenue from Freight Services	2.69	3.39
(ii) Revenue from Service Charges	1.61	2.33
Total	9,181.18	4,887.50

Note 2.20 Other Income

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Interest Income	38.04	12.40
Other Income	0.04	7.73
Income from Dividend	0.04	-
Profit on Sale of Shares	-	2.45
Profit on Sale of Vehicle	-	2.32
Profit on Sale of Land	-	2.96
Total	38.08	20.13

Note 2.21 Cost Of Material Consumed

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Opening Stock of Raw Material	432.02	142.21
Purchase of Materials	3,545.39	1,623.64
Less: Closing Stock of Raw Material	(450.20)	(432.02)
Less: Disposal as such	(48.39)	-
Total	3,478.82	1,333.83

Details of Major Raw Material Consumed (constituting more than 10% of total consumption)

RM with Iron Content	1,866.73	890.51
RM with Carbon Content	1,582.60	438.32
RM with Other Content	29.49	5.01

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.22 Changes in Inventories of Finished Goods and WIP

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Inventory at the beginning of the year		
Finished Goods (Valued at Lower of Cost or NRV)	93.50	47.46
Semi Finished Goods	0.92	0.69
Traded Goods (Valued at Lower of Cost or NRV)	6.95	4.70
Finished Goods Ferrous Waste & Coke Fines (Valued at Lower of Cost or NRV)	1.34	1.34
Finished Goods Casting Articles (Valued at Lower of Cost or NRV)	365.98	129.77
	468.69	183.96
Inventory at the end of the year		
Finished Goods CI Lumps (Valued at Lower of Cost or NRV)	210.46	93.50
Stock of Traded goods	8.97	6.95
Finished Goods Ferrous Waste & Coke Fines (Valued at Lower of Cost or NRV)	-	1.34
Semi Finished Goods	1.21	0.92
Finished Goods Casting Articles (Valued at Lower of Cost or NRV)	298.14	365.98
	518.78	468.69
(Increase)/Decrease In Inventory	(50.09)	(284.73)

Note 2.23 Production Related Direct Expenses

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Power Charges	2,888.42	1,477.51
Production & Handling Charges	136.05	128.90
Consumption of Stores & Consumables	592.05	326.16
Grand Total	3,616.52	1,932.57

Note 2.24 Employee Benefit Expenses

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Salary & Wages	327.12	215.26
Contribution to Provident and Other Funds	20.80	19.35
Staff Welfare expenses	3.75	3.03
Gratuity	2.89	
Total	354.56	237.64

Note 2.25 Finance Costs

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Interest expenses	98.90	119.38
Bank Charges and other charges	6.81	0.49
Total	105.71	119.87

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.26 Other Expenses

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
ADMINISTRATIVE AND ESTABLISHMENT EXPENSES		
Audit Fees	2.00	0.90
Tax Audit Fees	0.50	0.20
ADMINISTRATIVE EXPENSES	118.24	61.38
Travelling & Conveyance	14.20	6.51
Corporate Social Responsibility	7.73	0.98
Fees & Taxes	17.24	8.07
Director Sitting Fees	3.10	0.00
Inspection Charges	4.24	0.00
Insurance Charges	6.36	3.80
IPO Expenses	26.41	0.00
Legal & Professional Expenses	12.22	19.27
Printing & Stationary	2.97	1.97
R/M Furniture & Fixture Office Equipments	1.95	2.03
Repair & Maintenance Of Factory Shed & Building	5.62	5.59
Running , Repair & Maintenance Of Vehicle	11.65	5.66
Selling Expenses	64.17	34.65
Prior Period Expenses	4.24	0.65
Miscellaneous Expenses	4.55	7.50
Provision for doubtful debts	8.61	46.17
Total	197.74	121.06

Note 2.27 Earnings Per Equity Share

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Net Profit/(Loss) as per Profit & Loss Account available for Equity Shareholders	750.95	749.27
Weighted Average number of equity shares for Earnings per Share computation*	94,52,713.00	90,00,000.00
1. For Basic Earnings per Share of ₹ 10 each	94,52,713.00	90,00,000.00
2. For Diluted Earnings per Share of ₹ 10 each	94,52,713.00	90,00,000.00
Earnings per Share		
Basic	7.94	8.33
Diluted	7.94	8.33

*- Weighted average number of equity shares for the previous year Apr-March 2022 are taken as 90,00,000 equity shares as increased by the bonus issue of 60,00,000 equity shares allotted in the ratio of 2:1 to the shareholders, through Board Meeting dated January 04, 2023 has been considered.

* Weighted average equity shares for the current year April- March 2023 are taken as 94,52,713 equity shares as increased by the bonus issue of 60,00,000 equity shares allotted in the ratio of 2:1 to the shareholder, through Board Meeting dated January 04, 2023 and further increased by 4,52,713 equity shares i.e weighted average of 32,40,000 equity shares issued by way of initial public offering dated feb 08, 2023.

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.28 Contingent Liabilities and Commitments

Nature of Transactions	Amount as at 31-03-2023	Amount as at 31-03-2022
Contingent Liability not provided for in respect of :-		
Employee Provident Fund (The Honourable Supreme court has passed a decision on 28th February 2019 in relation to the inclusion of certain allowances within the scope of "Basic Wages" for the purpose of determining the contribution to Provident Fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of judgement on the Company, with respect to the period and the nature of allowances to be covered and the resultant impact on the past provident fund liability cannot be reasonably ascertained, at present)	Amount unascertainable	Amount unascertainable
Addition u/s 147 rws 144B of Income Tax Act for FY 2013-14. Company has preferred appeal against the said addition before CIT(Appeals) and further there would not be any tax outflow even in case of any adverse decision	25.00	25.00
The Company has filed an appeal before the Appellate Authority, Chhattisgarh dated 22.03.2021 having appeal no. AD220321002868G against the order dated 29.12.2020 for an amount of ₹ 20,79,065/- . The appeal is disposed off through a Rectification order passed on 26.10.2021 when the demand has been upheld and only interest is reduced to 10% of the penalty amount as per Sec 73(9) of the Act. Thus, the amount payable is 13,10,637/-. The company will contest the demand, however, the appeal is pending for filing due to non-constitution of the Appellate Tribunal as on date.	13.11	-
The company has filed an appeal before the Appellate Additional Commissioner, Commercial Tax, Raipur (C.G.) against the order passed by the Asst. Commissioner dated 27.11.2019 through which assessing officer has imposed tax at full rate by rejection of Form C. The Assessee has submitted that Form 'C' along with supporting documents are filed on 23.12.2019 and hence, the appeal to be allowed. The appeal is pending for hearing.	2.10	-
The Company received the reminder Show Cause Notice dated 18.07.2022 against the scrutiny of Tran-1 under which Company claimed credit of Vat carried forward in the return as SGST Credit. The Company has submitted its reply along with all the necessary documents on 13.09.2022 for the satisfaction of the notice. The matter is pending adjudication.	16.55	-
Guarantee :-		
Bank Guarantees issued	13.20	13.20
Guarantees to Bank & Financial Institutions against credit facilities extended to third parties		
(a) In respect of joint ventures	NIL	NIL
(b) In respect of others	NIL	NIL

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Nature of Transactions	Amount as at 31-03-2023	Amount as at 31-03-2022
Other Money for which the Company is contingently liable	NIL	NIL
Commitments	NIL	NIL
Amount of contracts for purchase of capital Goods	1,273.45	-
Less: Amount paid to supplier for capital goods	-373.43	-
Total	969.98	38.20

Note 2.29 RELATED PARTY TRANSACTIONS

(A) Key Management Personnel & their Relative

1. Rajesh Somani	Whole Time Director
2. Prawin Somani	Whole Time Director
3. Shri Ravi Thakurdas ji Laddha	Non Executive Director
4. Padam Kumar Jain	Promoter
5. Shreyance Jain	Promoter
6. Padma Somani	Whole-time Director
7. Anju Somani	Promoter
8. Swati Laddha	Relative of Director
9. Utsavanand Nath	CFO
10. Rahul Sinha	Company Secretary
11. surenda kumar jain	Independent Director
12. Vinod kumar Arora	Independent Director
13. Ravi Laddha HUF	Related to Director

(B) Enterprise over which Key Management Personnel & Their Relative have control

1. Ayush Steel Co Private Limited
2. Shree Balaji Iron and Steel Traders
3. Somani Processors Private Limited
4. CG Metalik & Alloys Private Limited
5. Moshvarya Infrastructure Limited
6. Jaiguru Vintrade Private Limited
7. Srikar Innovative Industries Private Limited

Transaction with Related Parties

Nature of Transactions	For the period ended 31st March 2023	For the period ended 31st March 2022
Transactions With (A) above		
- Loan received	150.00	140.00
- Loan repaid	410.97	40.10
- Expense made on behalf of company	5.62	2.99
- Expense Amount Reimbursed	5.62	8.26
- Interest expense on Loan taken	3.03	6.01
- Capital Advance settled	-	9.00
- Salary Paid	21.20	12.00

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Nature of Transactions	For the period ended 31st March 2023	For the period ended 31st March 2022
- Director Sitting fee paid	3.10	-
Transactions With (B) above		
- Loan received	778.87	-
- Loan repaid	293.90	-
- Advance received	-	148.44
- Advance paid back	-	186.79
- Purchase of Goods and services	23.92	89.84
- Sale of Goods and services	31.10	24.66
- Interest on unsecured loan	34.39	4.41
- Hire Charges	3.53	-
Balance with (A) Above		
- Loans & Advances Payable	17.84	273.40
- Director Sitting fee payable	2.79	5.14
Balance with (B) Above		
- Loans & Advances Payable	589.57	107.57
-Receivable	16.48	0.30
- Other Payables	7.12	3.03

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

Particulars	FY 2022-23	FY 2021-22
a. Loan received		
Moshvarya Infrastructure Limited	610.00	-
Ravi thakur das Laddha	-	110.00
Rajesh Somani	-	30.00
b. Loan repaid		
Ravi thakur das Laddha	160.00	13.44
Padam Kumar Jain	100.00	-
Chhattisgarh Metaliks & Alloys Private Limited	243.90	-
Rajesh Somani	-	20.16
Prawin Somani	-	6.50
c. Expense made on behalf of Company		
Rajesh Somani	5.29	2.01
Prawin Somani	-	0.50
Ravi thakur das Laddha	-	0.48
d. Expense Amount Reimbursed		
Rajesh Somani	5.29	2.42
Prawin Somani	-	5.36
Ravi thakur das Laddha	-	0.48
e. Interest paid		
Swati Laddha	3.03	6.01
Chhattisgarh Metaliks & Alloys Private Limited	-	4.41

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

	Particulars	FY 2022-23	FY 2021-22
f.	Salary Paid		
	Anju Somani	-	12.00
	Nath Ji	8.17	-
	Shreyans Jain	11.15	-
	Surenda kumar jain	1.00	-
	Vinod kumar Arora	1.00	-
	Ravi thakur das Laddha	1.10	-
g.	Interest on unsecured loan		
	Moshvarya Infrastructure Limited	32.86	-
h.	Purchase of Goods and services		
	Somani Processors Private Limited	17.31	9.35
	Moshvarya Infrastructure Limited	5.43	80.49
i.	Sale of Goods and services		
	Shri Balaji Iron and Steel Traders	15.63	24.36
	Srikar Innovative Industries Private Limited	15.46	0.30
j.	Hire Charges		
	Moshvarya Infrastructure Limited	3.53	-

Note 2.30

	PAYMENTS TO AUDITORS	FY 2022-23	FY 2021-22
1.	Statutory Audit Fees	3.00	0.50
2.	Tax Audit	0.50	0.33
3.	Certification and Other Fees	3.04	-
Total		6.54	0.83

Note 2.31

The balances of certain Debtors, Creditors, Loans & Advances are subject to external confirmation. In the opinion of the management, the Current Assets, Loans & Advances have a realizable value which is in the ordinary course of business at least equal to the amount at which they are stated unless indicated elsewhere in the document.

Note 2.32

The Board of Directors have proposed the dividend at the rate of ₹ 0.50/- per share at the Board meeting held on 30th May 2023 subject to the approval of members.

Note 2.33

Currently no Earned leaves are accrued in the hands of Employees as on 31.03.2023 which needs recognition as employee retirement benefits in the accounting period 2022-23 as Company is not having policy of accumulating Earned leave. All such utilised leaves are lapsed at the end of year. Gratuity provision has been made in current year on the basis of Actuarial valuation report.

Provision has been made for Employees Benefits i.e. Gratuity and Leave Encashment in accordance with AS-15 on the basis of actuarial valuation of the Company and Power generation unit acquired through slump sale has been taken separately. The figures below represent liability as applicable. The following information is disclosed in terms of Accounting Standard 15 issued by the ICAI:-

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Summary of membership data at the date of valuation and statistics based thereon:

Period	Amount as on 31-03-2023	Amount as on 31-03-2022
Number of employees	174.00	123.00
Total monthly salary (in ₹ Lakhs)	15.29	9.71
Average Past Service(Years)	1.40	1.84
Average Future Service (yr)	25.33	25.85
Average Age(Years)	34.67	34.15
Weighted average duration (based on discounted cash flows) in years	16.09	16.37
Average monthly salary (in ₹ Lakhs)	0.09	0.08

The assumptions employed for the calculations are tabulated:	Amount as on 31-03-2023	Amount as on 31-03-2022
Discount rate	7.52% per annum	7.53% per annum
Salary Growth Rate	7.00% per annum	7.00% per annum
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	-	-
Withdrawal rate (Per Annum)	5.00% pa	5.00% pa

Benefits valued:	Amount as on 31-03-2023	Amount as on 31-03-2022
Normal Retirement Age	60 Years	60 Years
Salary for Gratuity	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period for Gratuity	5 Years of service	5 Years of service
Benefits on Normal Retirement for Gratuity	15/26 * Salary * Past Service (yr).	15/26 * Salary * Past Service (yr).
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply

Current Liability (Expected payout in next year as per schedule III of the Companies Act, 2013):

Period	Amount as on 31-03-2023	Amount as on 31-03-2022
Current Liability (Short Term)	0.33	0.15
Non Current Liability (Long Term)	12.32	9.61
Total Liability	12.65	9.76

Note 2.34 Micro , Small And Medium Development Act 2006(MSMED Act):

Particulars	As at 31st March	
	2023	2022
The principal amount remaining unpaid at the end of the year.	8.31	-
The interest amount remaining unpaid at the end of the year.	0.18	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act'2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Particulars	As at 31st March	
	2023	2022
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.18	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006.	-	-

Note:- Identification of micro and small enterprises is done on the basis of intimation received from vendors.

Note 2.35 Other Disclosures

Particulars	As at 31st March	
	2023	2022
1) Value of Imports calculated on CIF basis by the Company during the Financial year in respect of Raw Material, Components and Capital Goods	NIL	NIL
2) Expenditure in Foreign Currency during the FY on account of Royalty Know How, Professional and Consultation fees, Interest and other matters	NIL	NIL
3) Total Value of all Imported Raw Materials, Spare Parts and Consumables consumed as % of Indigenous Raw Materials, Spare Parts and Components with Values	NIL	NIL
4) Amount remitted in Forex as Dividends	NIL	NIL
5) Earnings in Foreign Exchange	NIL	NIL

Note 2.36 Segment-Wise Revenue Results :

Basis of preparation :

(i) The Company's operations predominantly relate to manufacturing, generation and sale of Iron and Steel products. The risks and rewards associated with these two businesses are significantly different. Therefore, the primary segment consists of "Submerged Arc Furnace" and "Foundary".

(ii) The geographic segments identified as secondary segments are "Submerged Arc Furnace" and "Foundary". Since there is no export market revenue, the same has not been disclosed. The entire capital employed is within India.

Information about business segments - Primary:

Particulars	Submerged Arc Furnace	Foundary	Total
Revenue			
Sales			
External Turnover (Gross)	7,849.38	1,331.80	9,181.18
Inter-segment Transfer	-	-	-
Eliminations	-	-	-
Total Revenue	7,849.38	1,331.80	9,181.18
Segment Result	944.18	284.12	1,228.30
Unallocated Corp. (Exp.)/Income			(197.75)
Operating Profit			1,030.55
(+) Interest Income			38.04
(+) Other Income			0.04
(-) Financial Cost			(105.71)
(-) Income Taxes			(209.22)
(-) Deferred Taxes			(2.76)

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Particulars	Submerged Arc Furnace	Foundary	Total
(-) Mat Credit Adjustment			-
(-) Exceptional Item			-
Net Profit	944.18	284.12	750.95
Other Information			
Segment Assets	2,572.83	1,502.28	4,075.10
Unallocated Corporate Assets	-	-	1,695.77
Total Assets	2,572.83	1,502.28	5,770.87
Segment Liabilities (Outsider)	-	-	-
Unallocated Corporate Liabilities	-	-	2,207.14
Total Liabilities	-	-	2,207.14
Depreciation	130.09	79.99	210.08
Unallocated Depreciation	-	-	-
Non cash Exp. other than Dep.	1.12	7.49	8.61

During the previous year, the segment reporting was not applicable on the company. Hence no disclosure done for the previous year.

Note 2.37 Ratio Analysis

Particulars	Parameters of Calculation	Amount as on 31-03-2023	Amount as on 31-03-2022	% of variance
Current ratio	Current Assets/Current Liabilities	1.62	1.42	15%
Debt- Equity Ratio	Total Debt/ Shareholder's Equity	0.36	0.93	-61%
Debt Service Coverage ratio	(Net profit after taxes + Non-cash operating expenses)/(Interest & Lease Payments + Principal Repayments)	1.61	5.33	-70%
Return on Equity ratio	PAT/ Average Shareholder's Fund	0.30	0.65	-55%
Inventory Turnover ratio	Total Income/ Average Inventory	9.08	7.39	23%
Trade Receivable Turnover Ratio	Total Income/ Average Receivables	45.25	69.68	-35%
Trade Payable Turnover Ratio (Services Procured)	Net Purchases/ Avg. Trade payable	8.40	6.06	39%
Net Capital Turnover Ratio	Total Income/ Average Working capital	14.79	80.19	-82%
Net Profit ratio	PAT/ Total Income	0.08	0.15	-46%
Return on Capital Employed	EBIT/Average Capital Employed	0.20	0.37	-47%
Return on Investment	Income generated from invested funds/ avg. invested funds	NA	NA	NA

* Ratios are not annualized

Reason for Variance over 25%:

Debt Equity Ratio- Improvement of debt equity ratio is on account of reduction in debt and increase in equity due to fresh allotment in current year.

Debt Service coverage Ratio- Reduction in Debt service coverage ratio is due to prepayment of term liability in current period.

Return on Equity Ratio- Return on equity ratio has been reduced in current year on account of decrease in profitability in current year.

Inventory Turnover Ratio- Inventory turnover ratio has improved in current period on account of increase in total income in current year.

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Trade Receivable turnover Ratio- Trade receivable turnover ratio has decreased in current period on account of high trade receivables.

Trade Payable turnover Ratio- Trade payable ratio has increased in current period on account of increase in purchase in the current year.

Net Capital turnover Ratio- Net Capital Turnover has decreased in current year on account of increase in average working capital.

Net Profit Ratio- Net profit ratio has decreased in current year on account of decrease in margin.

Return on Capital Employed- Return on Capital employed is on lower side in current period due to increase in capital employed during the year.

Note 2.38 Corporate Social Responsibility

Provisions of Corporate Social Responsibility as per Section 135 of Companies Act, 2013 are applicable to the Company in FY 2022-23.

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Gross amount required to be spent by the company during the year	9.27	N.A
Amount approved by the Board to be spent during the year	7.73	
Amount spent during the year on: (in ₹)	-	
(i) Construction / acquisition of any asset	-	
(ii) On purposes other than (i) above	7.73	
Details of related party transactions, e.g., contribution to a trust / society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures	Nil	

Note 2.39 Transaction with Struck off companies

The company has not entered into any transactions with companies which are Struck-off under section 248 of the Companies Act, 2013.

Note 2.40 Immovable property with title deed not in the name of Company

There is no Immovable property whose title deed is not held in the name of the company.

Note 2.41 Dealing in Virtual Digital assets

The company has not traded or invested in cryptocurrency or virtual currency during the reporting period.

Note 2.42 Proceedings under Benami Transactions (Prohibition) Act

There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note 2.43 No classification as Wilful Defaulter by Bank

The company has not been declared as a wilful defaulter by any bank or Financial Institutions or consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

Note 2.44 Compliance of Scheme of arrangement

During the year, company has not applied for any scheme of arrangement with NCLT and no previous compliances are pending as on the year end.

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.45 Loans or Advances - Additional Disclosures

The Company has not given any loans and advances to its promoter, Directors, KMP's and other related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.

Note 2.46 Security of current assets against borrowings

The quarterly statements of current assets filed with banks or financial institution are in agreement with the books of accounts.

Note 2.47 Registration of charges or satisfaction with Registrar of Companies

There are charges or satisfaction yet to be registered with the Registrar of Companies beyond the Statutory Period. Details are as:

Bank	Type of Loan	Amount	Date of Sanction	Remark
HDFC Bank - Hydra	Equipment Loan	15.00	29-07-2021	Charge not registered
HDFC Bank - Excavator	Equipment Loan	37.72	01-09-2022	
YES Bank - Car	Car Loan	41.75	21-11-2022	
Mahindra & Mahindra Financial Services	Vehicle Loan	8.80	02-07-2021	

Reason for non creation of charge

Company is in continuous followup with lending institutions for creation of charge, however, till date required digitally signed documents are not provided to the company for creation of charge

Note 2.48 Regrouping of Balances

The previous year figures have been regrouped and/or rearranged and/or reworked and/or reclassified wherever necessary to correspond with the current period classification/disclosure.

Note 2.49 Utilization of money raised by way of Initial Public Offerings

During the year, the Company has completed Initial Public Offer (IPO) of 32,40,000 Equity Shares of the face value of ₹ 10/- each at an issue price of ₹ 40/- per Equity Share, comprising fresh issue of 32,40,000 equity shares. The Equity Shares of the Company were listed on February 08, 2023 on BSE Limited. The total IPO expenses incurred 132.43 lakh (exclusive of taxes) have been proportionately allocated between capital expenditure and revenue expenditure. The details of utilization of IPO proceeds are as under:

Object of the issue	Total amount as per Prospectus	Total utilized up to March 31, 2023	Balance unutilized*
Funding Capital expenditure towards change in electricity supply voltage from 33 KV to 132 KV at manufacturing facility located at Village Duldula, Baloda Bazaar (CG)	944.45	319.43	625.02
To meet working capital requirements	100.00	100.00	-
General Corporate Purpose	119.13	39.15	79.98
To meet issue related expenses	132.42	132.42	-
Total	1,296.00	591.00	705.00

* IPO Proceeds which were unutilized as at March 31st, 2023 were deposited in fixed deposit with Yes Bank Limited.

Notes to the Financial Statements

as at and for the Year Ended 31st March, 2023 (Contd.)

Amount in ₹ Lakhs

Note 2.50 Utilization of Borrowed funds and share premium:

- (i) The Company has not given any advance or loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date attached herewith

For, **A P A S & Co LLP**

Chartered Accountants

FRN: 000340C/C400308

Rajdeepsingh

Partner

M. No. 415549

UDIN: 23415549BGWLLLC5958

Place: Raipur

Date: 30/05/2023

For & on behalf of the Board of Directors

Rajesh Somani

Whole Time Director

DIN-01719930

Utsabanand Nath

Chief Financial Officer

Prawin Somani

Whole Time Director

DIN-01143972

Rahul Kumar Sinha

Company Secretary

PRODUCTS



Flanged Tees



Crawler Track Link Shoes



Socket Tees



Double Socket Bend-90°



Double Flanged Duckfoot 90° Bend



Crusher Hammers



Double Socket Bend-45°



Grate Bars-300x225



Double Flanged Pipe



Investment Casting



Earthstahl & Alloys Ltd

U27310CT2009PLC021487

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